



**FINANCIAL STATEMENTS  
AND  
ANNUAL REPORT  
For the year ended  
DECEMBER 31, 2023**

The Board of Directors invites you  
to attend the annual meeting  
**Thursday, April 11, 2024 at 1:30 p.m.**  
**Vauxhall Community Hall**  
Please bring this report with you.

# BK-2-2 Constructed Canal



# BK-2-2 Inlet Structure



**FINANCIAL STATEMENTS AND ANNUAL REPORT  
FOR THE YEAR ENDED DECEMBER 31, 2023**

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**DIRECTORS AND STAFF OF THE  
BOW RIVER IRRIGATION DISTRICT**

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**\*\*BOARD OF DIRECTORS\*\***

Walter Unruh, Chairman - Div. #7	John DeVries, Director - Div. #4
James Larson, Vice-Chairman - Div. #3	Vic Van Dyk, Director - Div. #5
Glenn Logan, Director - Div. #1	Kerby Redekop, Director - Div. #6
John Kolk, Director - Div. #2	Richard Sander, Director - Div. #2

**\*\*STAFF\*\***

**Administration/Engineering**

Richard Phillips, P. Eng.	General Manager
Jessica Robbins, CPA, CA	Assistant General Manager–Finance and HR
George Thiessen	Land Administrator/Safety Officer
Dana Fleming	Landman
Muriel Golby	Accounts Payable
Anne Cazemier	Accounts Receivable
Lori Van Hal	Receptionist
Darryl Row	Systems Administrator/Draftsman
Dylan Fletcher	Engineering Technologist
Evan Blindback	Land Classification Technologist

**Operations/Maintenance**

Bill Skelly	Superintendent of Maintenance
Rod Lowen	Shop and Equipment Foreman
Daryl Brouwers	Operations Supervisor
Donnell Schlosser	Maintenance Foreman
Marlin Hill	Survey Crew Chief
Mark Borle	Operations Assistant
Nicholas May	Headworks Operator
Louise Christie	Assistant Headworks Operator – Seasonal
Adam Locke	Ditchrider/Maintenance Crew Chief
Bryden Geremia	Ditchrider
Conrad Cazemier	Ditchrider - Seasonal
Kelly Howg	Ditchrider
Lonnie Howg	Ditchrider - Seasonal
Ray Friesen	Ditchrider
Richard Church	Ditchrider
Vince Row	Ditchrider
Cory Hull	Purchaser
Daniel Wiebe	Mechanic
Allan Friesen	Tandem Gravel Truck Operator
Curtis Johnson	Semi Tractor Operator

Jared Willis	Weed Control Operator/Labourer
Armand Lautier	Equipment Operator
Jaarno Van Der Wielen	Equipment Operator/Maintenance Crew Chief
Keith Gertzen	Equipment Operator
Kelvin Wright	Equipment Operator
Kevin Jorgensen	Equipment Operator
Glen Andruschak	Equipment Operator
Westin Hlatky	Equipment Operator
Ernie Crowson	Weed Control Operator/Welder
Ivan Bolen	Labourer
Miguel Hiebert	Labourer
Neil Redekop	Labourer
Kaleb Unrau	Labourer

(Staff hired casual or part-time on an as-needed basis and released as work requirements dictate are not included on the above list.)

## CHAIRMAN'S REPORT

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To the irrigators of the Bow River Irrigation District:

### Board Elections

In Area 2 John Kolk was elected in a 15 to 12 vote over Richard Sander. Thank you, Richard, for serving 3 years on the board. John DeVries was elected by acclamation in Area 4. Thank you to those who were elected and your commitment to serve on the board.

### Managing Through Drought

This year proved challenging as the Board and Management handled ongoing issues with the drought always on our minds. We talked with many concerned irrigators throughout the year. Drought was on each month's agenda for discussion and a special board meeting was called in June as rain wouldn't come, the heat continued and the flow in the Bow River decreased.

In September we met with irrigators in Milo as some of their intakes into Travers and McGregor Reservoirs were no longer in water as levels fell due to continued downstream demand and lower inflow from the Bow River. They did their best, but it was a hardship with losses for them. The Board has asked the government departments with jurisdiction to help with the needs we heard at the meeting.

The decision was made to stay with the allocation of 20" due to sufficient storage in our reservoirs and enough diversion off the river. We decided to do our best to save water by lowering return flows, managing well as a District and we believed our irrigators would be efficient in their water use. In the end we did better than we expected. We had lower return flows and irrigators averaged 16" per acre across the District. Reservoirs were 88 percent of normal winter level at seasons end.

### 2024 Irrigation Season

At this time, we have lower than normal reservoir levels. The mountain snowpack is below average. The annual snowmelts in the mountains have come earlier and faster making it harder to capture.

We have met with the Government, and meetings are ongoing to consider how to manage if another year of drought persists. We asked ourselves these questions: What if conditions get worse? What if the allocation is much lower? Alberta is preparing a plan if the drought continues, and the BRID must also have a plan. The board has given this lots of consideration. We have made the decision to allow trading of allocation between irrigators. This is a tool we believe will allow us to make decisions that will benefit those who need it in another extremely dry irrigation season. We hope and pray it will not be needed but it is now available. The allocation limit will be set at the April 24 board meeting.

### Ongoing Projects

Deadhorse Reservoir  
Carseland Canal Study  
Cochrane Water License Transfer  
Vauxhall and Hays Solar Projects  
Eyremore Dam

Due to the importance to the BRID these items were on almost every month's agenda. The two reservoirs and Carseland canal study will all help water security. The other projects will provide funds to improve and maintain our District.

The Cochrane license transfer passed after a public meeting and plebiscite vote by 35 to 20. The process to finalize the trade is going forward.

### Sale of Assets

The board has made the decision to sell area acreages and most recently houses in Vauxhall which are no longer needed. There is now a policy that all equipment must be sold at public auction with listings put on the BRID website for all irrigators to have a chance to buy good used equipment.

### 2023 Alberta Irrigation Districts Association (AIDA) Tour

This year we hosted the annual AIDA tour on July 6<sup>th</sup> which was a huge success. Air-conditioned buses were rented, and 60 AIDA representatives, Alberta MLA's and various Government staff attended. The tour started in Vauxhall, took in various projects in the BRID and ended at the future location of the Eyremore Dam.

### Conclusion

The Board would like to thank our management and staff who each played an important role in helping us surpass expectations in a hot, dry year where almost all or in some cases the only water for our crop was supplied by the District. The irrigators did a great job ordering and reporting shutoffs throughout the season.

I would like to thank the Alberta Government for your support including IRP funding, incentives to improve irrigation equipment efficiencies and that you are promoting more reservoir storage in Alberta and here in the BRID. Thank you to the department of Agriculture and Irrigation and department of Environment whom we met with to look at ways to improve our District in case of another year of drought. This will benefit ourselves and all Albertans going forward.

May we all be blessed in 2024.  
Respectfully submitted,

Walter Unruh  
Chairman, Board of Directors

**BOARD OF DIRECTORS REMUNERATION REPORT  
JANUARY 1, 2023 – DECEMBER 31, 2023**

Members of the Board of Directors of the Bow River Irrigation District receive remuneration for their time spent in attendance at meetings and compensation for whatever expenses are incurred in attending those meetings, such as meals and mileage. For attendance at meetings, directors receive \$572 per day. The board chairman receives an extra \$127 per day for each board meeting and for each day of official district business when specifically performing duties of board chairman. The board member who reviews the monthly bank reconciliations and investment summaries receives an extra \$64 per day for each board meeting.

The following is a listing of fees incurred through operations of the Board of Directors of the Bow River Irrigation District:

<u>Year</u>	<u>2023</u>	<u>2022</u>	<u>2021</u>	<u>2020</u>	<u>2019</u>
Directors' Fees	\$148,443	\$128,475	\$73,542	\$111,285	\$112,856
Miscellaneous	\$14,653	\$40,260	\$33,942	\$27,877	\$27,022
<b>TOTAL:</b>	<b>\$163,096</b>	<b>\$168,734</b>	<b>\$107,484</b>	<b>\$139,162</b>	<b>\$139,878</b>

<u>Director</u>	<u>Fees</u>	<u>Mileage</u>	<u>Expense</u>	<u>Total</u>
John DeVries	\$16,016	\$755	\$1,988	\$18,759
John Kolk*	\$12,584	\$1,086	\$240	\$13,910
James Larson	\$16,016	\$3,297	\$1,808	\$21,121
Glenn Logan	\$19,448	\$2,235	\$1,394	\$23,077
Kerby Redekop	\$13,604	\$260	\$389	\$14,253
Walter Unruh	\$27,261	\$2,505	\$679	\$30,445
Vic Van Dyk	\$18,371	\$1,863	\$1,387	\$21,621
Richard Sander**	\$4,576	\$330	\$352	\$5,258
<b>Totals:</b>	<b>\$127,876</b>	<b>\$12,330</b>	<b>\$8,237</b>	<b>\$148,443</b>

\* 10 months vs. 12 months for other directors.

