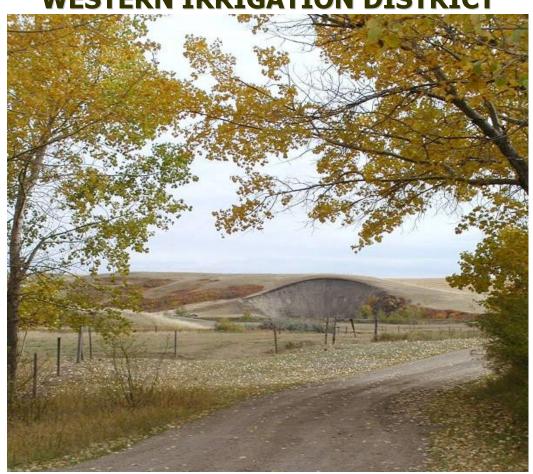


2003 ANNUAL REPORT

WESTERN IRRIGATION DISTRICT



ANNUAL GENERAL MEETING

April 1, 2004 – 1:30 P.M. Strathmore Travel Lodge 350 Ridge Road, Strathmore

FINANCIAL STATEMENT AND ANNUAL REPORT 2003 "INDEX"

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Form 1 NOTICE OF ANNUAL MEETING

Irrigation Districts Act Forms Regulations (Section 42(2)(b))

Take Note that the annual meeting of the Irrigators of the Western Irrigation District will be held at the Strathmore Travel Lodge, Strathmore, Alberta on the 1st day of April 2004 at 1:30 p.m. to:

- (a) Present annual reports of:
 - (i) the Chair on behalf of the Board,
 - (ii) the Manager,
 - (iii) the Auditor of the District, and
 - (iv) the Maintenance of Irrigation Works for the District, and,
- (b) to conduct any other business.

James Webber

General Manager

NOTICE OF ELECTION

Irrigation Districts Act (Section 53)

Local Authorities Election Act (Section 35, 46)

WESTERN IRRIGATION DISTRICT in the PROVINCE OF ALBERTA

Notice is hereby given that an election will be held for the filling of the following offices:

Office(s) Number of Vacancies Division Number
Director 1 1 1
Director 1 4

Voting will take place on the 2nd day of April 2004, between the hours of 10:00 am and 8:00 p.m. The voting station will be located at Western Irrigation District office at 201 Pine Road, Strathmore, Alberta

James Webber Returning Officer

Voter Information for Poll

Irrigation Districts Act, Section 56:

(2) A person is eligible to vote at an election of the district only if that person is

- a) an irrigator recorded on the most recent assessment roll of the district as an irrigator of that district, or
- b) appointed under a written authorization as an agent for a body corporate that is an irrigator of the district to vote on behalf of the body corporate.
- (3) An irrigator may cast only one vote at an election.
- (4) Notwithstanding subsection (3), an Irrigator may also cast a vote on behalf of a body corporate if that irrigator is appointed as an agent for the body corporate in accordance with subsection (2)(b).
- (5) Where more than one irrigator is the owner of one or more parcels, the number of irrigators who may vote may not exceed the number of parcels.
- (6) An irrigator may vote in any voting subdivision of the district or electoral division, as the case may be, if
 - (a) the irrigator's name appears on the list of electors for the district or electoral division, or
 - (b) the irrigator makes a statement in the form prescribed in the regulations in the presence of an officer at the voting station that the irrigator is eligible to vote as an elector in the district or electoral division.

An Irrigator:

Section (1)(x): "irrigator" means an owner of a parcel with irrigation acres.

Section 57(3):

"an irrigator must vote in the electoral division in which that irrigator has irrigation acres, or if that irrigator has irrigation acres in more than one electoral division, the division in which the irrigator has the largest number of irrigation acres."

Note:

In the event that there is only one nomination for an electoral division, the nominee becomes elected by acclamation and balloting becomes unnecessary.

Irrigators who are not sure which division applies to their lands, may check the listing of polling divisions contained in this announcement, or may contact the office of the Western Irrigation District.

