



WESTERN IRRIGATION DISTRICT

2009  
ANNUAL REPORT

ANNUAL MEETING

**March 31, 2010 — 1:30 P.M.  
Strathmore Travelodge  
350 Ridge Road, Strathmore**

**PLEASE BRING THIS REPORT WITH YOU TO THE MEETING**

# FINANCIAL STATEMENT AND ANNUAL REPORT 2009

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## Form 1 NOTICE OF ANNUAL MEETING

Irrigation Districts Act Forms Regulations (Section 45(2)(b))

Take Note that the annual meeting of the Irrigators of the Western Irrigation District will be held at the Strathmore Travelodge, Strathmore, Alberta on the 31st day of March 2010 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 office(s):

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

Only those irrigators of the District can vote whose majority of irrigation acres fall within Electoral Division 1, which comprises Townships 21, 22, 23 and 24 in Ranges 20, 21 and 22 or within Electoral Division 4, which comprises Township 24 in Ranges 26, 27 and 28 and Townships 25, 26, and 27 in Ranges 25, 26, 27 and 28.

Voting will take place on the 31st day of March 2010 between the hours of 10:00 am and 8:00 pm. The voting station will be located at the Western Irrigation District office at 105-900 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**

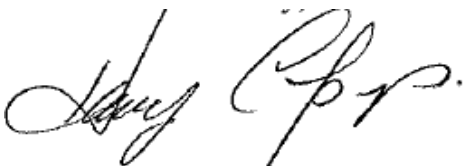
There were changes to the Board structure as a special feature in 2009. As permitted in the Irrigation Districts Act, the Board appointed an additional Board member to make six Directors. This was decided due to the size of the WID investment portfolio and the need for in house expertise to know the best way to protect those investments, and to grow them. Grant Klaiber was invited to join the Board recognizing his particular knowledge in the investment field. The situation was timely not only because the world economy is so volatile, but that Director Dale Dolphin had clearly stated his intention not to run for another term. Dale and former Director Barrie Clayton led the Board in the creation of the WID Investment Policy. Both had a unique knowledge of investments and Dale's contributions will be missed.

The Water for Life strategy is the overarching provincial policy on surface water. It promotes water conservation, increased economic productivity and water storage reservoirs both off-stream and on-stream. As an irrigation district with very little storage, we are dependent on the daily river flow and the seniority of our water license. WID has a potential off-stream storage site capable of 55,000 acre feet. This would significantly change the ability of the WID to operate in dry years. It offers us water security, small irrigation expansions, and enables greater water conservation. It also offers our local municipalities the opportunity to create a Regional Potable Water Treatment Facility and distribution system. In partnership with Rocky View County, Wheatland County, Standard and Rockyford, the WID has campaigned for financial support from the province. This is a water supply solution to last for the next 50 years and is a true urban/agricultural partnership for all lands east of Calgary. Director Dan Shute has led the partnership in meeting with the politicians to lay out the advantages of the project including future agricultural, urban, commercial and industrial development.

The Regional Water Storage Partnership has a financial requirement beyond the ability of the partners to front. This is not so with the expansion of the Langdon Reservoir. There is an opportunity to store an extra 6,000 acre feet inside existing infrastructure by raising the water level 1.5 metres. This project will be organized as a part of the WID rehabilitation plans and paid from the WID investments. Water is a very precious investment. Increased water storage allows us to carryover water from one year to the next. This is an operational advantage previously not available to us.

I would like to close with thanks to the Board of Directors and Staff for an excellent job in continuing the improvements to the WID.

Submitted on behalf of the Board of Directors,

A handwritten signature in black ink, appearing to read 'Dale Dolphin', is written over a horizontal line.

## MISSION STATEMENT

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

### BOARD OF DIRECTORS:



Left to Right:

**Director:** Don Kathol    **Director:** Rick Page    **Vice Chairman:** Dan Shute

**Director:** Grant Klaiber    **Chairman:** Henry Colpoys



**Director:** Dale Dolphin

Dale will be retiring from the Board this year after serving two terms.

### Electoral Divisions of the Western Irrigation District

**Division 1** – Dale Dolphin – Term expires 2010

Townships 21, 22, 23 and 24 in Ranges 20, 21 and 22

**Division 2** – Henry Colpoys – Term expires 2011

Townships 22, 23 and 24 in Ranges 23 and 24 and Township 24 in Range 25

**Division 3** – Rick Page – Term expires 2012

Townships 21, 22 and 23 in Ranges 25, 26, 27 and 28 and Township 23 in Range 29

**Division 4** – Dan Shute – Term expires 2010

Township 24 in Ranges 26, 27 and 28 and Townships 25, 26 and 27 in Ranges 25, 26, 27 and 28

**Division 5** – Don Kathol – Term expires 2011

Townships 25, 26 and 27 in Ranges 21, 22, 23 and 24

Appointed Board Member – Grant Klaiber – Term expires 2012



## **GENERAL MANAGER'S REPORT**

With the extra funds provided by the past Water Transfer to Rocky View County, the accelerated rehabilitation program continues. The 35 kilometre South Cluny Pipeline is nearing completion. With the continuing low bids received for construction contracts, that level of rehabilitation should continue for several years. This is a good time to be building canals and pipelines.

2009 could be considered the year of the study. On water there was the Water Transfer Review (WATSUP), the Minister in the Environments Special Panel on Water Allocation, The Land Use Framework, Cumulative Effects Legislation, Calgary Regional Partnership, Calgary Metropolitan Plan and Rocky View County Growth Study to name a few. Water is the key to all growth. It is not a good time to be building for a housing market. With so many studies pending, where developments could occur was in doubt. A casualty of this was the Langdon Reservoir Recreational Development that could not become a recognized growth node. This district will continue with the reservoir upgrade through its own means.

To save on operational losses the WID experimented with a mail out of recorded water usage. A communication problem was quickly evident between the water district supervisor and the water user. The water supervisor recorded the water ordered by the farmer and that was sent down the canal to the turnout. The farmer on the other hand recorded the water that was applied to the soil and crop. It was apparent that these numbers often differed. It displayed the urgent need to better notify of the turn on and turn off from the provided canal supply. If the water is not used, but still delivered, it is lost to the drainage system. This is an area of water savings that we can certainly improve on. In a future system that uses water allocation as a means of fair water distribution, the water recorded by the water supervisor is the amount that is applied to the water service. Over the next few years we seek your cooperation in improving this recorded use and encourage a conversation with your water supervisor to identify problem areas.

Water conservation is a product of improved infrastructure and operational changes. Demand and supply have to be matched as best we can. With proven upgrades to the WID operation, the water saved can support more irrigation acres at no risk to the existing users. WID is aware of the demand for new acres, especially infills on new pipelines that clear old canal systems from the land. The internal acreage transfers and reallocations have had limited success, but fall short of the demand. In accordance with the Irrigation Districts Act, a plebiscite is in our future for raising the irrigation cap, once we have created a proven volume of water savings. It will be the water users that make that decision.

In closing I would like to thank the Board of Directors for their continuing support. Likewise a special thanks to the staff for their continuing effort and enthusiasm to keep costs down and goals high.

Respectfully submitted,



General Manager

## Operations & Maintenance Activities

### Efficiency Dugouts

The District has been working in cooperation with waterusers for the past several years to identify and construct water storage sites. In 2009, nearly 20 sites were constructed, varying in size, shape and function, from acreage ponds and cattle dugouts to pumpsite expansions and mini on-stream reservoirs. All sites are considered and project costs are shared between the District and the user based on water savings and efficiency benefits. We encourage you to contact your Water District Supervisor if you have a potential location.



### Weeds and Screens



Weed issues have been causing districts and their irrigators problems for decades. The WID is continually working to increase water service and quality for our users through various means. Canal rehabilitation, underground pipeline installations, mechanical removal, chemical treatment and more stringent stormwater management standards all help to better water quality for the end user. Over the past several years, advances in technology have brought forward various screening systems to further aid irrigators in dealing with weeds at the farm delivery. Throughout the District there are numerous examples of screening methods being utilized, each with site specific pros and cons, costs and applications. For more information or to discuss screening options contact the WID office or your area WDS.

#### **NOTICE**

As in previous years, the Western Irrigation District is permitted to implement a herbicide spray program, under specific conditions, in or within 30 horizontal metres of irrigation canals, laterals and drains owned by the District to attempt to control:

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

In accordance with the Environmental Protection & Enhancement Act, application was made by the District and approval received to proceed with this annual program to apply herbicides.