\*\* 2 months vs. 12 months for other directors.



## REPORT ON ADDING AND REMOVING PARCELS

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Section 46(1)(d) of the IRRIGATION DISTRICTS ACT states that each district must report all parcels added to or removed from the district. The following parcels have been added to the Bow River Irrigation District in 2023:

<b>N.E. 15-15-20-W4M</b>	<b>S.E. 2-17-21-W4M</b>
<b>S.E. 15-15-20-W4M</b>	<b>Parcel D Plan 3585 H.F.</b>
<b>N.E. 16-15-20-W4M</b>	<b>N.W. 36-13-18-W4M</b>
<b>S.E. 16-15-20-W4M</b>	<b>N.E. 36-13-18-W4M</b>
<b>S.E. 15-13-20-W4M</b>	<b>S.E. 8-12-17-W4M</b>
<b>S.W. 15-13-20-W4M</b>	<b>S.W. 8-12-17-W4M</b>
<b>N.W. 15-13-20-W4M</b>	<b>N.W. 8-12-17-W4M</b>
<b>N.E. 15-13-20-W4M</b>	<b>N.E. 8-12-17-W4M</b>
<b>S.E. 22-13-20-W4M</b>	<b>S.E. 17-12-17-W4M</b>
<b>S.W. 22-13-20-W4M</b>	<b>S.W. 17-12-17-W4M</b>
<b>N.W. 22-13-20-W4M</b>	<b>N.W. 17-12-17-W4M</b>
<b>N.E. 22-13-20-W4M</b>	<b>N.E. 17-12-17-W4M</b>
<b>S.E. 27-13-20-W4M</b>	<b>S.E. 18-12-17-W4M</b>
<b>S.W. 27-13-20-W4M</b>	<b>S.W. 18-12-17-W4M</b>
<b>N.W. 27-13-20-W4M</b>	<b>N.W. 18-12-17-W4M</b>
<b>N.E. 27-13-20-W4M</b>	<b>N.E. 18-12-17-W4M</b>
<b>S.E. 34-13-20-W4M</b>	<b>N.W. 6-16-19-W4M</b>
<b>N.E. 34-13-20-W4M</b>	<b>S.W. 33-12-18-W4M</b>
<b>N.W. 12-17-21-W4M</b>	<b>N.W. 28-12-18-W4M</b>
<b>S.W. 12-17-21-W4M</b>	<b>S.W. 18-13-18-W4M</b>
<b>N.E. 2-17-21-W4M</b>	<b>N.W. 7-13-18-W4M</b>

No parcels were removed from the Bow River Irrigation District in 2023.

## GENERAL MANAGER'S REPORT

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### Water Operations

Last year was the most challenging year since 2001 due to low rainfall, high irrigation demand, and low river flow but it showed the value of irrigation. The diversion from the Bow River at Carseland was the highest ever at nearly 85% of the total licenced allocation, but low river flow in late summer and fall restricted our diversion to less than we needed. At the end of the season the total storage in McGregor, Travers, and Little Bow Reservoirs was 39,000 acre feet below normal winter levels, but still 88% of normal winter storage, and 72% of full storage. At the end of 2001, storage was 80,000 acre feet lower than at year end in 2023.

Other positive improvements were made in return flow last year. Our total return flow was 15% lower than in our previous best year, and the volume pumped at Lost Lake was the lowest yet.

We are currently participating in discussions with other water users on how to share water if the drought persists in 2024, as requested by the provincial government.

### Deadhorse Coulee Reservoir

To keep the estimated cost of the project reasonable we have reduced the size of the reservoir, but it will still effectively regulate the flow on the main canal to improve efficiency. Design is progressing, and we expect to apply this summer for approval to build the project. An environmental impact assessment will not be required. Depending on how long the approval process takes, we may be able to begin construction as early as fall of 2025.

### Carseland Canal Capacity

The canal from the Bow River at Carseland to Lake McGregor reservoir has a design flow rate of 51.0 m<sup>3</sup>/s and the licence limits the diversion to that rate. When operating at that rate the water level is below the full supply level marks at the structures, so we had a consultant complete a study of the canal capacity. They found that the canal could safely carry 53.7 m<sup>3</sup>/s at the design full supply level, and that with minimal work the capacity could be increased to 60 m<sup>3</sup>/s. We have asked Alberta Agriculture and Irrigation, the canal owner, to apply to increase the diversion rate to at least 53.7 m<sup>3</sup>/s and to develop a plan to complete the work to increase the capacity to 60 m<sup>3</sup>/s. The low capacity makes it impossible to fill the reservoirs in years with high irrigation demand, and is the greatest weakness in our water supply system.

### Eyremore Dam

The province announced funding for a feasibility study for this project in the 2023 budget. It would create a large new reservoir on the Bow River downstream of the Bassano Dam. Extensive modelling of water management options using the South Saskatchewan River Operational Model has shown that a new reservoir at this location would greatly improve water management on the Bow, Oldman, and South Saskatchewan rivers.

Solar Projects

There are two large solar projects progressing on BRID–owned land, as well as one which has been in operation for several years. The Solar Krafte Vauxhall project and the Proteus Hays project will both likely begin construction in 2025.

Staff Changes

Rod Lowen, shop and equipment foreman, retired after 44 years with the BRID. Neil Redekop, laborer, left the district, and Kaleb Unrau was hired as a laborer.

Respectfully Submitted,

Richard Phillips, P.Eng.  
General Manager  
Bow River Irrigation District

## MAINTENANCE REPORT

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The maintenance department of the BRID experienced a busy year. Before water was turned on in the spring, two turnouts were installed for new irrigation acres. With scheduled Magnacide H treatments, we are experiencing fewer problems with aquatic weeds and algae. With warmer temperatures and higher flows on the Main Canal the cost of Magnacide treatments increased significantly this year.

### Magnacide H Chemical Costs:

<u>2023</u>	<u>2022</u>	<u>2021</u>	<u>2020</u>	<u>2019</u>
\$1,059,563	\$763,024	\$738,067	\$563,046	\$693,046

The district hired a contractor to crush the concrete from the old drop 3 structure. A different contractor was hired to place the crushed concrete on sloughed areas on the Main Canal upstream and downstream of drop 3. On two pipelines, mainline steel fittings were changed to PVC fittings and farmer turnouts were changed to stainless risers.

The district, with its own forces, installed some of the pipe on the BK-2-2 and BK-3 pipelines in the Circle Hill area and finished installing pipe on the O pipeline in the Hays area. These projects consisted of the installation of a precast inlet structure, PVC pipe, farm turnouts, domestic turnouts, structure removal and canal backfill. On BK-2-2 pipeline a 900m canal was constructed from Lost Lake to the pipeline inlet structure.

The BRID spent approximately \$134,000 on Special Projects this year. Under the 2023 Special Projects program, the BRID replaced broom chains on 10 pipeline screen cleaners, upgraded controls on 8 pipeline screen cleaners, and installed new punch plates on 6 pipeline screen cleaners. The district also purchased materials to install a by-pass turnout below drop 8 on the Main Canal in the Hays area. The structure will be installed this spring.

## MAINTENANCE REPORT

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Following is a list of routine maintenance performed by the BRID in 2023:

Canal Banks Sprayed with Boom or Spot Treated by Handgun	735	km
Ditch Channel Cleaned	4	km
Ditch Channel Cleaned with Herder (Cattails)	2	km
Ditch Banks Mowed	295	km
Ditch Banks Leveled	3	km
Ditch Banks Graveled	50	km
Ditch Banks Graded	141	km
Fence Installed, Removed, or Replaced	3	km
Rock, Gravel, and Armour Placement (includes IRP projects)	9,500	m <sup>3</sup>
Beaver Dams & Weed Jams Removed	15	units
Canal Washouts Repaired (Structures & Culverts)	27	units
Catwalks & Handrails Fabricated and Installed	12	units
Domestic Turnouts Installed or Repaired	4	units
Drain Inlets Installed	1	unit
Farm Turnouts Installed in Laterals	7	units
Farm Turnouts Repaired	13	units
Farm or Lateral Crossings Replace or Repaired	15	units
Gates Repairs	6	units
Pipeline Repairs (above ground)	15	units
Pipeline Repairs (below ground)	14	units
Pipeline Turnouts Fabricated	34	units
Pipeline Turnouts Installed	9	units
Pipeline Turnouts Replaced	9	units
Road Crossings Installed or Repaired	4	units
Standpipes Installed or Repaired	3	units
Structures Removed	3	units
Structures Installed or Repaired	4	units
Texas Gates Cleaned, Installed, or Removed	5	units
Tile Line Repair	3	units
Turnouts Removed	2	units

Respectfully submitted,

Bill Skelly  
Superintendent of Maintenance

## OPERATIONS REPORT

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### Water Diversions

Water diversions from the Bow River at Carseland began on April 19, 2023 and ceased on November 2, 2023. A total of 461,000 acre feet was diverted this season. McGregor, Travers, and Little Bow Reservoirs started the season with 324,000 acre feet total storage and ended the season at 287,000 acre feet storage.