CHAIRMAN'S REPORT, 2003

As we approach the sixtieth year as the Western Irrigation District, I am pleased to report the progress of our organization. As you are aware, financial corrections are not an overnight fix as they take time and patience. The WID continues to make great strides in its economic performance. We continue to strive to find a balance between the services provided, and the rates charged to the water users. From a position of debt, we had limited choices.

In 2003, the district operated mostly in the black. There was only an eight week period where the bank operating loan was used, to a maximum of \$120,000. At year end the General Operating Account remained at a positive \$557,000. Budgets for subsequent years will target a small surplus. The Investment Accounts of stocks and bonds remains untouched at \$1.2 million. Further, a separate financial reserve (Land Account) created from land sales had risen to \$955,000, and further revenues are targeted to be added to this account. In addition, the \$5.7 million payment from the Calgary Stormwater Negotiation is in a separate account. It is currently being drawn down to build the remaining lengths of the Secondary A Canal upstream of Langdon Reservoir. The Provincial IRP monies it displaces have been reassigned to other canal systems that will make it a very busy two years for rehabilitation and construction. This activity has been achieved without a water rate increase. The base water rate has not changed since 1998, and it will not change in 2004. In the next 15 years the recommended rehabilitation needs for the District exceed \$100 million, that's an average of \$6.6 million a year. The WID has improved its financial situation, but we still have a long way to go.

Environment Minister Lorne Taylor provided a focus on water issues with his Water for Life Strategy. Irrigation districts are the largest holders of diversion licenses expected attention and have not been disappointed. The most significant announcement was an expected efficiency target of 30%. This District has made many improvements in water efficiencies, on farm, in canals, pipeline installations, and return flow monitoring in recent years, however, with this new target we will require provincial government assistance if a target of this magnitude is to be achieved. The water strategy review was timely. Classification of WID's senior diversion license was never more important than it is now. Another important issue the District is addressing is a new Chestermere Lake management agreement, as the existing one expires in 2005.

I would like to close with thanks to the Directors and Staff for an excellent job, as well as the Province for their continued support. I am pleased that the continuing improvements of the WID have been maintained. There are many challenges yet to come, but take comfort in the knowledge that the WID is up to the challenge.

Submitted on behalf of the Board of Directors

Henry Colpoys Chairman



From Left to right

Director: Dale Dahm **Vice Chairman**: Wayne Risdon **Director**: Lindy MacKenzie **Chairman**: Henry Colpoys

Director: Barrie Clayton

MISSION STATEMENT:

To provide a reliable delivery system to water users in an efficient manner.

Electoral Divisions of the Western Irrigation Board

Division 1 – Lindy MacKenzie – Term expires 2004 Townships 21, 22, 23 and 24 in Ranges 20, 21 and 22

Division 2 – Henry Colpoys – Term expires 2005 Townships 22, 23 and 24 in Ranges 23 and 24 and Township 24 in Range 25

Division 3 – Wayne Risdon – Term expires 2006 Townships 21, 22 and 23 in Ranges 25, 26, 27 and 28 and Township 23 in Range 29

Division 4 – Barrie Clayton – Term expires 2004 Township 24 in Ranges 26, 27, and 28 and Townships 25, 26 and 27 in Ranges 25, 26, 27 and 28

Division 5 – Dale Dahm – Term expires 2005 Townships 25, 26 and 27 in Ranges 21, 22, 23 and 24

General Manager's Report for 2003

"It was the best of times, it was the worst of times," is a Charles Dickens quote that best sums up the year of 2003. As the farming community bounced back from drought and poor crop prices, we now had to contend with West Nile and BSE. The uncertainty that BSE created will affect this irrigation district for years to come. This is a cattle production area and it is vital to our local economy. The district did not see a significant change to its paid bills in 2003, but we do have a concern for 2004 if no relief is found for this global problem. To a lesser extent water weeds and the emerging West Nile virus add insult to injury, but irrigation farming will persevere.