Persons having specific concerns are encouraged to contact:

**Erwin Braun P.L. (Eng) Manager, Operations & Maintenance**  
403-934-3542, ext. 230

2009 MAINTENANCE ACTIVITY SUMMARY	
Ditch Cleaning/Rehab	9 km
Bank Leveling/Ditch Fill-In	12 km
Tree Clearing	1 km
Canal Fencing	2 km
Delivery Installations	13 units
Drop/Check Installations	3 units
Canal Crossing Installations	5 units
Pipelines	3 units
Weed/Brush Control - Cattail Cutting	150 km
Weed/Brush Control - Chemical Spraying	205 km
Weed/Brush Control - Bank Mowing	275 km

2009 DISTRICT EQUIPMENT FLEET	
2008	Peterbilt Tandem Gravel Truck with Pup
2007	Sterling Tandem Gravel Truck with Pup
2007	Sterling Tandem lowbed tractor with lowbed/jeep
2009	John Deere 240DLC Excavator
2009	John Deere 200LC Excavator
2007	Komatsu D61PX-12 Dozer
2008	John Deere 350DLC Excavator
1990	John Deere 970 Tractor
2007	John Deere 410G Backhoe
2008	John Deere 544 Loader
2002	Tandem Tip Trailer

## Water Operations

The 2009 water season was the most active irrigation season that the WID has had in relation to acres irrigated. According to Water District Supervisor records, there were just short of 64,196 acres of assessed land that had irrigation water applied to it last year.

The District diverted a total of 120,829 acre feet from the Bow River over the season to fill requirements from irrigators, livestock producers, conveyance contracts, towns and villages and domestic uses. The last year the WID diverted this volume of water was in 2005 when 120,484 acre feet was diverted to service only 56,186 acres. In short, 15% more acres were irrigated in 2009 with the same amount of water.

Water savings have been a focus of district operations since 2005, when water management shifted from a “full canal” style to a more diversion based on demand style of water operation. It is an example of how our member farmers can benefit from better water management to ensure that there will be more than adequate water to grow a crop for everyone when we experience drier growing conditions like we had in 2009. If we can continue to be prudent with water use, there could be a scenario where the District is able to expand its permanent irrigation acre cap. With the ongoing improvements to District infrastructure, WID storage dugout and alternate watering methods cost share programs, the District continues to offer support to our members to improve their efficiencies.



The water storage assistance program that the WID offers can help out with more than just digging a hole. We can also help with installation of stock waterers that work off of pipeline pressure or solar pumps from dugouts. In both instances, water quality is improved for the livestock and less water can be diverted to service the same animals. Everyone makes a positive gain, the producer, the animal and the District.

District water operations are looking to the yard and garden contract holders to tighten their operations as well. An average household or stock “trickle” flows at 1 - 1.5 cfs and has no means to be captured so the majority of the diverted water is never used.



It is best described this way:

....."We don't leave the taps running in our homes just in case we want a drink of water so why do people expect water to run continually in case they want to water livestock or their petunias?"

One stream of water flowing at 1 cfs for an entire irrigation season is enough water to cover the area under a 160 acre pivot with over 21 inches of water. Now consider the fact that there are over 480 household use contracts in the WID annually, and few have storage.

Everyone has a role that can make significant contributions toward better water management.

If you are interested or want to make an inquiry about the WID storage assistance program, or have any other questions or concerns with water related matters, please contact the Water District Supervisor for your service area or the Water Master at the number listed below.

<b><i>Service Area</i></b>	<b><i>Water District Supervisor (WDS)</i></b>	<b><i>Phone Number</i></b>
Chestermere	Jeff Maude	403-899-4638
Carseland	Don Brownlee	403-899-4641
Strathmore	Joey Mordy	403-325-4601
Rockyford	Wes Sproule	403-325-4640
Gleichen	Pat Smith	403-325-4642
Crowfoot	Eric Beingessner	403-325-4639
Water Master	Brian Sander	403-325-0493

Other Grant Programs:

Alberta Irrigation Efficiency Program – details and application forms can be found on the Alberta government web-site.  
<http://www1.agric.gov.ab.ca/general/progserv.nsf/all/pgmsrv371>

## Irrigation Rehabilitation Program (IRP)

The Irrigation Rehabilitation Program (IRP) continued as 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. In 2009 the District received an additional \$202,000 from the Provincial Government which was 100% funding for water management projects. The total funds contributed this year for rehabilitation work approved by Irrigation Council were:

▪ Provincial government (75%)	\$4,933,053
▪ Provincial government (100%)	\$ 202,000
▪ District (25%)	\$1,646,722
▪ <b>TOTAL (100%)</b>	<b>\$6,781,775</b>

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

### 2009 IRP Project Summary

#### 1. IRP 2124 Secondary A Canal Highway 24 to

##### Cairnhill Spillway

This project is a continuation of the rehabilitation of the Secondary A Canal System and starts at Highway 24 ending close to the Cairnhill Spillway. The canal design increases the canal capacity, improves accessibility and eliminates seepage. Caliber Systems Inc. is the main general contractor and MPE Engineering Ltd. is the engineering consultant responsible for the design and contract administration.

- Estimated Project Cost = \$4,900,000
- **Total Project Cost to Date = \$4,400,000**



#### 2. IRP 2157 Secondary A Canal Cairnhill Spillway to Glenmore Trail



This project is a continuation of the rehabilitation of the Secondary A Canal System. It starts 2 kilometres upstream of the Cairnhill Check and Spillway and ends 2 kilometres downstream of Glenmore Trail. This will complete the rehabilitation of the Secondary A Canal through to the Town of Strathmore. The canal design increased the canal capacity, improved accessibility and eliminated seepage. Richardson Bros. (Olds) Ltd. is the main general contractor on this project. The 11.5 kilometre project was started in the fall of 2009 and will be completed in the spring of 2010. MPE Engineering Ltd. is the engineering consultant responsible for the design and contract administration.

- Located 8 km south west of Strathmore
- Estimated Project Cost = \$5,010,000
- **Total Project Cost to Date = \$2,150,000**

### **3. IRP 2131 WID Flow Measurement, Automation (8 Sites)**

The District added SCADA to 8 sites within the WID. These sites allow the WID to have increased flow measurement, structure automation and real time monitoring. They have radio communication which allows operators to have control of flows and measurement from a remote location via a PC. Flow measurement and automation at these sites will greatly improve the WID's operational efficiency and reduce spill water flows. The funding for this project was 100% Provincial Funding.

- Estimated Project Cost = \$304,000
- **Total Project Cost to Date = \$298,945**

### **4. IRP 2132 WID Return Flow Measurement (13 Sites)**

The District upgraded 13 existing return flow sites with real time communication. This flow data will be monitored and stored in the WID SCADA system. The data will increase WID operational efficiency and ultimately reduce spill. The funding for this project was 100% Provincial Funding.

- Estimated Project Cost = \$120,000
- **Total Project Cost to Date = \$118,039**



### **5. IRP 2175 Secondary A Canal Strathmore Golf Course to Parklane Drive**

The District began the preliminary design and planning of the Secondary A Canal that is within the Town of Strathmore in 2009. This project is scheduled to be constructed in the fall/winter of 2010/2011. Discussions are being held with the Strathmore Golf Course and the Town of Strathmore to finalize designs and construction details.

- Estimated Project Cost = \$3,400,000

## **Other 2009 Projects**

### **1. South Cluny Pipeline Project**

The South Cluny Project was made possible by the water transfer to Rocky View County. The project involves installing a closed buried PVC pipeline system to replace the 50 kilometres of open canal. The water savings of this project allowed for the water to be transferred permanently. South Cluny canal presently serves approximately 5,000 acres. Of these acres, 3,000 were actively irrigated. The new pipeline is designed to irrigate over 8,000 acres. The project is being constructed over 2 years to allow for construction scheduling and budgets. Phase 1 involved the installation of a settling pond, inlet structures and approximately 25 kilometres of pipe. The first 4 kilometres of the pipeline is 48 inch diameter. Phase 1 was completed in the Spring of 2009 and was utilized for the 2009 water season. Phase 2 was started in the fall of 2009 and will be complete for the 2010 water season. A tender was let for the installation of 11 kilometres of 1,050 mm (42 inch) diameter PVC pipe. The successful contractor was L.W. Dennis Contracting Ltd. WID crews are installing the remainder of the mainline pipe and sublaterals. dueSouth Project Management Ltd. is the design consultant on this project.

- Estimated Project Cost = \$16,000,000
- **Total Project Cost to Date = \$15,200,000**



## **2. Secondary A South Cluny Sublaterals**

The South Cluny Pipeline sublaterals were completed with the installation of the mainline to accommodate an additional 3,000 acres. These acres are in addition to the present assessment of 5,000 acres. This project involves the installation of approximately 18 kilometres of PVC pipe.

- Estimated Project Cost = \$2,400,000
- **Total Project Cost to Date = \$400,000**

## **3. Secondary C Canal Erosion Control**

The Serviceberry Creek portion of the Secondary C Canal erodes and causes silt to be transported and deposited downstream in the Secondary C Canal system. The side slopes are being protected by installing rip rap and gravel armour. The WID crews have completed several reaches of this area in the past several years. This process is scheduled to continue for the next 3 to 5 years until the project is complete.

- Estimated Project Cost (2009) = \$250,000

## **4. Secondary C Canal System Study**

Secondary C Canal System Study was completed in 2009 and investigated alternatives to rehabilitate the Secondary C Canal system. The study assists the WID in the planning of future rehabilitation plans and identifies which of the sublaterals can be rehabilitated with closed pipeline systems.

- Estimated Project Cost = \$100,000
- **Total Project Cost to Date = \$97,279**

## **5. Secondary C Rockyford Spillway**

The proposed project is an open PVC pipeline that replaces the existing canal system. It will provide needed spillway capacity to allow for more closed pipelines to be constructed on the Secondary C system. This project is scheduled to be constructed in the fall of 2010 and will be completed for the 2011 water season.