Water diversions into our main canal at Little Bow Reservoir began on April 28, 2023 and ceased on October 2, 2023. A total of 353,433 acre feet of water was diverted into our main canal at Little Bow Reservoir in 2023, which is 88,411 acre feet above the 25-year average. The return flow was 32,922 acre feet, which was returned to the river through the District's drainage system.

The Lost Lake pumps returned 1,732 acre feet into the main canal. This year the Vauxhall Research Station recorded 134 mm of precipitation between April 1<sup>st</sup> and October 31<sup>st</sup>, which is 55% of the 25-year average.

### COMPARISION OF PREVIOUS YEARS

Year	Carseland Diversion (acre feet)	Little Bow Diversion (acre feet)	Acres Irrigated	Irrigation Acres & Annual Acres with Systems	Precipitation @Vauxhall (April 1 to October 31)
2023	461,000	353,433	281,737	283,228	134 mm
2022	383,092	284,294	271,843	274,552	244 mm
2021	465,433	338,535	266,379	272,878	120 mm
2020	284,400	251,000	252,144	260,856	307 mm
2019	389,000	313,914	250,832	251,750	165 mm
2018	290,400	300,000	239,295	248,318	145 mm
2017	422,000	351,500	242,150	245,224	124 mm
2016	328,085	262,391	225,566	242,598	281 mm
2015	331,900	298,800	226,042	239,957	156 mm
2014	222,191	231,167	224,942	232,422	256 mm
2013	240,000	238,955	216,571	225,222	247 mm
2012	260,000	230,618	208,217	217,218	305 mm
2011	151,700	214,666	202,478	216,375	289 mm

The assessment roll at the close of the 2023 irrigation season was 293,140 acres. The expansion limit of the district is 295,000 acres.

Monthly Little Bow Diversions with comparison to 2022 and the last 25-Year Average (in acre feet):

	<u>2023</u>	<u>2022</u>	<u>25-Year average</u>
April	1,587	12,395	3,132
May	50,667	56,571	34,345
June	93,719	36,987	49,436
July	110,975	72,387	84,967
August	50,975	56,968	51,119
September	43,140	34,161	32,915
October	<u>2,380</u>	<u>14,825</u>	<u>9,175</u>
	353,443	284,294	265,089

These totals include all water uses downstream of Little Bow Reservoir, as well as water which is not used and spilled as return flow.

In addition to irrigation, the BRID supplied water to farmsteads, acreages, small livestock operations, grazing associations, the East Sundial Water Users, the Retlaw Water Users Co-op, and small wildlife habitat projects controlled by the Alberta Conservation Association.

The BRID has agreements for uses other than irrigation under its amended licence: agricultural, municipal, commercial and one habitat enhancement project.

Water was also conveyed to many other users, who have their own water licences. These include the communities of Hays, Vauxhall and Enchant (through the Vauxhall and District Regional Water System), and Lomond, the Vauxhall Agricultural Research Station and numerous livestock operations. Our district also conveyed water for several wildlife habitat projects controlled by Ducks Unlimited, and for use by recreation areas and parks including the Vauxhall and Enchant golf courses and the Enchant Park.

**CROP RECORDS**

Crops on parcels with irrigation systems:

<b>CROP</b>	<b>ACRES</b>	<b>CROP</b>	<b>ACRES</b>
Hard Spring Wheat	45,159	Flax	1,556
Durum Wheat	28,835	Triticale	1,523
Canola - Seed	22,737	Grass Seed	1,447
Barley	22,111	Hemp	1,444
Dry Beans	16,550	Malt Barley	718
Potatoes	15,302	Chickpeas	622
Dry Peas	13,755	Seed Potatoes	581
Canola	13,425	Green Feed	559
Corn Silage	13,161	Misc.	441
Sugar Beets	10,133	Sunflower	294
Tame Pasture	9,428	Mustard	248
Grain Corn	9,118	Lentils	163
Alfalfa	9,135	Summer Fallow	141
Grass-Timothy-Brome	7,007	Quinoa	139
Rye	6,698	Misc. Yard	104
Soft Wheat	6,045	Barley Sil. Undrsd.	100
CPS Wheat	5,988	Native Pasture	80
Alfalfa Seed	4,962	Sorghum	52
Barley Silage	4,602	Corn Fresh (Sweet)	32
Faba Beans	3,610	Market Gardens	22
Oats	2,873	Sweet Clover	18
Winter Wheat	2,297	Nursery	13
		<b>Total:</b>	<b>283,288</b>

The methods of irrigation and acres of each are:

	<b>% of Total</b>	<b>Acres</b>
Pivot	95.3	269,870
Gravity (Flood)	2.7	7,898
Wheel Move/Hand Move	1.9	5,265
Subsurface Drip	0.1	194
	<b>100.0</b>	<b>283,228</b>

Respectfully Submitted,  
Daryl Brouwers  
Operations Supervisor



## REHABILITATION AND MODERNIZATION PROGRAM REPORT

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Rehabilitation and modernization of the BRID's irrigation works is funded partially through the provincial government's Irrigation Rehabilitation Program (IRP), which requires the district to provide 25% of the cost, with the government providing the remaining 75%. IRP funds are used only on projects which are approved by Irrigation Council.

Projects which do not include IRP in the description are being funded under the Alberta Irrigation Modernization program. Funding for this program includes a 30% grant from the province, with the district funding the remainder. The Canada Infrastructure Bank provides a loan for 50% of the total approved costs.

Brief descriptions of projects that were completed last year, those that are now under construction, and those that are planned for next year follow.

### **Projects Completed in the 2022/2023 Construction Season**

<u>Project Description</u>	<u>Estimated Final Cost</u>
Lateral O (Hays Block) Pipeline	\$4,780,000
B-K-3 (Vauxhall Block) Pipeline Phase 1	\$3,300,000

### **Projects to be Completed in the 2023/2024 Construction Season**

<u>Project Description</u>	<u>Cost Estimate</u>
B-K-3 (Vauxhall Block) Pipeline Phase 2	\$6,354,000
IRP 2400 B-K-2-2 (Vauxhall Block) Pipeline	\$1,705,000

### **Projects to be Completed in the 2024/2025 Construction Season**

<u>Project Description</u>	<u>Preliminary Cost Estimate</u>
B-K-2 (Vauxhall Block) Pipeline	\$12,200,000

The Lateral O (Hays Block) pipeline includes a new check structure on the main canal at the inlet to Scope Reservoir. The pipeline was installed over two years due to pipe supply issues and delays for approval to work on Crown land.