The Calgary Stormwater Negotiation was brought to a conclusion in 2003. This was the preferred route to bring to a close the legal court actions that commenced in 1996. The issue of responsibility had been addressed in previous court decisions. This negotiation was to settle on compensation for the past, but more important how we were going to work together in the future. Alberta Environment and the City of Calgary made a payment of \$5.7 million to the WID for past damages. Those monies were allocated to rehabilitating the A Canal. They further undertook to build works in the Western Headworks Canal by 2007 that will divert damaging urban storm surges away from Chestermere Lake. For the future, a permanent Stormwater Committee will be in place to address future issues as they arise in a true three-way partnership. It will allow new monitoring of operational flows, and water quality changes through the addition of new technologies.

The irrigation industry representation in the Alberta Irrigation Projects Association took its annual conference to Calgary in 2003. This was in recognition of the ever increasing gulf between the urban and rural public, especially with regards to water use. This is felt more so in WID as we abut the urban expansions of Calgary. The AIPA is diverting more of its budget to the educational system, creating educational packages and giving tours to urban schools. WID provides as much support to this process as it can afford.

The surprise of 2003 was the static nature of internal water transfers. With the WID irrigated acre cap reached at 95,000 acres, a pent up demand for new irrigation was observed. What was unexpected was the reluctance to sell irrigation acres, even if those acres had not been used for many years. This was discussed at the November Farmers meeting. In response, the WID has brought in a Policy to recognize Alternate Parcel Irrigation [IDA (25)] in the hope that it will free up irrigation acre transfers. It will allow existing water right holders to maintain their ownership, and provide for the temporary use by others under agreement.

In 2003, the WID said goodbye to Robin Glasier, who moved to Delta BC. After 12 years with the WID, she will be missed. The staff picked up the workload, and it has been supplemented by an external firm for technical land work. The outsourcing of expertise also takes place for civil engineering designs and contracting. On the operations side we have lost Leon Dufour and lately Geoff Smith. The WID will find the local marketplace competitive in this economic boom. We ask for your patience as we train new personnel to serve you.

In closing, I would like to thank the Board of Directors for their continuing support in this 2003 year. Thanks to the provincial government for their financial support, and our suppliers and contractors for their high level of service. A special thank you to WID staff for the time and effort, and for the long hours that have made this year a continuing success.

Respectfully submitted

Jim Webber General Manager

ANOTHER MOVING DAY



The excavator was donated to the Pioneer Acres Museum in Irricana by The Western Irrigation District.



The original prototype for the DNR excavator was built in California by a Mr. Ruth. The manager of the Western Section saw it in operation and arranged to have one shipped to Strathmore in late 1918. The CPR was interested in this machine because they hoped it would reduce the cost of maintenance. It proved to be quite successful with the result that the CPR manufactured their own versions. Ruth was paid a fee to cover his patent rights. The CPR made modifications to ones they built to make them more suitable for use on their project. They built about 20 or so. { John Gilpin, Historian}



New Building on formerly owned Western Irrigation District lands. 2003 brought about some new changes for Strathmore. Extra Foods opened November 2003. As well as a Liquor store and gas bar, with Canadian Tire to follow in 2004.

Operations & Maintenance Activities

The 2003 season started early for the Operations and Maintenance Department due to the quick spring runoff we experienced during the month of March. The District's equipment fleet and staff were kept busy repairing the damage to the system caused by the melting. Numerous washouts occurred primarily due to the large number of frozen culvert crossings within our canal systems.



B Canal flowing half full with runoff during March 2003

The biggest challenge the O&M staff faced during the 2003 irrigation season was attempting to control the high amount of algae and aquatic weed growth in the canal systems. Investigations by water quality experts found that the water temperature during May and June was 6°C warmer than the previous year. This unusually high water temperature and the relatively low water demand early in the irrigation season produced a "perfect storm" for the algae growth. District staff continued to attack the problem this year with both chemical (Magnicide H) and mechanical (weed cutters) means throughout the season. In addition to our normal treatments, O&M staff experimented with other solutions to the weed problem including a fabricated algae "baler" attached to the end of hydraulic excavators. The Operations staff looks forward to the year 2007 when the City of Calgary's stormwater, and its nutrients, no longer drains into Chestermere Lake during the winter months. Indications are that the water quality in Chestermere Lake will improve by 50% as a result. This significant reduction in nutrient loading to the District's main reservoir should produce a noticeable decrease in the amount of aquatic vegetation growth throughout the entire District. Until that time though, the District recognizes irrigators' concerns and will continue its best efforts to control the weed growth to manageable levels.