- Estimated Project Cost = \$2,740,000

## **6. Secondary C East C Pipeline**

The investigation and preliminary design of Secondary C East C Pipeline project was initiated in 2009. This project will see the bottom 12 kilometres of Secondary C system replaced with a closed gravity PVC pipeline. It is scheduled for construction in the fall of 2011 and will be completed for the 2012 water season.

- Estimated Project Cost = \$3,000,000



## Seepage Control Plan 2009-2013

The Western Irrigation District has prepared a Seepage Control Plan for the Years 2009 through 2013 in accordance with Section 164(1) of the Irrigation Districts Act. Currently the program is ahead of schedule.

The Plan addresses seepage in the following areas:

Table 1: Seepage projects from 2008 to 2013

YEAR	PROJECT	SECTION	STATUS
2008-2010	Lateral 81 J (South Cluny Pipeline Project)	Sec. 21, 28, 29, 30 –T22-R20-W4 Sec. 3, 4, 5, 7, 8, 9, 10, 11, 13, 18, 19-T22-R21 W4 Sec. 13, 14, 21, 22, 23, 24, 25, 26, 27, 28, 29, 31, 32, 33, 34 T22-R22-W4	Not Complete
2010	Secondary A Canal (Strathmore Golf Course to Parklane Drive) and East Boundary Road to Broken Stone Pipeline	Sec. 13, 14, 15, 22, 23, 24, T24-R25-W4 Sec. 18, 19 T24-R24 W4	Not Complete
2010	Lateral 84T5 (Secondary C Rockyford Spillway)	Sec. 22, 23, 27, 28, 33-T26-R23 W4	Not Complete
2011	Lateral 84T (Secondary C Canal East C Pipeline)	Sec. 33, 34, 35-T26-R23 W4 Sec. 4, 5, 6, 7, 8, 9, 17-T27-R22 W4 Sec. 1, 2, 3-T27-R23 W4	Not Complete
2012	Lateral 81F11 (Secondary A Pipeline)	Sec. 5, 6, 7, 8, 16-T23R23 W4	Not Complete
2012	Lateral 85N3 (Secondary B Pipeline)	Sec. 21, 22, 27, 28, 29-T24-R23 W4	Not Complete
2013	Lateral 84T4 (Secondary C Pipeline)	Sec. 20, 28, 29, 32-T26-R23 4W	Not Complete

## 2009 CROP DATA SUMMARY

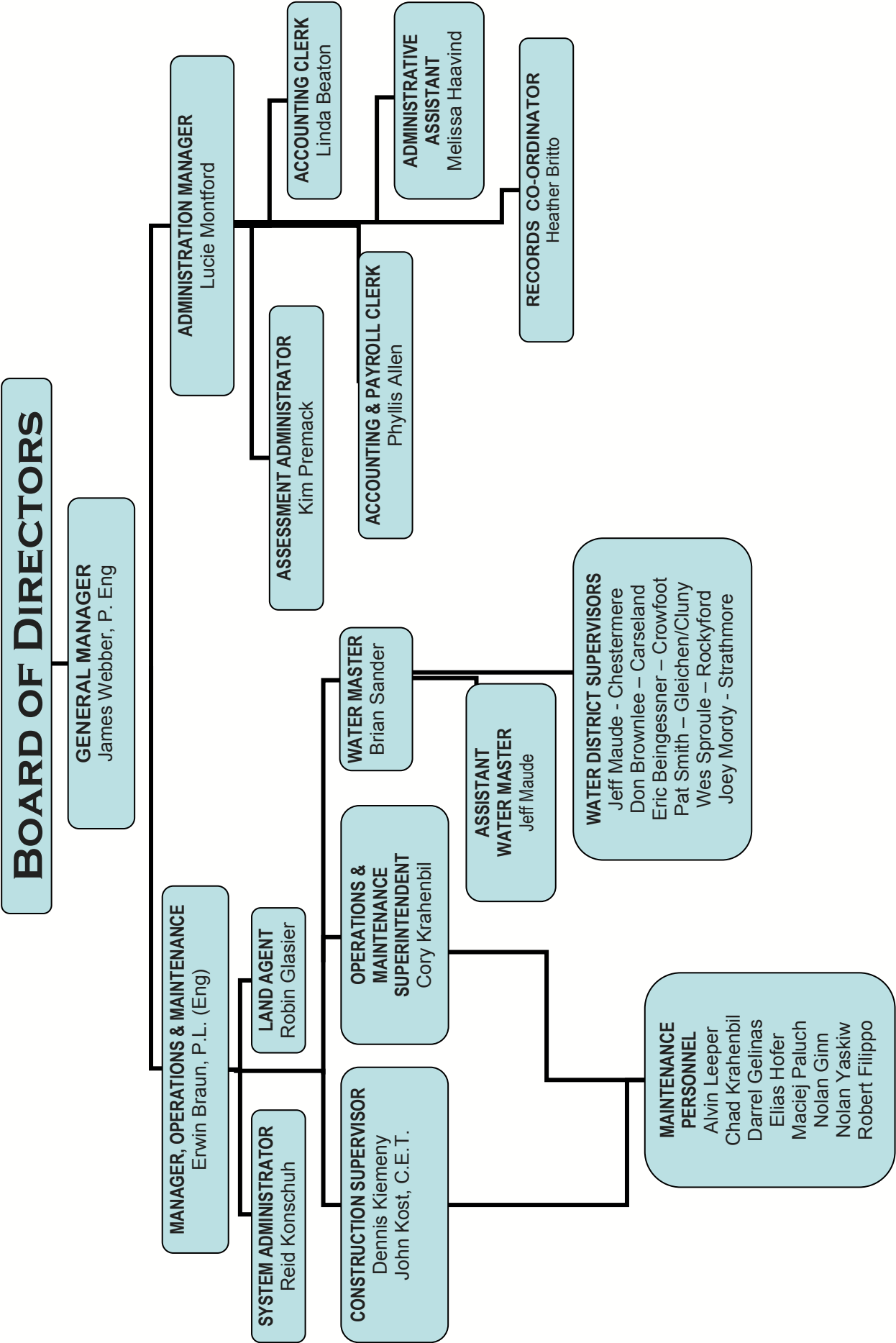
Crop Type	Irrigated Acres	Non Irrigated Acres	Total Acres
Alfalfa Hay	15,663	2,795	18,458
Barley	14,150	3,510	17,660
Barley Silage	2,715	1,582	4,297
Canola	10,504	5,655	16,159
Corn—Grain	120	0	120
Corn Silage	550	0	550
Dry Peas	582	160	742
Flax	130	0	130
Grass Hay	92	859	951
Green Feed	1,436	325	1,761
Market Gardens	50	0	50
Nursery	637	586	1,223
Oats	389	110	499
Oat Silage	133	0	133
Pasture	6,329	11,437	17,766
Potato	214	0	214
Rye	70	0	70
Turf Sod	2,806	0	2,806
Wheat	7,626	4,830	12,456
<b>Totals</b>	<b>64,196</b>	<b>31,849</b>	<b>96,045</b>

**PARCELS ADDED TO/REMOVED FROM  
WESTERN IRRIGATION DISTRICT  
FISCAL 2009**

<b>Name</b>	<b>Legal Description</b>	<b>Action</b>
Twin Creek Hutterian Brethren	SW 21-23-21 W4	Remove
Twin Creek Hutterian Brethren	SW 22-23-21 W4	Remove
Hanson, Mary Irene, Dale Wayne & Victoria Ann	NE 17-23-23 W4	Remove
Crocus Hill Farms Ltd.	SW 6-27-22 W4	Remove
Crocus Hill Farms Ltd.	NE 10-27-23 W4	Add
Bolinger, Robert Dale	NE 7-22-22 W4	Remove
Bolinger, Robert Dale	NW 8-22-22 W4	Remove
Bolinger, Robert Dale	NE 8-22-22 W4	Remove
Singh, Navneet & Surender, K. Rennu	NW 8-22-21 W4	Add
Singh, Navneet & Surender, K. Rennu	SW 8-22-21 W4	Add
Johanson, Steven & Cheryl	NW 15-22-26 W4	Remove
Cancorp Capital Corp.	SW 15-24-25 W4	Remove
Hildahl, Arlene C. Dawn	NW 5-23-25 W4	Add
Risdon, H. Douglas & Norma Jean M.	SW 28-23-25 W4	Add

WESTERN IRRIGATION DISTRICT  
ORGANIZATIONAL CHART

as of November 2009





**Minutes of the Annual Meeting of the Water Users of the  
Western Irrigation District held in Strathmore, Alberta  
Wednesday, April 1, 2009**

**PRESENT:**

**DIRECTORS:**

Henry Colpoys  
Don Kathol  
Dale Dolphin  
Dan Shute  
Rick Page

**STAFF:**

Jim Webber, General Manager  
Erwin Braun, Manager of Operations & Maintenance  
Lucie Montford, Administration Manager  
Melissa Haavind, Administrative Assistant & Recording Secretary

**AUDITORS:**

Karen Gregory and Stephen Johnson from Gregory, Harriman & Associates Professional Accountants.