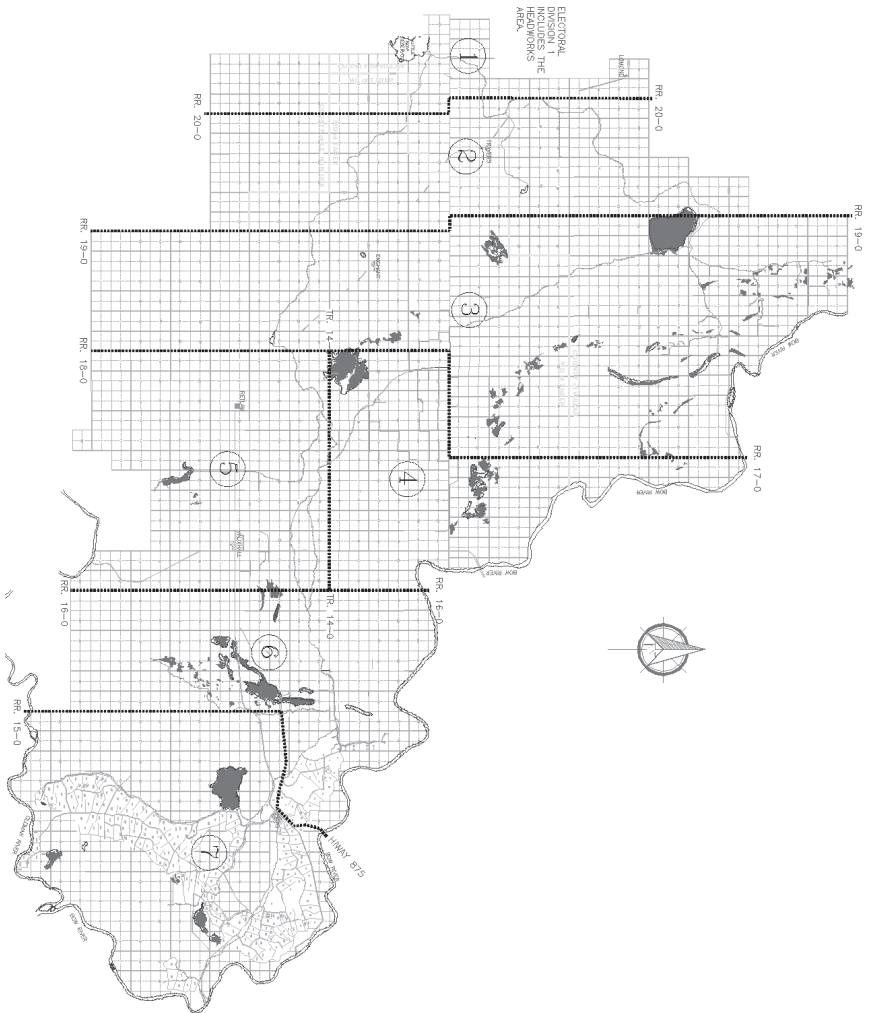
The B-K-3 pipeline is the first of three large pipelines which will be constructed to replace Lateral B and all its sub-laterals. Due to pipe supply issues a portion was installed in 2022/2023 and the remainder is being installed this winter. In addition to the three large pipelines, a smaller pipeline will also be installed. It is designated as B-K-2-2 and is being installed this winter. It will be supplied by a pumpstation on Lost Lake.

I wish to thank all those involved in the projects which have been completed and which are underway, including the BRID staff, the Board of Directors, the irrigators, contractors, suppliers, engineering consultants, Irrigation Council, the Irrigation Secretariat, Alberta Agriculture and Irrigation, and the Canada Infrastructure Bank.

Respectfully submitted,

Richard Phillips, P. Eng.  
General Manager  
Bow River Irrigation District

# BOARD ELECTORAL DIVISION BOUNDARIES



**ANNUAL MEETING OF THE BOARD OF DIRECTORS  
AND IRRIGATORS OF THE  
BOW RIVER IRRIGATION DISTRICT**

**THURSDAY, APRIL 11, 2024, 1:30 P.M  
VAUXHALL COMMUNITY HALL**

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**AGENDA**

1. Welcoming Remarks - General Manager - Richard Phillips, P. Eng.
2. Appointment of a Meeting Chairperson
3. Adoption of Agenda
4. Approval of the Minutes of the last Annual Meeting: April 11, 2023
5. Business from the Minutes of Last Year's Meeting
6. Auditor's Report and Review of Financial Statements  
Period Ending December 31, 2023  
- Assistant General Manager-Finance & HR- Jessica Robbins, CPA, CA
7. Chairman of the Board's Report - Chairman – Walter Unruh
8. General Manager's Report - General Manager- Richard Phillips, P. Eng.
9. Annual Maintenance of Irrigation Works Report  
- Superintendent of Maintenance - Bill Skelly
10. Presentations
11. New Business
12. Recognition
13. Adjournment

**ANNUAL MEETING OF THE BOARD OF DIRECTORS  
AND IRRIGATORS OF THE  
BOW RIVER IRRIGATION DISTRICT**

**TUESDAY, APRIL 11, 2023 - 1:30 PM  
ENCHANT COMMUNITY HALL**

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**MINUTES**

Following are the minutes of the Annual General Meeting of the Board of Directors and irrigators of the Bow River Irrigation District, held on Tuesday, April 11, 2023 at the Enchant Community Hall at 1:30 p.m.

Attendance included 35 irrigators, 7 board members, 5 BRID staff members, 2 representatives from the federal government, 1 representative from ATB Financial, 2 representatives from Irrigation Council, 1 representative from MPE Engineering Ltd., and 1 representative from MWG Chartered Professional Accountants for a total of 52 attendees.

The meeting was called to order at 1:36 p.m. by General Manager Richard Phillips.

1) **Welcoming Remarks – Richard Phillips, P. Eng., General Manager**

In opening the meeting, Richard Phillips welcomed all attendees and asked them to introduce themselves. He also asked all attendees to write their names on the sign-in sheet near the entrance when they leave if they haven't already done so.

2) **Appointment of a Meeting Chairperson**

Richard Phillips introduced John DeVries, Director, whom the board had previously appointed as Chairperson for the meeting.

3) **Adoption of Agenda**

John DeVries welcomed all attendees and introduced BRID board members: Walter Unruh, James Larson, Glenn Logan, Vic Van Dyk, Kerby Redekop and John Kolk; and BRID management: Richard Phillips, P.Eng. and Jessica Robbins, CPA, CA.

John DeVries asked meeting attendees to review the annual meeting agenda and asked if there were any additions to the agenda. Larry Haller asked that a discussion regarding Deadhorse Reservoir be added to the agenda. John DeVries requested a motion to accept the agenda.

Moved by Doug Logan that the agenda be accepted as amended.

**CARRIED**

4) **Approval of the Minutes from the Previous Annual Meeting; March 10, 2022**

John DeVries requested that attendees review the minutes of the previous year's annual meeting on pages 18 through 24 of the report and asked if there

were any errors, omissions or corrections required. None were noted. A motion to accept the minutes from the March 10, 2022 annual meeting was requested.

**Moved** by Rick Stamp that the minutes from March 10, 2022 annual meeting as printed and circulated in the 2022 annual report be accepted.

**CARRIED**

**5) Business from the Minutes of the Previous Annual Meeting**

John DeVries asked if there was any business from the minutes of the previous year's annual meeting. No business from the minutes of the previous year's annual meeting was brought forward.

**6) Presentation of the Financial Statements for the 14-Month-Period Ending December 31, 2022**

Jessica Robbins, CPA, CA, Assistant General Manger – Finance & Human Resources

Jessica Robbins presented the financial statements for the 14-month-period ended December 31, 2022, noting the following:

- The year end was changed from October 31 to December 31, which meant that the current year saw 14 months of expenditures covered by one irrigation season of revenue.
- The water rate was increased from \$16.00/acre to \$17.50/acre.
- The 2019 expansion is winding down, so revenue from the sale of irrigation acres decreased compared to the prior year.
- The cost of magnacide went up, so while fewer treatments were done this year, the total cost of magnacide increased.
- A solar farm was built at Lost Lake. The BRID paid \$830,000 for it and received a grant from Emissions Reduction Alberta in the amount of \$200,000 to go towards the cost. Pumping costs at this site were reduced because electricity generated by the solar farm offsets the cost of electricity used by the pumps.
- Interest rates increased so more cash was locked into long-term GICs.
- Expenditures continue to be made on Alberta Irrigation Modernization program projects. The loan balance from Canada Infrastructure Bank makes up nearly half of the total liabilities of the district.
- There was a surplus of over \$110,000 in the operating fund.

John DeVries invited any questions regarding the review of the financial Statements. Roger Zeinstra asked why the year end was changed from October 31 to December 31. Jessica Robbins said that it was to align the fiscal year and the calendar year to make accounting processes easier.

She said that since the BRID is a non-taxable entity, there were no tax implications for this change. The BRID's year end used to be December 31 but it was changed to October 31 in 1979.

John DeVries invited any further questions regarding the review of the financial statements. None were noted.

**Moved** by Roger Zeinstra that the financial statements for the 14-month-period ended December 31, 2022 be accepted as presented.

**CARRIED**

**7) Chairman of the Board's Report – Walter Unruh, Chairman of the Board**

Walter Unruh presented the chairman of the board's report, noting the following:

- There was a return to in-person meetings this year.
- The year end of the district was changed from October 31 to December 31.
- Elections were held in two areas in 2023. John DeVries was returned by acclamation for electoral division 4. John Kolk won the election for electoral division 2.
- The centennial celebration for the BRID and the Town of Vauxhall was held in July of 2022. It had previously been postponed due to COVID-19.
- The Hays Grazing Association signed a new lease agreement with the BRID for parcels in North Hays, which allowed the BRID to be able to develop land for irrigated cultivation by putting up four new pivots in South Hays.
- A solar farm was built at Lost Lake.
- Lease revenue is expected to work out to offset water rates by \$7.50/acre in 2023.
- Pipelining continued through the year under the AIM program.
- The BRID contributed to improving some boat launches and signage was updated in the district. Studies are being completed to see where more habitat projects can be done.