2003 Maintenance Activity Summary			
Ditch Cleaning	75 km		
Bank Leveling	74 km		
Tree Clearing	5 km		
Ditch Abandonment	12 km		
Delivery Installations	26 units		
Drop/Check Installations	14 units		
Canal Crossing Installations	16 units		
Weed/Brush Control - Cattail Cutting	200 km		
Weed/Brush Control – Chemical Spraying	450 km		



One irrigator's solution to his weed problems

2003 District Equipment Fleet

1994 Kenworth Tandem Gravel Truck with Pup
2002 Mack Tandem Gravel Truck with Pup
1997 Mack Tandem Tractor with Lowbed Trailer
2003 John Deere 230 Excavator
1998 John Deere 230 Excavator
1997 John Deere 200 Excavator
2001 Komatsu 220 Excavator
2002 Komatsu D61PX12 Dozer
1990 John Deere 970 Tractor
1994 John Deere 410 Backhoe
1996 John Deere 544 Loader
2002 Tip Trailer

Water Use & Conservation

The Western Irrigation District is a member-owned, non-profit organization whose mission is to service the water needs of its large membership. A vast network of over a 1,000 km of canals, dams and reservoirs is operated to provide this service with the co-operation of all users.

Apart from O&M activities in the spring, the District typically begins the irrigation season on May 1 with the first water diversion from the Bow River. During the course of the season, our Water Supervisors ("Ditchriders") operate numerous canals, reservoirs and gate structures to deliver water to users along the system. Good communication between the users and their Ditchrider is critical to providing timely and efficient delivery service. All users are encouraged to discuss their water requirements, length of irrigation and approximate shutdown time with their Ditchrider during the course of the irrigation season. This communication becomes extremely important during periods of water shortages and/or high demand.



The challenges of providing irrigation near an urban area

Monitoring canal flows is the primary responsibility of a Ditchrider. Our system requires constant monitoring of demand, flow and canal conditions in order for its efficient operation. The Ditchriders operate the system based upon the water orders they receive from users. When users take water without the Ditchrider's authorization, downstream users are denied their water order. In other cases, when users do not inform their Ditchrider of equipment failure or irrigation shut-off, precious water is wasted down spillways that could be allocated to other waiting users. With proper notice and communication, your Ditchrider can usually avoid these problems.

Area	Total Acres Irrigated	Secondary A Canal	Secondary B&C Canal
Carseland	12,898	12,898	0
Strathmore	11,405	11,405	0
Rockyford	13,000	0	13,000
Gleichen	10,511	10,511	0
Crowfoot	12,978	0	12,978
Chestermere	6,749	1,090	5,659
Total	67,541	35,904	31,637
% of Total	100	53	47

Table 1 – 2003 Actual Irrigation Acres

Table 1 summarizes the acres of actual irrigation for the 2003 water season. Approximately 70% of the total acres registered with the District were irrigated during the 2003 water season. Early summer rains and higher energy costs in 2003 most likely explained the 10% reduction in irrigated acres compared to the previous year. Table 2 summarizes the water usage for the 2003 water season.