**CALL TO ORDER &  
INTRODUCTIONS**

Henry Colpoys called the meeting to order at 1:45 pm and welcomed everyone to the Fiscal 2008 Annual Meeting. Jim Webber introduced the Board Members and staff present, as well as other guests including representatives from Alberta Agriculture, Alberta Environment and Irrigation Council. Approximately 36 water users were in attendance.

**ANNOUNCEMENTS**

Election Division 3 by acclamation. The Board introduced Rick Page as Director for Division 3.

**MEETING CHAIRMAN**

Henry Colpoys called for nominations for Chairman of the meeting.

***MOVED by Dale Dolphin THAT John Scheer be appointed Chairman***

***CARRIED***

**RECORDING  
SECRETARY**

Jim Webber nominated Melissa Haavind. John Scheer declared Melissa Haavind the Recording Secretary.

**ADOPTION OF AGENDA**

John Scheer asked the audience to review the proposed agenda

***MOVED by Christine Mitzner , THAT the agenda be adopted.***

***CARRIED***

**ADOPTION OF MINUTES  
2008 ANNUAL MEETING**

John Scheer requested that the audience review the Minutes from the April 2, 2008 Annual Meeting.

***MOVED by Henry Colpoys and SECONDED by Gordon Hilton THAT the Minutes of the April 2, 2008 Annual Meeting be adopted as presented.***

***CARRIED***

**CHAIRMAN'S REPORT**

Henry Colpoys presented the Chairman's Report, stating that 2008 was the year of major completions and the most important was the Federal Water License legal claim. The Province and the WID Board agreed to a settlement proposal and moved on. As a result the Province provided a one time \$85 million grant for WID infrastructure. The WID gained the financial security it sought, and was provided with the ability to rehabilitate this district in the next 15 years. The Province has confirmed its jurisdiction in water licensing, and guaranteed a major WID infrastructure upgrade that will conserve water. There were gains for all, and we moved on to other issues.

Mr. Colpoys mentioned that although the WID has an investment policy in place, the new cash required a special review. It was decided that to be conservative 70% of the new funds would be invested in GICs. The remainder went into two equity accounts, one directed and one managed. The two have suffered with the economic downturn but they provided a good rate of return from their dividends. Their capital worth on paper has dropped, but a loss is not realized until you sell.

Mr. Colpoys also announced the Chestermere Lake lakeshore issue also moved closer to closure. The District, after a period of frustration, was moving to a legal closure. MLA Ron Anderson and the Town of Chestermere intervened with another option. The Town is proposing to purchase the lakeshore from the WID, and resell it to the 385 lake side homeowners. What was a public relations disaster is now forming a new and positive working relationship with the Town.

Mr. Colpoys highlighted that the growth of strong relationships with the City, MD, County, Towns, Villages, and Hamlets was noticeable in 2008. This was especially true in promoting a concept for a Regional Water Storage Project that will be used for a centralized regional water treatment and pipeline distribution system.

Henry Colpoys thanked the Board of Directors and staff for an excellent job in continuing the improvement to the WID. He asked if there were any questions or comments.

***MOVED by Dave Nelson and SECONDED by Vern Hoff THAT the Chairman's Report be adopted as presented.***

**CARRIED**

## **MANAGER'S REPORT**

Jim Webber presented the Manager's Report outlining that last year we reported an engineering evaluation in 2005 estimated it would take \$130 million to complete the rehabilitation of the WID. In 2007 dollars it would take \$235 million to rehabilitate our works. The provincial grant we accepted in March required an investment strategy to grow that money to complete the job. None foresaw the change in economic fortunes by September, but the investment strategy did minimize our capital losses to less than 8%. At the same time construction costs dropped 27% over 2007, so the WID dollar went further.

To ensure that the WID total system is maintained in perpetuity, it requires a 2% provision in annual reconstruction on an estimated worth of \$300 million. This would amount to \$6.0 million per year, each and every year. In 2008 and 2009 we will spend \$12.5 million each year in rehabilitation. After that we will spend \$7.0 million per year in system upgrades. This is a not-for-profit district and all that we own or can create goes to maintain the integrity of the system.

Mr. Webber summarized that new ventures include a limited partnership to develop 70 acres of surplus ROW in the Town of Chestermere. With the Chestermere lakeshore land sales to the Town of Chestermere and the recreational land development adjoining Langdon Reservoir, these programs are to create cash to continue or accelerate system rehabilitation levels. The more we rehabilitate the more water we will conserve. It will provide further opportunities for irrigation acre expansion and possibly some water leasing.

Mr. Webber highlighted that in 2008 water conservation was a major focus of the province. As a large and senior water license holder we can expect to have our operations constantly evaluated. This will be especially so for the Bow River irrigation districts where the river basin was closed for new water license applications. On the Bow River 78% of the licensed allocations are held by the 3 irrigation districts. It will be our water conservation efforts that find solutions to the growth of others and find sufficient water to service our own future needs.

Jim thanked the Board of Directors for their continuing support and gave special thanks to the staff for their continuing effort and enthusiasm to keep costs down and goals high.

John Scheer asked if there were any questions.

***MOVED by Jim Webber and SECONDED by Dale Dolphin THAT the General Manager's Report be adopted as presented.***

**CARRIED**

## AUDITOR'S REPORT

Karen Gregory and Stephen Johnson of Gregory, Harriman & Associates Professional Accountants presented the Auditor's report for fiscal 2008. Ms. Gregory noted that their report is a non-qualified auditors report which means in their opinion these financial statements present fairly, in all material respects, the financial position of the District. Karen highlighted the changes on the balance sheet and presented the income statement.

Ms. Gregory asked if there were any questions and there were none.

***MOVED by Christine Mitzner, SECONDED by Darren Tiede THAT the Auditor's Report for Fiscal 2008 be adopted as presented.***

**CARRIED**

## PRESENTATION BY THE FINANCE COMMITTEE

(Dale Dolphin, Dan Shute &  
Don Kathol)

Mr. Dolphin began by thanking the members of the Chinook Credit Union being Bill Crawford and Tracy Anderson-Morin, Fraser King and Karen McMillan from Credential Securities and David Ferraby and Kristi Legge from BMO. Mr. Dolphin also thanked Karen Gregory, Lucie Montford and the Board members he served with. He announced this will be his last year serving as a Board member and that we need someone to represent the Crowfoot area in April 2010. Mr. Dolphin then began a power point presentation on behalf of the finance committee. The first slide was a simplified financial summary of incoming funds. An explanation was given on each revenue and expenditure category displayed, along with a per acre breakdown. There was an explanation on 100% Funded Works and the Irrigation Rehabilitation Projects (IRP). Mr. Dolphin presented a summary of the long term investment account and the government grant investment. The Budget for 2009 was presented with the revenue and expenditure including a per acre breakdown. Mr. Dolphin went over the replacement cost of the system. A slide was presented comparing return on an irrigated farm per acre and a dryland farm per acre.

Dale Dolphin asked if there were any questions and there were none.

John Scheer thanked Dale and the Finance Committee for the presentation.

## MAINTENANCE REPORT

Erwin Braun, Manager of Operations and Maintenance, presented the Operations report for fiscal 2008, and reviewed the 2008 water season. Mr. Braun explained the 2007 and 2008 WID diversion and stormwater inflow. He announced the Calgary Stormwater Diversion Project also known as the Shepard Waste Way will be operating next week. Stormwater from the City of Calgary will be diverted out of the WID system and into a wetland where it will flow into the Bow River. This will hopefully clean up the water quality issues in our system. We do have the option to take that water if we so desire.

Erwin reviewed the annual total Bow River diversion and summarized the snow pack monitoring stations. He then explained SCADA (Supervisory Control and Data Acquisition) and the location of the measuring units. This system will enable WID to better control and monitor the water flow at any time. Meters have been installed at all new canals to manage that water. We can tie into this by radio control so we can access these sites to see how much water is flowing and have better control over the water. Mr. Braun explained the water conservation in the district. We will be tracking the water usage in the district and will report that back to the water users. It's a goal to improve the efficiency and conserve water. Please give your water supervisor a minimum 48 hours notice to turn on the water and minimum 24 hours to turn off the water.

The 2008 Maintenance Activity Summary Chart was displayed with the activity accomplished throughout the year. Mr. Braun ended by showing the rehabilitation plan for the next three years.

***MOVED by Erwin Braun, and SECONDED by Vern Hoff THAT the 2008 Operations & Maintenance Report be adopted as presented.***

**CARRIED**

## EXTRA ITEMS

Jim Webber presented the Extra Items on the agenda.

## CONCEPT FOR GREATER AGRICULTURAL PRODUCTIVITY

Mr. Webber proposed to activate Sleeping Acres. The 20,000 acres of intermittent or non-irrigators are the "sleeping acres". We have outside pressures as the Water for Life policy seeks 30% more irrigation productivity and/or 30% less water used and Alberta Agriculture wants greater production of food. It's a use it or lose it concept. These "sleeping acres" are a tough sell in the Provincial and Political game. There are internal pressures to the WID for demand for new irrigation acres. The acre transfers is a very slow process as the acres are not available. The "sleeping acres" don't appear to want to change as they pay their bills but don't use the service. They figure they might need it one day or that they might never get it back.