Walter Unruh thanked management and staff for their efficient delivery of water and running the district well. He thanked irrigators for cooperating and following water ordering rules.

John DeVries invited questions regarding the chairman of the board's report.

Albert Dalton asked if the Lost Lake pumping costs will be zero because of the solar farm. Jessica Robbins said that the current year saw a huge decrease in pumping costs because of the solar farm, and that the solar farm wasn't operational until partway through the year. There is also a 2-3 month delay from when the electricity is generated to when the credits appear on the BRID's electricity bill. It is expected that Lost Lake pumping costs will be zero for the 2023 year if the volume of water pumped is similar.

John DeVries invited any further questions regarding the chairman of the board's report. None were noted.

**Moved** by John Vander Waal that the chairman of the board's report be accepted as presented.

**CARRIED**

8) **General Manager's Report – Richard Phillips, P. Eng., General Manager**

Richard Phillips presented the general manager's report, noting the following:

- There was excellent snowpack in the mountains, but it stayed cold so it wasn't melting and turning into river water. Reservoir levels dropped through the spring when they would normally fill. Luckily there was rain in June and reservoir levels were good going into the fall.
- A solar farm was built at Lost Lake to offset the pumping costs at that site. We used to pump approximately 10,000 acre-feet 20 years ago but have only pumped approximately 4,000 acre-feet in recent years. The water coming out of Lost Lake is suitable for irrigation, although it's high in nutrients so it contributes to algae growth downstream. There are a few projects being developed that could help reduce the amount of water that is pumped out of Lost Lake.
- There is an issue with pipe supply regarding projects being done under the AIM program. Some projects could take 2-3 years longer than expected because of this.
- We had several staff changes during the year. Dennis Brouwers, semi-truck operator, and Rob Zalik, dozer operator, both retired. They were replaced by Curtis Johnson and Glen Andruschak respectively.

John DeVries invited questions regarding the general manager's report.

Roger Zeinstra asked how much the Lost Lake solar farm cost. Richard Phillips said that it cost approximately \$830,000 with a 25% grant from Emissions Reduction Alberta.

John DeVries invited any further questions regarding the general manager's report. None were noted.

**Moved** by Nels Peterson that the general manager's report be accepted as presented.

**CARRIED**

9) **Maintenance of the Irrigation Works Report – Bill Skelly, Superintendent of Maintenance**

Bill Skelly presented the maintenance of the irrigation works report, noting the following:

- Before water was turned on, we installed 3 new turnouts related to expansion.



- Two precast inlet structures were installed this year.
- The Lost Lake pipeline was extended.
- We did fewer magnacide treatments but the cost of magnacide went up.
- A pipeline was installed on parcel 204 in Hays that the Hays Grazing Association rents from the BRID.
- Two cisterns were installed at the BRID-owned acreages near Travers Reservoir.
- A large ongoing project has been replacing steel fittings on pipelines. This will be continuing over the next 10 years.
- We spent \$226,000 on special projects this year. These projects include adding brooms, screen cleaners, upgraded controls. We also automated the Badger Lake inlet gate.
- The welding shop has been busy building fittings, catwalks, etc.

John DeVries invited questions regarding the maintenance of the irrigation works report.

Roger Zeinstra asked if steel risers are being replaced with steel risers. Bill Skelly said that stainless steel risers are replacing the old steel risers, and that they should last longer than the ones being replaced.

Steven Hofer asked what was done at the Badger Lake inlet gate. Daryl Brouwers said that the hinge pin was originally polyethylene and it was replaced with stainless steel. We also upgraded the level controls. Steven Hofer asked if anything is being done regarding the leakage at that site. Daryl Brouwers said that we are getting quotes to remedy the situation and it will be taken care of in 2023.

Albert Dalton asked why steel fittings are being replaced. Bill Skelly said that we are trying to replace them before leaks occur. Richard Phillips said that mainline fittings are replaced with PVC and only risers are replaced with stainless steel.

John DeVries invited further questions regarding the maintenance of the irrigation works report. None were noted.

**Moved** by Peter Pepneck that the maintenance of the irrigation works report be accepted as presented.

**CARRIED**

## 10) **Presentations – Richard Phillips & Daryl Brouwers**

2022 Operations Report – Daryl Brouwers, Operations Supervisor

Daryl Brouwers presented the report, noting the following:

- Headworks reservoir storage was approximately 325,000 acre-feet at the end of the 2022 irrigation season.
- Diversions at the Carseland Weir began on April 13, 2022 and ended on October 21, 2022, with 383,092 acre-feet being diverted. Approximately 284,294 acre-feet was diverted into the main canal from the Little Bow Reservoir.
- The return flow was 44,644 acre-feet in 2022, down from 48,000 in 2021.
- Pivots accounted for 94.8% of irrigation in 2022, with 260,311 acres being wetted under pivots.
- The snow pillows at various mountain sites are currently lower than average.

John DeVries invited questions regarding the operations report. None were noted.

District Rehabilitation Program Report – Richard Phillips, P. Eng.,  
General Manager

Richard Phillips presented the report, noting the following:

Completed projects:

- Under IRP, Drop 3 was replaced, Scope Dam was upgraded and aerial photography was done.
- Under AIM, Lateral H-7-2 and Lateral H West Block were rehabilitated.

Current projects:

- Under AIM, Lateral O is in progress as is Lateral B/K. The second phase of Lateral B/K will involve pumping out of Lost Lake.

John DeVries invited questions regarding the district rehabilitation report.

Soren Kester asked if the pipeline projects are upgrades or new infrastructure. Richard Phillips said that the projects all replaced existing infrastructure, although not necessarily in the exact location that the canals were.

John DeVries invited any further questions regarding the district rehabilitation program. None were noted.

## 11. New Business

### Deadhorse Reservoir

Richard Phillips displayed the redesigned footprint of the proposed Deadhorse Reservoir on the screen. He discussed previous designs and explained why changes were made to design the reservoir to be smaller than originally planned. The budgeted cost of the original design was \$59,100,000, but with the rising costs of materials and services, it is now estimated that it would cost

over \$80,000,000 to build the original reservoir. Every dollar over the original budgeted amount would have to be paid for 100% by BRID.

The new design for the reservoir doesn't lose much storage and it avoids some parcels of land entirely that would have been flooded under the original design. Fewer road closures would be required with the new design as well. The full supply level would be no higher than 814.0 meters, which is 0.5 meters lower than the original design.

Richard Phillips invited any questions regarding Deadhorse Reservoir.

Larry Haller said that he would lose a quarter of land if the reservoir is built and that he is not in favor of the reservoir. He also expressed concerns regarding seepage.

Randy Howg said that he is not in favor of the reservoir being built because it will split his farm in half, which will cause issues when moving cattle and irrigating his land. He also expressed concerns regarding seepage.

John DeVries said that this was the only location where the physical features in the landscape allow for us to build a reservoir.

John Vander Waal asked what the purpose of the reservoir was.

Walter Unruh said that in Hays, the main canal has run dry at certain times of the year which puts some irrigators out of water below the gates. Richard Phillips said that too often, no water goes over the gates in Hays and that not all the water from Little Bow makes it to Hays. The reservoir would act as a balancing reservoir.

Soren Kester asked how many irrigation acres could be added if the reservoir is built. Richard Phillips said that the smaller redesigned reservoir could support another 10,000 irrigation acres in the district.

Randy Howg asked if water rates would need to go up to pay for the reservoir.

Jessica Robbins said that she had done various projections over different time frames depending on which size of dam is built. She said that her preference is for the smaller redesigned reservoir due to the cost of the original design, and that assuming we expand following construction of the dam, the district will be in good financial position again.

Alberta Dalton asked if the expansion would allow for irrigation acres to be added in the Retlaw area.

Richard Phillips said that we will need to have a plebiscite if we want to expand again. If the majority of irrigators say "yes" to an expansion, then we will accept applications and see if we can get water to the locations that irrigators want to put irrigation acres. We anticipate that we could expand by 20,000

acres as a result of the projects completed under the AIM program. If someone wants to irrigate in Retlaw, they can do so if their application is approved.

Alberta Dalton asked if the BRID has ever looked into hydro energy in addition to solar.

Richard Phillips said that the BRID has done at least two studies regarding hydro power and has been approached regarding hydro energy by several companies. We received option payments from a company out of California for several years, but they did not develop any projects on BRID land.

John DeVries asked if there was any other new business. None was noted.

**12. Recognition**

Walter Unruh presented John DeVries with a pin for 15 years of service on the board. Walter Unruh said that John DeVries has served the board and the district well.