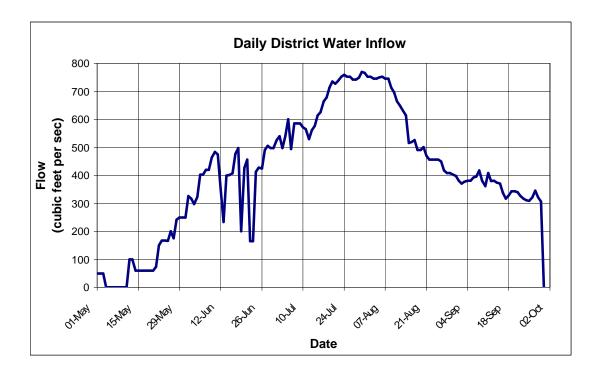


District equipment repairing a main canal structure

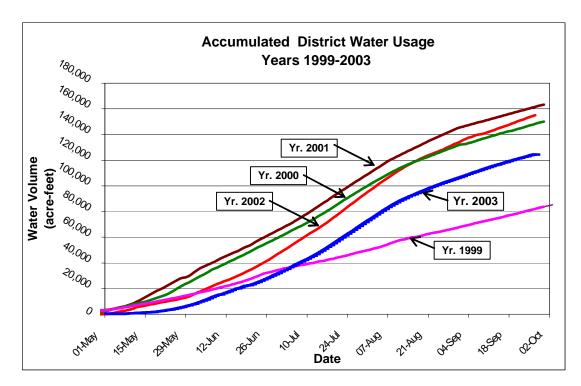
	Total District	Secondary A Canal	Secondary B&C Canal
Diverted Water (ac-ft)	128,700	56,416	72,284
Consumptive Use per Acre (ft)	1.1	1.0	1.2
Consumptive Use (ac-ft)	75,143	37,363	37,780
Irrigated Acres	67,541	35,904	31,637
Diverted Water per Acre (ft)	1.9	1.6	2.3

Table 2 – 2003 Water Usage

The following chart presents the District's daily inflow data for the 2003 irrigation season.



The following chart compares the District's 2003 water usage to the previous four irrigation seasons.



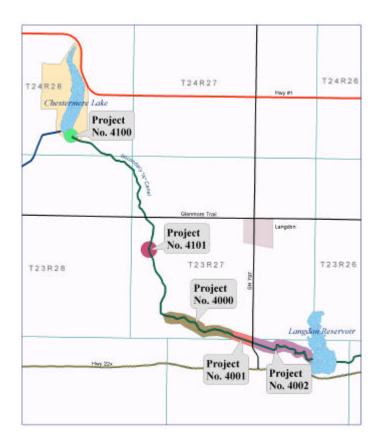
Stormwater Capital Works Fund

As referenced to in the Chairman's and General Manager's Reports, a \$5.7 million Capital Works Fund was established this year for canal rehabilitation work on the Upper Secondary A Canal system. Once completed, the District will have the benefit of full rehabilitation of its large works from Chestermere Lake to Langdon Reservoir. This money also allows for the acceleration of the District's long-term rehabilitation plan. The long-term plan will now be able to perform \$15 million of rehabilitation work within the District over the next 3 years.

The following table summarizes the expenditure details of the Stormwater Capital Works Fund:

Project No.	Project Name	Schedule	Estimated Cost
4000	km 12.5 to km 16.9 Canal Rehab	2003/04	\$1,700,000
4001	km 16.9 to km 18.2 Canal Rehab	2004/05	\$1,400,000
4002	Km 18.2 to km 22.0 Canal Rehab	2004/05	\$1,200,000
4100	Secondary A Canal Headgate Rehab	2004/05	\$1,000,000
4101	Secondary A Canal Drop #1 Rehab	2004/05	\$400,000
		Total	\$5,700,000

Approximately 60% of Project No. 4000 was completed during the Fall/Winter 2003 construction season. The following map highlights the locations of the five projects financed by the Stormwater Capital Works Fund.



Irrigation Rehabilitation Program

The Irrigation Rehabilitation Program (IRP) continued to be a major source of funding for rehabilitation work within the District this year. The Program is funded 75% by the provincial government with the remaining 25% contributed by the District. The total funds contributed this year for rehabilitation work approved by Irrigation Council was:

•	Provincial government (75%)	\$1,656,611
•	District (25%)	\$552,204
•	TOTAL (100%)	\$2,208,815

In addition to the above funds contributed this year, the District's IRP account includes additional funds carried over from previous years.