Mr. Webber summarized the considerations stating that the irrigation delivery system is less than perfect and that we are working on a more efficient system so more water is available for use. Provincial settlement money will accelerate rehabilitation. We are building in the capacity to service the full 95,000 acres so we need to bring the unused acres to productivity. So we will do that by offering to contract 5,000 acres currently "sleeping" into a WID operated pool. With that offer there will be zero irrigation rates for 10 years if the owner agrees not to request irrigation service for the same 10 years. The water rights will stay with the land with no change. The stock water agreements will be offered at no charge for those with cattle on it. What WID is proposing is taking 5,000 Annual Acre Agreements and putting it on the WID market at \$19.25/acre. This will be a new contract of 10 years length. The Annual Agreement irrigation acres will be targeted to infill selected irrigation zones to maximize efficiency especially on pipelines. The logic is that you are contracted for access of water for 10 years that will give you the opportunity to get equipment investment back. 5,000 acres will generate an extra \$2.12 Million per year at the farm gate and \$8.46 Million per year to the provincial economy with the same water if we target the right areas. With the sleeping acres we hope to find out that the stockwater agreement was all that was needed. Mr. Webber explained the logic behind this proposal that will benefit the district with a neutral revenue and a small risk to the WID. It will create supply to meet the demand and will target the best land for productivity and the irrigation efficiency. At the end of the 10 years everything could go back to the way it was or the program could be renewed. New and permanent internal irrigation acre transfers become available.

Jim Webber asked if there were any questions and there were none.

Henry Colpoys presented Wayne Risdon with a gift for his years of service as a member of the Board.

Questions were asked and discussions followed on the 2008 Annual Meeting Presentations.

## ADJOURNMENT

***MOVED by Tony Heuver SECONDED by Robert Damen THAT the meeting be adjourned at 4:10 pm.***

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Chairman

---

General Manager





**GREGORY,  
HARRIMAN  
& ASSOCIATES  
PROFESSIONAL ACCOUNTANTS**

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Shelley Harriman, CGA  
Professional Corporation

Jean (John) Gauvin, B.A.A., CGA  
Professional Corporation

Kristin Doyle, B.A., B.Comm., CA  
Professional Corporation

**WESTERN IRRIGATION DISTRICT**

**Financial Statements  
November 30, 2009**

# WESTERN IRRIGATION DISTRICT

NOVEMBER 30, 2009

## CONTENTS

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GREGORY,  
HARRIMAN  
& ASSOCIATES  
PROFESSIONAL ACCOUNTANTS



**GREGORY,  
HARRIMAN  
& ASSOCIATES  
PROFESSIONAL ACCOUNTANTS**

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Professional Corporation

Jean (John) Gauvin, B.A.A., CGA  
Professional Corporation

Kristin Doyle, B.A., B.Comm., CA  
Professional Corporation

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**AUDITORS' REPORT**

To the Board of the Western Irrigation District and Management

We have audited the statement of financial position of Western Irrigation District (the "District") as at November 30, 2009 and the statements of operations and changes in fund balances and cash flows for the year then ended. These financial statements are the responsibility of the District's management. Our responsibility is to express an opinion on these financial statements based on our audit.

We conducted our audit in accordance with Canadian generally accepted auditing standards. Those standards require that we plan and perform an audit to obtain reasonable assurance whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation.

In our opinion, these financial statements present fairly, in all material respects, the financial position of the District as at November 30, 2009 and the results of its operations and cash flows for the year then ended in accordance with Canadian generally accepted accounting principles.

Strathmore, Alberta  
January 19, 2010

*Gregory, Harriman & Assoc.*  
Gregory, Harriman & Associates  
Professional Accountants

**WESTERN IRRIGATION DISTRICT**  
**STATEMENT OF FINANCIAL POSITION**  
**AS AT NOVEMBER 30, 2009**

	UNRESTRICTED FUND		RESTRICTED FUNDS		COMBINED	
	OPERATING		IRRIGATION WORKS			
	2009	2008	DISTRICT CAPITAL	2009	2008	
<b>CURRENT ASSETS</b>						
Cash and cash equivalents (Notes 4, 17, 19)	290,454	1,756,446	19,202,639	17,830,767	2,843,806	24,306,174
Accounts receivable (Note 5)	1,611,146	1,335,777	-	7,538,823	-	1,611,146
Interest receivable (Note 6)	-	-	1,178,692	885,367	-	1,178,692
Inventory (Note 7)	83,716	75,873	-	-	-	83,716
Prepaid expenses	10,100	10,391	-	-	-	10,100
Interfund receivables/(payables)	2,341,226	718,162	(1,628,791)	(699,766)	(18,396)	-
	4,336,642	3,896,649	18,752,540	25,555,191	2,825,410	27,189,828
<b>OTHER ASSETS</b>						
Note receivable (Note 8)	-	-	5,095,700	-	-	5,095,700
Loan receivable (Note 9)	-	-	13,500	14,500	-	13,500
Preliminary costs pending (Notes 10, 30)	-	-	245,087	213,106	-	245,087
Water rights (Note 11)	-	-	8,025	17,014	-	8,025
Deferred development costs (Note 12)	-	-	734,759	898,737	-	734,759
Investments (Note 13, 14)	16,924	10,377	77,025,111	70,188,456	10,141	77,052,176
	16,924	10,377	83,122,182	71,331,813	10,141	83,149,247
<b>PROPERTY AND EQUIPMENT</b>						
Property and equipment (Note 15)	-	-	2,717,656	2,767,206	149,455	2,867,111
Irrigation works (Note 16)	-	-	15,886,050	7,788,378	66,681,454	82,567,504
	-	-	18,603,706	10,555,584	66,830,909	85,434,615
	4,353,566	3,907,026	120,478,428	107,442,588	70,941,696	195,773,690
<b>TOTAL ASSETS</b>						
	1,977,639	1,081,799	-	-	-	1,977,639
	73,303	61,662	-	-	-	73,303
	-	-	69,350	107,317	-	69,350
	-	-	31,079	27,017	127,088	158,167
	-	-	14,243	14,253	-	14,243
	-	-	23,235	113,325	-	23,235
	2,050,942	1,143,461	137,907	261,912	127,088	2,315,937
<b>OTHER LIABILITIES</b>						
Deferred revenues, net (Note 20)	-	-	54,258	94,943	-	54,258
Long term debt (Note 21)	-	-	-	23,235	-	-
Asset retirement obligation (Note 22)	-	-	142,781	122,749	-	142,781
	-	-	197,039	240,927	-	197,039
	2,050,942	1,143,461	334,946	502,839	127,088	2,512,976
<b>TOTAL LIABILITIES</b>						
	-	-	18,445,715	10,313,289	66,830,909	85,276,624
	-	-	-	-	3,983,699	3,983,699
	-	-	101,697,767	96,626,460	-	101,697,767
	2,302,624	2,763,565	-	-	-	2,302,624
	2,302,624	2,763,565	120,143,482	106,939,749	70,814,608	193,260,714
	4,353,566	3,907,026	120,478,428	107,442,588	70,941,696	195,773,690
<b>FUND BALANCES</b>						
Invested in property and equipment (Note 23)	-	-	-	-	64,139,295	64,139,295
Externally restricted (Note 24)	-	-	-	-	1,750,377	1,750,377
Internally restricted (Note 25)	-	-	-	-	-	-
Unrestricted	-	-	-	-	-	-
	2,302,624	2,763,565	-	-	-	2,302,624
	2,302,624	2,763,565	120,143,482	106,939,749	70,814,608	193,260,714
	4,353,566	3,907,026	120,478,428	107,442,588	70,941,696	195,773,690
<b>TOTAL LIABILITIES AND FUND BALANCES</b>						
	1,977,639	1,081,799	-	-	-	1,977,639
	73,303	61,662	-	-	-	73,303
	-	-	69,350	107,317	-	69,350
	-	-	31,079	27,017	1,082,054	1,109,071
	-	-	14,243	14,253	-	14,243
	-	-	23,235	113,325	-	23,235
	2,050,942	1,143,461	137,907	261,912	1,082,054	2,487,427
<b>OTHER LIABILITIES</b>						
Deferred revenues, net (Note 20)	-	-	54,258	94,943	-	94,943
Long term debt (Note 21)	-	-	-	23,235	-	23,235
Asset retirement obligation (Note 22)	-	-	142,781	122,749	-	142,781
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Externally restricted (Note 24)	-	-	-	-	1,750,377	1,750,377
Internally restricted (Note 25)	-	-	-	-	-	-
Unrestricted	-	-	-	-	-	-
	2,302,624	2,763,565	-	-	-	2,302,624
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<b>FUND BALANCES</b>						
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<b>TOTAL LIABILITIES</b>						
	-	-	18,445,715	10,313,289	66,830,909	85,276,624
	-	-	-	-	3,983,699	3,983,699
	-	-	101,697,767	96,626,460	-	101,697,767
	2,302,624	2,763,565	-	-	-	2,302,624

**Economic Dependence (Note 2)**  
**Contingent Liabilities (Note 30)**  
**Environmental Contingencies (Note 31)**

APPROVED BY: [Signature] Chairman of the Board

The accompanying notes form an integral part of these financial statements.