John DeVries presented Walter Unruh with a pin for 20 years of service on the board and thanked him for his contribution to the district.

**13. Adjournment**

The meeting was adjourned at 3:17 p.m. on a motion by Rick Stamp.

**BOW RIVER IRRIGATION DISTRICT**

**FINANCIAL STATEMENTS**

**DECEMBER 31, 2023**

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Independent Auditor’s Report .....Page 29

Statement of Financial Position.....Page 31

Statement of Operations and Changes in Fund Balances .....Page 32

Statement of Combined Cash Flows .....Page 33

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Schedule of Operating Expenses .....Page 45

## MANAGEMENT'S RESPONSIBILITY FOR FINANCIAL REPORTING

The financial statements are the responsibility of the management of the Bow River Irrigation District (the District).

These financial statements have been prepared from information provided by management. These statements include certain amounts based on management's estimates and judgments. Management has determined such amounts based on a reasonable basis in order to ensure that the financial statements are presented fairly in all material respects.

The District maintains systems of internal accounting and administrative controls that are designed to provide reasonable assurance that the financial information is relevant, reliable and accurate and that the District's assets are properly accounted for and adequately safeguarded.

The elected Board of Directors (the Board) of the District is responsible for ensuring that management fulfills its responsibility for financial reporting and is ultimately responsible for reviewing and approving the financial statements. The Board meets periodically with management and the external auditors to review significant accounting, reporting and internal control matters. Following its review of the financial statements and discussions with the auditors, the Board approves the financial statements. The Board approves the appointment of the external auditors and reviews the monthly financial reports.

The financial statements have been audited by Shawn Cook Professional Corporation, Chartered Professional Accountants, the external auditor, in accordance with Canadian generally accepted auditing standards on behalf of the Board. Shawn Cook Professional Corporation has full and free access to the Board.



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General Manager

Vauxhall, Alberta



## INDEPENDENT AUDITOR'S REPORT

### To the Members of Bow River Irrigation District

#### Opinion

We have audited the financial statements of Bow River Irrigation District (the District), which comprise the statement of financial position as at December 31, 2023, and the statements of operations and changes in 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, 2023, and the results of its operations and cash flows for the year then ended in accordance with Canadian accounting standards for not-for-profit organizations (ASNPO).

#### 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.

#### 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 ASNPO, 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 Bow River 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 27, 2024

Chartered Professional Accountants





# BOW RIVER IRRIGATION DISTRICT

## Statement of Financial Position

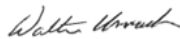
As at December 31, 2023

	General Fund	Irrigation Works	December 31, 2023	December 31, 2022
<b>ASSETS</b>				
<b>CURRENT ASSETS</b>				
Cash	3,810,734	16,736,053	20,546,787	21,318,017
Short-term investments (Note 3)	-	17,469,220	17,469,220	9,022,000
Accounts receivable (Note 4)	585,505	2,803,162	3,388,667	2,488,560
Materials and supplies, at cost	1,228,006	-	1,228,006	1,674,490
Prepaid expenses	200,635	-	200,635	168,770
Work in process	-	12,513,643	12,513,643	7,746,894
Due from funds	-	803,246	803,246	3,503,986
	5,824,880	50,325,324	56,150,204	45,922,717
LONG-TERM INVESTMENTS (Note 3)	-	35,758,520	35,758,520	40,254,180
PROPERTY AND EQUIPMENT (Note 5)	3,987,015	-	3,987,015	3,846,516
IRRIGATION WORKS (Note 5)	-	123,932,615	123,932,615	124,876,121
	9,811,895	210,016,459	219,828,354	214,899,534
<b>LIABILITIES AND FUND BALANCES</b>				
<b>CURRENT LIABILITIES</b>				
Accounts payable and deferred revenue (Note 9)	915,216	4,511,221	5,426,437	9,282,595
Due to funds	803,246	-	803,246	3,503,986
	1,718,462	4,511,221	6,229,683	12,786,581
LONG-TERM DEBT (Note 10)	-	12,846,895	12,846,895	8,758,996
	1,718,462	17,358,116	19,076,578	21,545,577
<b>COMMITMENTS (Note 11)</b>				
<b>CONTINGENCIES (Note 12)</b>				
<b>FUND BALANCES</b>				
Invested in property and equipment (Note 5)	3,987,015	123,932,615	127,919,630	128,722,637
Externally restricted (Note 6)	-	5,363,493	5,363,493	2,263,416
Internally restricted (Note 6)	-	63,362,235	63,362,235	58,128,387
Unrestricted	4,106,418	-	4,106,418	4,239,517
	8,093,433	192,658,343	200,751,776	193,353,957
	9,811,895	210,016,459	219,828,354	214,899,534

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



General Manager



Chairman of the Board

**BOW RIVER IRRIGATION DISTRICT**  
**Statement of Operations and Changes in Fund Balances**  
**For the Year Ended December 31, 2023**

	General Fund	Irrigation Works	2023 (12 months)	2022 (14 months)
<b>REVENUE</b>				
<b>WATER EARNINGS</b>				
Irrigation rates (Note 7)	5,149,787	-	5,149,787	5,103,405
Water supply rentals	142,201	-	142,201	96,417
Sale of excess and domestic water	92,750	-	92,750	90,450
Discounts and penalties, net	11,531	-	11,531	11,879
	<u>5,396,269</u>	<u>-</u>	<u>5,396,269</u>	<u>5,302,151</u>
LEASE REVENUE, NET	1,934,256	-	1,934,256	1,579,663
INVESTMENT INCOME	91,290	2,778,362	2,869,652	1,933,872
UNREALIZED (LOSS) GAIN ON INVESTMENTS	-	121,933	121,933	(756,148)
PROVINCE OF ALBERTA	-	4,598,661	4,598,661	4,705,518
CONTRIBUTIONS FROM FARMERS	-	4,868,873	4,868,873	5,734,545
MISCELLANEOUS	54,140	-	54,140	49,550
	<u>7,475,955</u>	<u>12,367,829</u>	<u>19,843,784</u>	<u>18,549,151</u>
<b>EXPENSES</b>				
OPERATING EXPENSES (SCHEDULE 1)	6,183,315	143,304	6,326,619	5,565,497
AMORTIZATION OF IRRIGATION WORKS	-	6,119,346	6,119,346	6,168,383
	<u>6,183,315</u>	<u>6,262,650</u>	<u>12,445,965</u>	<u>11,733,880</u>
EXCESS OF REVENUE OVER EXPENSES	1,292,640	6,105,179	7,397,819	6,815,271
PROVISION FOR IRRIGATION WORKS (Note 8)	(1,285,240)	1,285,240	-	-
	<u>7,400</u>	<u>7,390,419</u>	<u>7,397,819</u>	<u>6,815,271</u>
FUND BALANCES, beginning of year	<u>8,086,033</u>	<u>185,267,924</u>	<u>193,353,957</u>	<u>186,538,686</u>
FUND BALANCES, end of year	<u>8,093,433</u>	<u>192,658,343</u>	<u>200,751,776</u>	<u>193,353,957</u>

**BOW RIVER IRRIGATION DISTRICT****Statement of Combined Cash Flows****For the Year Ended December 31, 2023**

	2023	2022
<b>CASH PROVIDED BY (USED IN):</b>		
<b>OPERATING ACTIVITIES</b>		
Excess of revenue over expenses	7,397,819	6,815,271
Items not involving cash:		
Amortization of property and equipment	567,085	661,585
Amortization of irrigation works	6,119,346	6,168,383
Gain on sale of property and equipment	(302,419)	(867,713)
	<u>13,781,831</u>	<u>12,777,526</u>
Net change in non-cash working capital balances		
Accounts receivable	(900,107)	2,269,995
Materials and supplies, at cost	446,484	(663,392)
Prepaid expenses	(31,865)	(47,680)
Accounts payable and deferred revenue	(3,856,158)	3,409,291
	<u>9,440,185</u>	<u>17,745,740</u>
<b>INVESTING ACTIVITIES</b>		
Purchase of property and equipment	(1,127,013)	(641,929)
Proceeds on disposal of property and equipment	721,848	877,150
Expenditures on irrigation works	(5,175,840)	(9,728,988)
Change in work in process	(4,766,749)	(4,568,075)
Change in long-term investments	4,495,660	(25,691,606)
	<u>(5,852,094)</u>	<u>(39,753,448)</u>
<b>FINANCING ACTIVITIES</b>		
Change in long-term debt	<u>4,087,899</u>	<u>4,360,844</u>
<b>NET INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS</b>	<b>7,675,990</b>	<b>(17,646,864)</b>
CASH AND CASH EQUIVALENTS, beginning of year	<u>30,340,017</u>	<u>47,986,881</u>
CASH AND CASH EQUIVALENTS, end of year	<u><u>38,016,007</u></u>	<u><u>30,340,017</u></u>
<b>CASH AND CASH EQUIVALENTS COMPRISE:</b>		
Cash	20,546,787	21,318,017
Short-term investments	<u>17,469,220</u>	<u>9,022,000</u>
	<u><u>38,016,007</u></u>	<u><u>30,340,017</u></u>

# **BOW RIVER IRRIGATION DISTRICT**

## **Notes to Financial Statements**

**For the Year Ended December 31, 2023**

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### **1. Purpose of the Organization**

The Bow River Irrigation District (District) is charged with the responsibility of efficient and economical distribution of water to users in the District and operates as a corporation under the Irrigation Districts Act, Chapter 1-11, Revised Statutes of Alberta 2000.