2003 IRP Project Summary

1. IRP 1936 – Sublateral 81J12 Rehabilitation

The old earthen channel had many operational problems such as severe erosion, inadequate capacity and access issues. The rehabilitation work involved eliminating the open ditch by installing 400 metres of PVC pipeline. Through cooperation with the landowner, the District was able to shorten its delivery system by 800 metres while still maintaining service to the irrigation acres on the system.

- Located 6 km northeast of Cluny
- Estimated Project Cost = \$195,000
- Total Project Cost to Date = \$157,400



2. IRP 1704-6 – Secondary A Canal Armouring

This portion of A Canal was the final reach constructed and funded under the IRP 1704 project. The Stormwater Capital Works Fund will finance the remaining canal rehabilitation to Langdon Reservoir. A private contractor completed the earthwork portion of the contract. District crews completed the final placement of 16,000 tonnes of gravel armour during January.

- Located 5 km west of Langdon
- Estimated Project Cost = \$1,400,000
- Total Project Cost to Date = \$1,190,000



3. IRP 1890 – Lateral 84T2 Rehabilitation

Due to the hilly terrain, the existing lateral suffered from severe erosion, inadequate capacity and significant seepage. The 9 km open ditch system was eliminated by the installation of a 5.2 km long PVC pressure pipeline. District crews completed the project construction in two phases (spring and fall) while maintaining service throughout the summer irrigation season.

- Located 7 km southwest of Rockyford
- Estimated Project Cost = \$830,000
- Total Project Cost to Date = \$690,000



4. IRP 1951 – Lateral 81D4D Rehabilitation

Rehabilitation of the existing channel system was required due to lack of capacity, poor water control and excessive vegetation growth. The selected rehabilitation solution involved the construction of a 400 m long PVC pressure pipeline to replace the open ditch system. The District was able to eliminate 1.5 km of its ditch system while maintaining delivery to the irrigation acres on the lateral.

- Located 10 km northeast of Carseland
- Estimated Project Cost = \$163,000
- Total Project Cost to Date = \$116,000



5. IRP 1849-5 – Bridge Culvert Replacement Program

In partnership with Wheatland County and Alberta Infrastructure, five more bridge-sized culverts were replaced this year. The District's share of the work includes supply of equipment, labour and erosion protection for the culvert installations. As in previous years, this Program targets major canal crossings that are near failure.

- Five locations 15 km southeast of Strathmore
- Estimated Project Cost = \$100,000
- Total Project Cost to Date = \$81,000



6. IRP 1934 – Lateral 81 Canal Rehabilitation

Inadequate capacity, poor bank condition and significant seepage problems caused major operational issues with this 1.6 km portion of main canal. A plastic lined canal was selected as the best rehabilitation option to address the above operational concerns. This new canal design will support the current 3,500 irrigation acres downstream plus future expansion.

- Located 9 km east of Gleichen
- Estimated Project Cost = \$550,000
- Total Project Cost to Date = \$512,000



NOTICE

As in previous years, the Western Irrigation District will be conducting a herbicide spray program. In accordance with the Environmental Protection & Enhancement Act, the program will be conducted in or within proximity of irrigation canals, laterals and drains owned by the District in an attempt to control:

- > Broadleaf weeds and brush.
- > Aquatic & semi-aquatic vegetation.
- Noxious weeds.

Persons having specific concerns are encouraged to contact:

Kipp Horton, Manager, Operations & Maintenance

934-3542 ext. 230 or cellular: 899-4633

2003 CROP DATA SUMMARY

Crop Type	Irrigated Acres	Non Irrigated Acres	Total Acres
Alfalfa Hay	23,732	3,908	27,640
Pasture	6,812	7,827	14,639
Barley	9,972	6,120	16,092
Barley Silage	9,713	1,064	10,777
Canola	3,438	1,537	4,975
CPS Wheat	3,344	1,341	4,685
Durham Wheat	324	250	574
Green Feed	773	0	773
Hard Spring Wheat	1,353	3,060	4,413
Oats	1,190	83	1,273
Nursery	1,386	50	1,436
Turf Sod	666	0	666
Grass Hay	2,721	2,044	4,765
Grass Seed	1,038	0	1,038
Dry Peas	254	420	674
Misc	315	29	344
Market Gardens	509	168	677
Winter Wheat	0	30	30
Summer Fallow	0	197	197
Totals	67,541	28,128	95,668