**WESTERN IRRIGATION DISTRICT**  
**STATEMENT OF OPERATIONS AND CHANGES IN FUND BALANCES**  
**FOR THE YEAR ENDED NOVEMBER 30, 2009**

	<b>UNRESTRICTED FUND</b>		<b>RESTRICTED FUNDS</b>			
	<b>OPERATING</b>		<b>DISTRICT CAPITAL</b>	<b>IRRIGATION WORKS</b>	<b>TOTAL RESTRICTED</b>	
	2009	2008	2009	2008	2009	2008
<b>REVENUE</b>						
Irrigation rates, net (Note 26)	1,632,361	1,621,185	-	-	-	-
Domestic and miscellaneous	921,585	1,033,888	-	-	-	-
Storm water	404,871	254,871	-	-	-	-
Penalties	8,176	9,893	-	-	-	-
<b>TOTAL WATER EARNINGS</b>	<b>2,966,993</b>	<b>2,919,837</b>				
<b>OTHER EARNINGS</b>						
Government contributions	-	-	-	5,135,053	5,135,053	2,318,329
Interest revenue	16,121	72,607	3,918,624	44,638	3,963,262	2,827,537
Gravel revenue	-	-	17,400	-	17,400	330,884
Farm, land and building rentals	-	-	130,576	-	130,576	135,469
Gain on sale of land (Note 14)	-	-	6,439,832	-	6,439,832	113,985
Gain on sale of assets	-	-	1,006	-	1,006	98,365
Gain on sale of intangible assets (Note 27)	-	-	-	-	-	15,000,000
Realized gain (loss) on investments	-	-	(2,340,580)	-	(2,340,580)	(341,763)
Unrealized gain (loss) on investments (Note 14)	-	-	5,856,898	-	5,856,898	(7,324,007)
Capital asset charges	-	-	500	-	500	279,558
Fees and other income	117,279	171,708	4,762	-	4,762	5,190
Miscellaneous	1,459	152,837	-	-	-	-
Government grants (Note 28)	-	3,189	-	-	-	-
Inventory adjustment	16,042	11,343	-	-	-	-
<b>TOTAL OTHER EARNINGS</b>	<b>150,901</b>	<b>411,684</b>				
	<b>3,117,894</b>	<b>3,331,521</b>	<b>14,029,018</b>	<b>5,179,691</b>	<b>19,208,709</b>	<b>98,443,547</b>
			<b>14,029,018</b>	<b>5,179,691</b>	<b>19,208,709</b>	<b>98,443,547</b>
<b>EXPENSES</b>						
Amortization of property and equipment	-	-	798,160	1,904,315	2,702,475	2,471,334
Depletion of resource properties	-	-	718	-	718	13,661
Commissions expense	-	-	156,403	-	156,403	55,252
Bursary expense	-	-	1,000	-	1,000	2,500
Operating and administrative (Schedule 1)	1,774,051	1,546,178	-	-	-	-
Property taxes	-	-	4,196	-	4,196	6,003
Accretion expense (Note 22)	-	-	20,032	-	20,032	14,131
	<b>1,774,051</b>	<b>1,546,178</b>	<b>980,509</b>	<b>1,904,315</b>	<b>2,884,824</b>	<b>2,562,881</b>
<b>EXCESS OF REVENUE OVER EXPENSES</b>	<b>1,343,843</b>	<b>1,785,343</b>	<b>13,048,509</b>	<b>3,275,376</b>	<b>16,323,885</b>	<b>95,880,666</b>
Fund balances at beginning of year	2,763,565	2,825,777	106,939,749	65,889,672	172,829,421	75,101,200
Interfund transfers (Note 25)	(158,062)	(1,148,779)	155,224	2,838	158,062	1,148,779
Irrigation provision (Notes 24, 25)	(1,646,722)	(698,776)	-	1,646,722	1,646,722	698,776
<b>FUND BALANCES AT END OF YEAR</b>	<b>2,302,624</b>	<b>2,763,565</b>	<b>120,143,482</b>	<b>70,814,608</b>	<b>190,958,090</b>	<b>172,829,421</b>

The accompanying notes form an integral part of these financial statements.  
 Gregory, Harriman & Associates, Professional Accountants

**WESTERN IRRIGATION DISTRICT**  
**STATEMENT OF CASH FLOWS**  
**FOR THE YEAR ENDED NOVEMBER 30, 2009**

	OPERATING		DISTRICT CAPITAL		IRRIGATION WORKS		TOTALS	
	2009	2008	2009	2008	2009	2008	2009	2008
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>								
Cash receipts	1,203,340	2,959,394	1,080,390	1,727,137	5,829,091	2,589,523	8,112,821	7,276,054
Cash paid to suppliers and employees	(874,122)	(914,869)	(275,453)	(397,465)	-	-	(1,149,575)	(1,312,334)
Government grants (Note 28)	-	-	-	85,000,000	-	-	-	85,000,000
Interest received	16,121	72,607	3,625,299	1,856,426	44,638	122,999	3,686,058	2,052,032
	345,339	2,117,132	4,430,236	88,186,098	5,873,729	2,712,522	10,649,304	93,015,752
<b>Cash flows from operating activities</b>								
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>								
Purchases of property and equipment	-	-	(9,404,544)	(8,733,735)	(5,550,894)	(4,120,996)	(14,955,438)	(12,854,731)
Purchase of water rights	-	-	(12,500)	(11,250)	-	-	(12,500)	(11,250)
Proceeds on sale of intangible assets (Note 27)	-	-	7,500,000	7,500,000	-	-	7,500,000	7,500,000
Proceeds from sale of assets	-	-	1,214,059	102,530	-	-	1,214,059	102,530
Purchase of investments	(6,547)	(2,509)	(2,327,330)	(71,274,601)	(3,120)	(2,786)	(2,336,997)	(71,279,896)
Preliminary costs pending	-	-	(31,981)	(15,675)	-	-	(31,981)	(15,675)
<b>Cash flows from investing activities</b>								
<b>CASH FLOWS FROM FINANCING ACTIVITIES</b>								
Repayment of long term debt	(6,547)	(2,509)	(3,062,296)	(72,432,731)	(5,554,014)	(4,123,782)	(8,622,857)	(76,559,022)
Irrigation provision	-	-	(113,325)	(215,264)	-	-	(113,325)	(215,264)
Trust funds (paid) received	(1,646,722)	(698,776)	-	-	1,646,722	698,776	-	-
<b>Cash flows from financing activities</b>								
<b>NET CASH INCREASE (DECREASE)</b>								
	(1,646,722)	(698,776)	(37,967)	3,005	1,646,722	698,776	(37,967)	3,005
	(1,307,930)	1,415,847	(151,292)	(212,259)	1,966,437	(712,484)	(151,292)	(212,259)
			1,216,648	15,541,108			1,875,155	16,244,471
Cash and cash equivalents, opening	1,756,446	1,489,378	17,830,767	1,138,043	2,843,806	3,559,127	22,431,019	6,186,548
Interfund balance adjustments	(158,062)	(1,148,779)	155,224	1,151,616	2,838	(2,837)	-	-
<b>CASH &amp; TERM DEPOSITS, CLOSING</b>								
	290,454	1,756,446	19,202,639	17,830,767	4,813,081	2,843,806	24,306,174	22,431,019
<b>CASH REPRESENTED BY:</b>								
Cash equivalents (Note 4)	-	-	16,244,836	15,620,397	-	-	16,244,836	15,620,397
Cash on hand and in banks (Note 4)	290,454	1,756,446	2,957,803	2,210,370	4,813,081	2,843,806	8,061,338	6,810,622
<b>TOTAL CASH &amp; TERM DEPOSITS</b>								
	290,454	1,756,446	19,202,639	17,830,767	4,813,081	2,843,806	24,306,174	22,431,019

The accompanying notes form an integral part of these financial statements.  
Gregory, Harriman & Associates, Professional Accountants

**WESTERN IRRIGATION DISTRICT**  
**SCHEDULE 1 - OPERATING AND ADMINISTRATIVE EXPENSES**  
**FOR THE YEAR ENDED NOVEMBER 30, 2009**