The District is considered a tax-exempt Government of Alberta agency and as a result pays no income taxes or Goods and Services Tax (GST) on purchases but is still required to collect and remit GST.

### **2. Accounting Policies**

The financial statements have been prepared in accordance with Canadian accounting standards for not-for-profit organizations including the following significant accounting policies:

#### Fund Accounting

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

General Fund – Discloses the water management and delivery operations and land lease operations of the District, as well as certain special projects as designated by the Board of Directors from time to time. The general 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 expenditures 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. It includes funds provided by the Province of Alberta for the Irrigation Rehabilitation Program. The Province contributes 75% of the funds for this program 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 Canada Infrastructure Bank for the Alberta Irrigation Modernization program. The Province contributes 30%, the CIB loans 50% and the District contributes 20%.

**BOW RIVER IRRIGATION DISTRICT**  
**Notes to Financial Statements**  
**For the Year Ended December 31, 2023**

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**2. Accounting Policies (continued)**

Revenue Recognition

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

Cash and Cash Equivalents

The District considers cash on hand, in banks and term deposits that mature within twelve months of year-end as cash and cash equivalents.

Inventory

Purchased materials and supplies inventory are valued at the lower of cost or net realizable value with cost determined by the average cost method.

Work in progress is stated at cost and capitalized as specific projects are completed.

Property and Equipment

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

Office shop complex	3%
Other equipment	10%
Power equipment	15%
Trucks	20%
Computer equipment	25%

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

# BOW RIVER IRRIGATION DISTRICT

## Notes to Financial Statements

For the Year Ended December 31, 2023

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### 2. Accounting Policies (continued)

#### Pension

Expenditures: Employee benefits include pension costs which comprise the cost of pension obligations earned by employees during the year.

#### Measurement Uncertainty

The preparation of financial statements in accordance 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 reporting period. Actual results could differ from those estimates. Management has estimated the average useful life of irrigation works in the District to be 40 years. Amortization of irrigation works is based on this estimate.

#### Long-lived Assets

Long-lived assets consists of property, buildings and equipment and irrigation works. Long-lived assets held for use are measured and amortized as described in the applicable accounting policies.

The District performs impairment testing on long-lived assets held for use whenever events or changes in circumstances indicate that the carrying value of an asset, or group of assets, may be unrecoverable. Impairment losses are recognized when undiscounted future cash flows from its use and disposal are less than the asset's carrying amount. Impairment is measured as the amount by which the asset's carrying value exceeds its fair value. Any impairment is included in income for the year.

#### Financial Instruments

The District recognizes its financial instruments when the District becomes party to the contractual provisions of the financial instrument. All financial instruments are initially recognized at their fair value, including financial assets and liabilities originated.

At initial recognition, the District may irrevocably elect to subsequently measure any financial instrument at fair value. The District has not made an election during the year.

# BOW RIVER IRRIGATION DISTRICT

## Notes to Financial Statements

For the Year Ended December 31, 2023

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### 2. Accounting Policies (continued)

The District subsequently measures investments in equity instruments quoted in an active market at fair value. Fair value is determined by published price quotations. Investments in equity instruments not quoted in an active market are subsequently measured at cost less impairment. All other financial assets and liabilities are subsequently measured at amortized cost.

Transaction costs and financing fees directly attributable to the origination, acquisition, issuance or assumption of financial instruments subsequently measured at fair value are immediately recognized in the excess of revenues over expenses for the current period. Conversely, transaction costs and financing fees are added to the carrying amount for those financial instruments subsequently measured at amortized cost or cost.

#### Financial Asset Impairment

The District assesses impairment of all of its financial assets measured at cost or amortized cost. The District groups assets for impairment testing when available information is not sufficient to permit identification of each individually impaired financial asset in the group; there are numerous assets affected by the same factors; no asset is individually significant. Management considers whether the issuer is having significant financial difficulty; whether there has been a breach in contract, such as a default or delinquency in interest or principal payments in determining whether objective evidence of impairment exists. When there is an indication of impairment, the District determines whether it has resulted in a significant adverse change in the expected timing or amount of future cash flows during the year. If so, the District reduces the carrying amount of any impaired financial assets to the highest of: the present value of cash flows expected to be generated by holding the assets; the amount that could be realized by selling the assets; and the amount expected to be realized by exercising any rights to collateral held against those assets. Any impairment, which is not considered temporary, is included in current year excess of revenues over expenses.

The District reverses impairment losses on financial assets when there is a decrease in impairment and the decrease can be objectively related to an event occurring after the impairment was recognized. The amount of the reversal is recognized in the excess of revenues over expenses in the year the reversal occurs.

**BOW RIVER IRRIGATION DISTRICT**  
**Notes to Financial Statements**  
**For the Year Ended December 31, 2023**

**3. Investments**

	2023	2022
Managed portfolios (cost - \$5,000,767)	5,018,755	4,651,289
GICs	46,884,968	43,215,580
Fixed income (cost - \$1,377,091)	1,324,017	1,409,311
	<u>53,227,740</u>	<u>49,276,180</u>
Less: short term	(17,469,220)	(9,022,000)
	<u>35,758,520</u>	<u>40,254,180</u>

Short-term investments totalling \$17,469,220 (2022 - \$9,022,000) mature in the next year. They include GICs, term deposits and bonds at interest rates varying from 1.15% to 5.33%. Long term investments totalling \$35,758,520 (2022 - \$40,254,180) mature in one to six years. They includes GICs, term deposits and bonds at varying interest rates from 1.70% to 5.53% and equities.

**4. Accounts Receivable**

	2023	2022
Water rates and charges	473,937	226,696
Leases	55,428	48,648
Sundry	56,140	44,203
AIM program funding	1,402,078	974,271
Accrued interest	1,401,084	1,194,742
	<u>3,388,667</u>	<u>2,488,560</u>



**BOW RIVER IRRIGATION DISTRICT**  
**Notes to Financial Statements**  
**For the Year Ended December 31, 2023**

**5. Property and Equipment**

<u>General</u>	2023		2022	
	Cost	Accumulated Amortization	Net	Net
Office shop complex	2,485,769	1,265,949	1,219,820	1,257,546
Trucks	2,442,883	1,616,640	826,243	903,343
Power equipment	3,686,092	2,194,693	1,491,399	1,336,142
Computers	315,804	272,334	43,470	40,980
Other equipment	1,141,067	734,984	406,083	308,505
	<u>10,071,615</u>	<u>6,084,600</u>	<u>3,987,015</u>	<u>3,846,516</u>

<u>Irrigation Works</u>	2023	2022
Irrigation works opening balance	271,158,667	261,429,679
Additions to irrigation works		
External goods and services	4,251,511	8,426,894
Internal (District) goods and services	924,329	1,302,094
Irrigation works at end of year	<u>276,334,507</u>	<u>271,158,667</u>
Amortization opening balance	146,282,546	140,114,163
Current year amortization	<u>6,119,346</u>	<u>6,168,383</u>
Amortization at end of year	<u>152,401,892</u>	<u>146,282,546</u>
Irrigation works closing balance	<u>123,932,615</u>	<u>124,876,121</u>

**BOW RIVER IRRIGATION DISTRICT**  
**Notes to Financial Statements**  
**For the Year Ended December 31, 2023**

**6. Restricted Fund Balances**

The District has funds contributed by Alberta Agriculture (externally restricted) and by the District (internally restricted) for use in addition to and/or rehabilitating irrigation works. The District also has funds contributed by Alberta Environment (externally restricted) to secure right of way for deficiencies existing prior to 1974.