INVENTORY OF WETLANDS IN THE WID REGION From Ducks Unlimited Canada. WID Landscape Summary Report (1998)

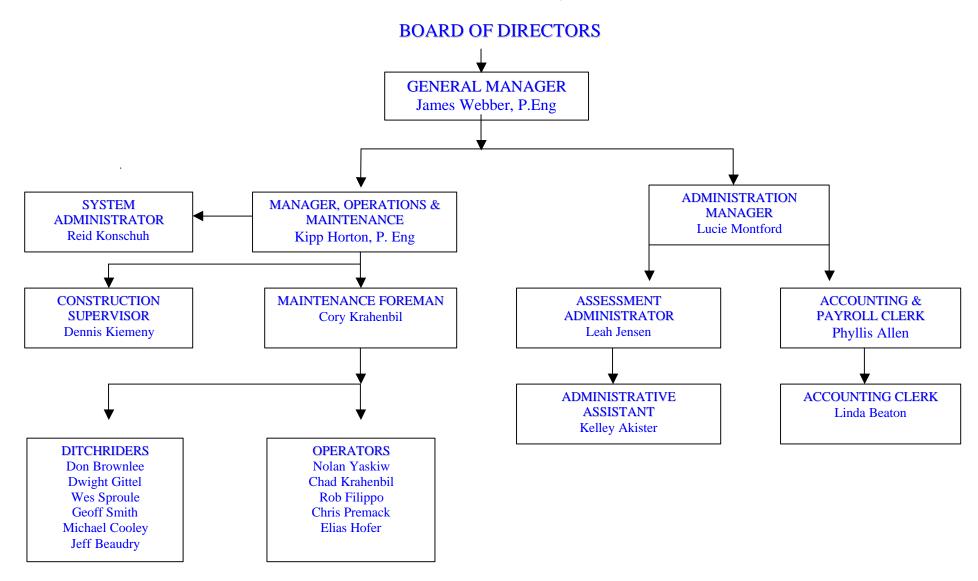
Wetland Characteristic	Wetland Area (Hectares)	Wetland Area (Acres)
Open Water	5,440	13,442
Deep Marsh	375	926
Shallow Marsh	5,610	13,863
Wet Meadow	1,667	4,119
Mud Flat	697	1,722
Canals	1,053	2,602
TOTAL	14,842	36,675

PARCELS ADDED TO/REMOVED FROM WESTERN IRRIGATION DISTRICT FISCAL 2003

Name	Legal Description	Action
	again and I	
Heuver, Rosalie & Eric	SW 10-24-24-W4	Add
Dahm, James & Donald, & Doris Kenney	SW 08-27-22-W4	Add
Brown, Guy & Maisie	SW 19-22-20-W4	Add
Walker, Dale	SE 31-26-24-W4	Add
Muenchrath, Kelly & Nora	SE 20-26-23-W4	Add
Reinhardt, Karl, Margaret & Darren	SW 22-26-25-W4	Add
Reinhardt, Karl, Margaret & Darren	SE 22-26-25-W4	Add
Poffenroth, Alfred	SW 21-23-22-W4	Remove
Hayes, Walter & Olive	SW 08-23-22-W4	Remove
Bar Box Farm & Ranch Ltd.	NE 04-27-22-W4	Remove
Bar Box Farm & Ranch Ltd.	SE 09-27-22-W4	Remove
Brown, Guy & Maisie	SE 14-22-21-W4	Remove
Brown, Guy & Maisie	NW 19-22-20-W4	Remove
Walker, Dale	NE 31-26-24-W4	Remove

WESTERN IRRIGATION DISTRICT ORGANIZATIONAL CHART

as of November 30, 2003





WESTERN IRRIGATION DISTRICT

201 Pine Road, Strathmore, AB T1P 1C1 www.wid.net