	DEPARTMENTS			TOTALS	
	OPERATIONS AND MAINTENANCE	WATER DELIVERY	GENERAL AND ADMINISTRATION	2009	2008
Advertising, publications, ratepayers meetings	-	-	13,420	13,420	13,752
Association fees	-	-	21,122	21,122	25,133
Board of Directors expenditures	-	-	43,355	43,355	53,820
Building maintenance	83,023	-	-	83,023	48,227
Computer expense	-	-	33,385	33,385	26,270
Crop, flood and property damage	2,247	-	-	2,247	-
Equipment and easement rental	11,175	-	-	11,175	47,811
Equipment maintenance, gas, oil, grease	381,279	59,857	-	441,136	474,860
Insurance	56,634	6,489	22,023	85,146	63,150
Interest and bank charges	-	-	64	64	67
Land titles charges and classification	-	-	6,579	6,579	2,878
Materials and supplies, office supplies	191,412	16,086	39,316	246,814	180,945
Miscellaneous	-	-	5	5	6,005
Payroll service charges	-	-	4,108	4,108	3,978
Postage, freight and courier	-	-	4,121	4,121	4,796
Professional fees	-	-	258,487	258,487	237,178
Public relations	-	-	9,842	9,842	9,383
Safety supplies	4,727	823	-	5,550	6,162
Salaries and wages	1,560,911	279,646	766,578	2,607,135	2,320,177
Small tools and equipment	9,877	-	-	9,877	8,065
Stationary, printing, photocopies, fax	-	-	10,143	10,143	12,091
Telephone	15,126	8,312	15,461	38,899	38,285
Travel and staff training	4,326	1,897	6,360	12,583	19,767
Utilities	41,885	1,657	-	43,542	43,903
Vegetation and pest control	-	199,421	-	199,421	155,494
Welding supplies	1,043	-	-	1,043	5,712
	2,363,665	574,188	1,254,369	4,192,222	3,807,909
Transfer as asset to irrigation works (Note 29)	(2,409,970)	(5,538)	(2,663)	(2,418,171)	(2,261,731)
	(46,305)	568,650	1,251,706	1,774,051	1,546,178

The accompanying notes form an integral part of these financial statements.  
 Gregory, Harriman & Associates, Professional Accountants

**WESTERN IRRIGATION DISTRICT  
NOTES TO THE FINANCIAL STATEMENTS  
NOVEMBER 30, 2009**

**Note 1            Purpose of the Organization**

The Western Irrigation District (the "District") is charged with the responsibility of efficient and economical distribution of water for users of the District. The Western Irrigation District operated under the authority of the Irrigation Act, Chapter I-11, Revised Statutes of Alberta 1980, as amended, until it was replaced by the Irrigation Districts Act, Chapter I -11, which was proclaimed in force on May 1, 2000.

The District is part of the Alberta Crown and is listed as a tax-exempt Government of Alberta agency, and is therefore included in the Province's constitutional tax immunity. As a result, the District pays no income taxes or Goods and Services Tax on purchases, but is still required to collect and remit Goods and Services Tax on services provided.

**Note 2            Economic Dependence**

The District utilizes contributions from the Province of Alberta for rehabilitation of the irrigation works of the District.

**Note 3            Significant Accounting Policies and Reporting Practices**

*Fund Accounting*

The District follows the restricted fund method of accounting for contributions.

The Operating Fund accounts for the District's administrative activities. This fund reports unrestricted resources and the transactions relating to them.

The District Capital Fund reports the assets, investments, liabilities, revenues and expenses related to the District's land, buildings and equipment.

The Irrigation Works Fund accounts for capital receipts for new irrigation works and interest earnings arising from such monies. Costs incurred in constructing new irrigation works and in replacing and rehabilitating existing structures are provided for from the fund. The Province of Alberta contributes 75% of expenditures approved by the Irrigation Council and the District contributes 25%.

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*Financial Instruments*

The District has classified the following financial assets and liabilities as held for trading: Cash and cash equivalents, accounts receivable, interest receivable, note receivable, loan receivable, preliminary costs pending, investments, accounts payable and accrued liabilities, progress estimates payable and holdbacks, and long term debt. Transactions to purchase or sell these items are recorded on the trade date, and transaction costs are immediately recognized in the Statement of Operations and Changes in Fund Balances. Held for trading financial instruments are subsequently measured at their fair value, without any deduction for transaction costs incurred on sale or other disposal. Gains and losses arising from changes in fair value are recognized immediately in the Statement of Operations and Changes in Fund Balances.

*Investments Subject to Significant Influence*

The District has elected to record investments in companies subject to significant influence using the equity method. Using this method the investment is initially recorded at costs and the carrying value, adjusted thereafter to include the District's pro rata share of post-acquisition earnings of the investee.

*Inventories*

Inventories of materials and supplies are valued using the average cost method, which most accurately reflects the flow through of the physical inventory item.

*Capitalization*

Additions to District irrigation works are capitalized when the materials utilized exceed \$12,000 per structure. For any addition representing a rebuilding of a canal, the cost of materials must exceed \$12,000 to be capitalized.

Other property and equipment purchased are recorded at cost. Costs of other property and equipment must exceed \$5,000 to be capitalized.

... continues

**Note 3****Significant Accounting Policies and Reporting Practices ... continued***Amortization and Depletion*

The buildings and equipment are recorded at cost and are amortized at fixed rates applied to diminishing balances. The rates can be summarized as follows:

Computers	50%
Trucks	30%
Office equipment	20%
Other equipment and furniture	20%
Power equipment	15%
Buildings and dwellings	5%
Shop and office complex	5%
Industrial subdivision costs	3%

Irrigation works are amortized on a straight-line basis over their estimated average useful lives of 50 years.

Depletion of the resource property is calculated using the unit of production method, which is calculated using the quantity of gravel actually extracted and processed, compared with the best estimate of gravel reserves remaining and site restoration costs.

*Asset Retirement Obligations*

Asset retirement obligation, related to the gravel pit, includes the legal obligation the organization will be required to spend to reclaim the gravel pit site. The organization is only responsible for the asset retirement obligation incurred up until the excavation rights were leased to a contractor on January 9, 2004. The contractor is responsible for any additional asset retirement obligation incurred after that date. The current asset retirement obligation, which is equal to the initially estimated fair value of the total asset retirement obligation, is capitalized as part of the cost of the gravel pit. Changes in the estimated obligation resulting from revisions to estimated timing or amount of undiscounted cash flows are recognized as a change in the asset retirement obligation.

The future site restoration costs are calculated as the total undiscounted amount of estimated cash flows required to reclaim the gravel pit, which has been discounted using the credit-adjusted risk free rate of 2.5% (rate of interest on monetary assets that are essentially free of default risk, adjusted for the effect of an entity's credit standing). Increases in the site restoration obligation resulting from the passage of time are recorded as accretion of the asset retirement obligation in the Statement of Operations and Changes in Fund Balances.

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*Employee Future Benefits*

The District and its eligible employees participate in the Local Authorities Pension Plan (LAPP). This is a multi-employer, contributory defined benefit pension plan, for which specific information concerning the District's interest in the assets and liabilities is not readily available. The Alberta Pensions Administration (APA) administers the plan, with the employee and District's contributions to the LAPP determined by the plan rules. The required contributions are determined by actuarial valuations conducted at least on a triennial basis. These valuations are made in accordance with legislative requirements and with the recommendations of the Canadian Institute of Actuaries for the valuation of a pension plan. Commencing December 1, 2000, the District prospectively applied the new accounting recommendations for employee future benefits, and is accounting for the plan, as though it were a defined contribution plan. There were no transitional assets or obligations at the time the change was made.

Pension cost of the LAPP is disclosed as part of salaries and wages. The expense for this pension plan is equivalent to the annual contributions of \$115,464 for the year ended November 30, 2009 (2008 - \$97,559).

*Revenue Recognition*

Irrigation, maintenance and charge out fees are recognized as revenue in the year to which they relate.

Capital contributions are recognized in revenue as grants or contributions, as appropriate, when received, and form part of the balance reported as invested in capital assets.

The percentage of completion method is used to recognize revenue on the properties that the District is developing. Revenue is recognized as the development activity progresses based on the stage of completion reached. Revenue is recognized when the sale is final, and in amounts proportionate to the actual costs incurred to date over the estimated total costs to complete the project.

... continues

**Note 3****Significant Accounting Policies and Reporting Practices ... continued***Measurement Uncertainty*

The financial statements have been prepared in accordance with Canadian generally accepted accounting policies. The precise value of many assets and liabilities is dependent on future events. As a result, the preparation of financial statements for a period involves the use of approximations, which have been made using careful judgement. Actual results could differ from those approximations.

A significant area requiring the use of management estimates was the inventory valuation. The value of the inventory was determined using the average cost method at November 30, 2009. Significant changes in the market value of the inventory could result in impairment of the inventory.

A significant area requiring the use of management estimates was the estimated useful life of the gravel pit. The estimated useful life is determined using the estimated gravel reserves and the average annual amount of gravel quarried. Significant changes in the amount of gravel quarried per year could result in changes to the expected useful life of the gravel pit.

**Note 4****Cash and Cash Equivalents**

A portion of the cash balance for District Capital (\$69,332; 2008 - \$107,300) is restricted in accordance with the terms of the Capital Levy Trust, as documented in Note 19.