	Internal		External		2023	2022
	District	Right of Way	Cost Share			
Opening fund balance	58,128,387	32,155	2,231,261		60,391,803	57,247,734
<u>Add:</u>						
Contributions new parcels	4,742,280	-	-		4,742,280	5,591,490
Province of Alberta	2,392,942	-	2,205,719		4,598,661	4,705,518
District	1,285,240	-	735,240		2,020,480	2,116,984
Contributions from farmers	134,855	-	-		134,855	146,055
Investment earnings	2,568,520	1,717	208,125		2,778,362	1,885,019
Unrealized (loss) gain	121,933	-	-		121,933	-756,148
	69,374,157	33,872	5,380,345		74,788,374	70,936,652
<u>Deduct:</u>						
Additions to capital works (Note 5)	5,125,116	-	50,724		5,175,840	9,728,988
Operating fees	143,304	-	-		143,304	169,369
Payments to water users	8,262	-	-		8,262	3,000
Transfer to cost share	735,240	-	-		735,240	643,492
	63,362,235	33,872	5,329,621		68,725,728	60,391,803

**BOW RIVER IRRIGATION DISTRICT**  
**Notes to Financial Statements**  
**For the Year Ended December 31, 2023**

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**7. Irrigation Rates**

Irrigation rates, net, consist of:		<u>2023</u>
289,481.52 acres at \$17.50 per acre		5,065,927
540.24 acres at \$437.50 per parcel minimum 57 parcels at 25 acres minimum		24,938
240.93 acres at \$21.00 per acre, terminable		<u>5,060</u>
		5,095,924
1,985.05 acres at \$21.00 per acre, annual		41,686
29.00 acres at \$437.50 per parcel minimum, annual		12,688
Less prior year adjustments		<u>(511)</u>
		<u><u>5,149,787</u></u>

**8. Provision for Irrigation Works**

	<u>2023</u>	<u>2022</u>
Contribution to cost share reserve	735,240	643,492
Transfer to reserves	<u>550,000</u>	<u>830,000</u>
	<u>1,285,240</u>	<u>1,473,492</u>

# **BOW RIVER IRRIGATION DISTRICT**

## **Notes to Financial Statements**

**For the Year Ended December 31, 2023**

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### **9. Accounts Payable and Deferred Revenue**

Included in accounts payable is deferred revenue of \$4,008,341 representing deposits on expansion acres and goods and services taxes payable of \$186,361.

### **10. Long Term Debt**

On December 18, 2020, the District entered into a funding agreement with Irrigating Alberta Inc. ("IAI"). Funding will be provided to the District through a Canadian Infrastructure Bank ("CIB") loan and a grant from the Province of Alberta. The funds are to be used for the development and construction of the Modernization Projects and Reservoir Projects.

In accordance with the terms of the funding agreement, IAI has agreed to the sources of funds to be made available to the District in the maximum initial amount of \$102,975,000 and is comprised of: 30% (\$30,892,500) contributed by a grant from the Province of Alberta; and 50% (\$51,487,500) will be from a CIB loan. The District will be responsible for the remaining 20% (\$20,595,000) of the approved projects. The loan will accrue interest at 1.0% per annum for 35 years to be repaid by incremental revenues. The funds can be drawn on up to 102 months after the effective date (December 18, 2020) with a possible 18 month extension. The outstanding balance of the loan as at December 31, 2023 was \$12,846,895 (2022 - \$8,758,996).

Security on the loan consists of a general security agreement on the incremental revenues attributable to these projects. These revenues include capital asset charges, new surcharges, fees and other operating revenues. The District is only liable to IAI for its proportionate share and does not guarantee any portion related to the other Districts who have separate loans.

### **11. Commitments**

The District has commitments in an estimated amount of \$29,289 (2022 - \$568,804) in respect of uncompleted work on approved cost sharing projects.

### **12. Contingencies**

The District is involved in various minor litigation, 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.

# **BOW RIVER IRRIGATION DISTRICT**

## **Notes to Financial Statements**

**For the Year Ended December 31, 2023**

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### **13. Local Authorities Pension Plan**

Employees of the District participate in the Local Authorities Pension Plan (LAPP), which is covered by the Public Sector Pension Plans Act. It is financed by employer and employee contributions and investment earnings of the LAPP fund. The District is required to make current service contributions to the plan of 8.45% of pensionable earnings up to the Canada Pension Plan's Maximum Pensionable Earnings and 12.23% for the excess. Total current service contributions by the employees of the District to LAPP in 2023 were \$257,875 (2022 - \$283,803) and the contributions made by the District to the plan in 2023 were \$288,700 (2022 - \$312,100). At December 31, 2022 the Plan served about 291,259 people (2021 - 281,764) and 437 employers (2021 - 435) and it disclosed an actuarial surplus of \$12.7 billion (2021 - \$11.9 billion).

### **14. Financial Instruments**

The District as part of its operations carries a number of financial instruments. It is management's opinion that the District is not exposed to significant interest, currency or credit risks arising from these financial instruments except as otherwise disclosed.

#### **Fair value of financial instruments**

The carrying value of current financial assets and liabilities approximates their fair values due to the short-term nature of these instruments.

The fair value of the District's long-term investments consisting of fixed income bonds, term deposits and equities are \$35,758,520 (2022 - \$40,254,180).

#### **Credit concentration**

The District does not have significant exposure to risk from any individual customer. The District conducts regular reviews of its existing customers' credit performance. The Irrigation Districts Act provides a mechanism to recover losses associated with non-payment of irrigation rates and rights.

#### **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 and liabilities, known as cash flow risk, and on the fair value of other financial assets or liabilities, known as price risk. The District does not have any specific exposure to interest rate risk.

#### **Currency risk**

The District has limited exposure to currency risk as most all of the District's transactions are denominated in Canadian dollars.

**BOW RIVER IRRIGATION DISTRICT**  
**Notes to Financial Statements**  
**For the Year Ended December 31, 2023**

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**15. Related Parties**

During the year the District received revenues of \$206,976 for irrigation water rates from members of the board of directors. These transactions are in the normal course of operations and are measured at the exchange amounts outlined in the District's by-laws.

**16. Approval of Financial Statements**

These financial statements were approved by management and the Board of Directors.

**BOW RIVER IRRIGATION DISTRICT**  
**Schedule of Operating Expenses**  
**For the Year Ended December 31, 2023**

**Schedule 1**

	2023 (12 months)			2022 (14 months)	
	Maintenance & Equipment	Water Delivery	Administration	Total	Total
<b>EXPENSES</b>					
Salaries and wages	1,952,567	551,229	1,014,026	3,517,822	3,693,375
Employee benefits	385,763	111,355	199,595	696,713	762,025
Equipment operations & maintenance	716,125	-	3,648	719,773	822,618
Materials and supplies	449,265	-	133,465	582,730	538,126
Amortization	548,688	-	18,397	567,085	661,585
Weed and pest control	68,400	1,059,563	-	1,127,963	816,900
Delivery pumps	2,662	61,797	-	64,459	14,269
Contracted services	168,838	-	51,605	220,443	174,157
Association fees	-	21,747	117,527	139,274	137,801
Board of Directors fees and expenses	-	-	163,096	163,096	161,437
Insurance	73,221	-	11,165	84,386	98,573
Equipment rent	41,602	-	-	41,602	32,000
Professional fees	-	-	26,793	26,793	29,981
Telephone	-	9,290	13,613	22,903	28,338
Miscellaneous	764	76	15,719	16,559	17,864
Conference and seminars	5,245	1,165	9,142	15,552	5,776
Postage	-	-	7,798	7,798	9,792
Advertising	-	-	42,150	42,150	65,404
Land titles charge	-	-	955	955	1,606
Gain on disposal of equipment	-	-	(302,419)	(302,419)	(867,713)
Bank charges	-	-	4,605	4,605	5,784
Travel	828	251	2,450	3,529	1,805
Custom work recoveries	(3,685)	-	-	(3,685)	(9,671)
Building occupancy costs, net	66,565	-	-	66,565	20,287
Labour recoveries	(271,011)	(118,564)	(242,831)	(632,406)	(659,665)
Equipment recoveries	(1,138,885)	116,415	11,540	(1,010,930)	(1,166,326)
General Fund operating expenses	3,066,952	1,814,324	1,302,039	6,183,315	5,396,128
Irrigation Works operating expenses	-	-	143,304	143,304	169,369
<b>TOTAL</b>	<b>3,066,952</b>	<b>1,814,324</b>	<b>1,445,343</b>	<b>6,326,619</b>	<b>5,565,497</b>











## Crushed Concrete



## Main Slough Repair



**Bow River Irrigation District**  
P.O. Box 140  
Vauxhall, AB T0K 2K0

<b>CANADA</b>		<b>POSTES</b>
<b>POST</b>		<b>CANADA</b>
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	<b>Personalized Mail</b>	<b>Courrier personnalisé</b>
		<b>1619873</b>