	2009	2008
<i>Operating</i>		
Petty cash	\$ 1,000	\$ 1,000
Credit card prepaid balance	6,000	6,000
Bank account balance	283,454	1,749,446
	290,454	1,756,446
<i>District Capital</i>		
Cash held for reinvestment	884,998	460,434
Credit Union capital and operating reserve account, interest rate of Prime minus 1.5%	-	73
Credit Union land bank account, interest rate of Prime minus 1.5%	4,825	66,925
Credit Union South Cluny Project bank account, interest rate of Prime minus 1.5%	2,067,980	1,683,011
Fixed income investments maturing in the next fiscal year	16,175,504	15,513,024
<b>Capital Levy Trust accounts (Note 19)</b>		
Credit Union bank account, interest rate of Prime minus 1.5%	69,332	107,300
	19,202,639	17,830,767
<i>Irrigation Works</i>		
Bank account balance, interest rate of Prime minus 1.5%	4,813,081	2,843,806
	\$ 24,306,174	\$ 22,431,019

**Note 5****Accounts Receivable**

	2009	2008
<i>Operating</i>		
Water rates and charges	\$ 1,480,641	\$ 1,257,534
Sundry debtors	130,506	78,243
	1,611,146	1,335,777
<i>District Capital</i>		
Capital receivables	-	38,823
M.D. of Rocky View No. 44 (Note 27)	-	7,500,000
	-	7,538,823
	\$ 1,611,146	\$ 8,874,600

**Note 6 Interest Receivable**

	2009	2008
<i>District Capital</i>		
Interest receivable on investments	\$ 1,087,912	\$ 885,367
Accrued interest on note receivable ( <i>Note 8</i> )	90,780	-
	<hr/>	<hr/>
	\$ 1,178,692	\$ 885,367

**Note 7 Inventory**

	2009	2008
<i>Operating</i>		
Supplies and materials	\$ 83,716	\$ 75,873
	<hr/>	<hr/>
	\$ 83,716	\$ 75,873

**Note 8 Note Receivable**

This amount represents funds receivable from the Town of Chestermere relating to the sale of shoreline land. The note bears interest at a rate of Canadian prime plus 2% compounded annually. Principal and interest are due on April 30, 2019.

	2009	2008
<i>District Capital</i>		
Town of Chestermere	\$ 5,095,700	\$ -
	<hr/>	<hr/>
	\$ 5,095,700	\$ -

**Note 9 Loan Receivable**

The loan of \$13,500 (2008 - \$14,500) is a result of the sale of land to the Town of Chestermere. The loan will be repaid over the next fourteen years with thirteen annual payments of \$1,000 and one \$500 payment in the form of issuing a bursary. There is no interest and the funds shall be utilized for the purpose of the bursary.

**Note 10****Preliminary Costs Pending**

The expenditures of \$245,087 (2008 - \$213,106) represent preliminary costs incurred by the District on irrigation works projects that have not been submitted to Irrigation Council for cost shared funding as of November 30, 2009. If the projects are submitted for funding and approved, these costs will be recovered from the cost shared program.

**Note 11****Water Rights**

This amount represents irrigated acre water rights purchased. The rights are accounted for at cost. They are held with the intent to resell and therefore the value of the rights will not be amortized.

	2009	2008
<i>District Capital</i>		
45 Irrigated Acres (2008 – 116 Acres)	\$ 8,025	\$ 17,014
	\$ 8,025	\$ 17,014

**Note 12****Deferred Development Costs**

These amounts represent material, labour, equipment charges and all other costs incurred to develop land for sale. These costs will be recovered when the land is sold to third parties.

	2009	2008
<i>Orchard Park</i>		
Phase I	\$ -	\$ -
Phase II	54,863	54,863
Phase III	250,842	250,842
<i>Other Developments</i>		
Chestermere Land Lakefront	-	114,630
Regional Water Storage Study	205,549	200,214
Regional Water Storage Project	94,541	97,163
Other	128,964	181,025
	\$ 734,759	\$ 898,737





**Note 13**
**Investments**

	2009	2008
<i>Operating</i>		
Calgary Co-operative Association equity	\$ 881	\$ 843
United Farmers of Alberta equity	6,678	6,678
Chinook Credit Union Ltd. common shares	9,365	2,856
	16,924	10,377
<i>District Capital</i>		
Fixed income securities with coupons ranging from 3.95% to 10.00% and maturing between December 1, 2009 and November 30, 2013	1,175,296	815,900
Chinook Credit Union term deposits with interest rates ranging from 3.50% to 4.39% and maturing between December 1, 2009 and November 30, 2013	55,662,183	61,102,137
Fixed income securities with coupons ranging from 4.40% to 6.14% and maturing between December 1, 2013 and November 30, 2018	673,917	613,457
Chinook Credit Union term deposit with the interest rate of 4.15% maturing between December 1, 2013 and November 30, 2018	7,843,043	-
Fixed income securities with coupons ranging from 4.10% to 8.10% and maturing between December 1, 2018 and June 1, 2033	538,702	61,659
Money market	389,938	-
Common shares	21,490,187	16,071,970
Mutual funds	1,589,498	3,235,448
Real estate trust units	105,228	90,800
Trust units	2,115,906	247,121
Preferred shares	614,904	3,462,100
Chinook Credit Union Ltd. common shares	8,806	888
Kinniburgh South Limited Partnership ( <i>Note 14</i> )	993,007	-
Less: Fixed income investments maturing in the next fiscal year ( <i>Note 4</i> )	(16,175,504)	(15,513,024)
	77,025,111	70,188,456
<i>Irrigation Works</i>		
Chinook Credit Union Ltd. common shares	10,141	7,021
	\$ 77,052,176	\$ 70,205,854

**Note 14****Related Party Transactions**

The District sold land for \$1,000,000 to the Kinniburgh South Limited Partnership in exchange for 10 Class B Units which represents 49.95% ownership of outstanding shares. As an investment subject to significant influence, it is being accounted for using the equity method. The following is a summary of the District's related party transactions:

	2009	2008
<i>Statement of Financial Position</i>		
Investments	\$ 993,007	\$ -
<i>Statement of Operations and Changes in Fund Balances</i>		
Gain on sale of land	950,690	-
Unrealized gain (loss) on investments	(6,993)	-

**Note 15****Property and Equipment**

			2009	2008
	Cost	Accumulated Amortization	Net	Net
<i>District Capital</i>				
Land and farm property	\$ 275,928	\$ -	\$ 275,928	\$ 269,411
Resource property	190,043	43,638	146,405	147,122
Computers	319,769	306,996	12,773	22,704
Trucks	722,450	338,257	384,193	439,438
Office equipment	59,855	50,997	8,858	11,072
Other equipment and furniture	103,056	70,955	32,101	22,976
Power equipment	2,116,237	633,049	1,483,188	1,469,009
Buildings and dwellings	-	-	-	15,736
Shop and office complex	905,705	549,204	356,501	351,482
Industrial subdivision costs	40,304	22,595	17,709	18,256
	4,733,347	2,015,691	2,717,656	2,767,206
<i>Irrigation Works</i>				
Land	149,455	-	149,455	149,455
	\$ 4,882,802	\$ 2,015,691	\$ 2,867,111	\$ 2,916,661



**Note 16      Irrigation Works**

Irrigation works transferred from the Canadian Pacific Railway Company in 1944, were taken into account at their amortized values, as estimated by District officials. Subsequent additions and betterments to these assets are shown in the accounts at cost. These assets are being amortized over their estimated average useful lives of 50 years on a straight-line basis.

Commencing in 1998, irrigation works constructed without the use of Irrigation Council cost shared funds, have been capitalized as part of the District Capital Fund.

	<b>2009</b>		<b>2008</b>	
	Cost	Accumulated Amortization	Net	Net
<i>District Capital</i>				
Irrigation works	\$ 16,445,418	\$ 559,368	\$ 15,886,050	\$ 7,788,378
<i>Irrigation Works</i>				
Irrigation works	103,240,303	36,558,849	66,681,454	63,989,840
	\$119,685,721	\$ 37,118,217	\$ 82,567,504	\$ 71,778,218

**Note 17      Bank Loans and Overdraft**

The bank overdraft and operating loans with a limit of \$1,000,000 are secured by a general security agreement over assets. The borrowings were approved in By-Law 322. Interest is charged monthly on any outstanding balance at the Chinook Credit Union Ltd. Prime Rate minus 0.50%. At this time, no funds have been utilized.

The District has outstanding, a letter of guarantee to the Town of Strathmore in the amount of \$100,000 for the Orchard Park Development.

**Note 18      Accounts Payable and Accrued Liabilities**

	<b>2009</b>	<b>2008</b>
<i>Operating</i>		
Accounts payable and accrued liabilities	\$ 1,813,867	\$ 930,726
Accrued payroll	8,517	10,058
Vacation payable	155,255	141,015
	\$ 1,977,639	\$ 1,081,799

**Note 19 Capital Levy Trust**

The amount of \$69,350 (2008 - \$107,317) represents the Capital Levies paid by various municipalities in accordance with the Storm Water Discharge agreements signed with them. These funds can only be spent with the concurrence of the District and the affected municipality, and only on capital projects that will be of benefit to both parties.

**Note 20 Deferred Revenues**

Ducks Unlimited has entered into a lease agreement with the District for the lease of certain lands. In accordance with the terms of this lease agreement, in respect of land known as Craigantler Syphon, the District received a \$42,000 lump sum payment in 1987, and this amount is being recognized as revenue in equal amounts over 30 years.

The District also has a lease agreement with Ducks Unlimited for the lease of George Freeman Marshland. The term of the lease is for 30 years commencing January 1, 2003, and expires January 1, 2032. The District received a lump sum payment of \$29,854 in 2003, and this amount is being recognized as revenue in equal amounts over 30 years.

In a lease agreement with Pheasants Forever Calgary Chapter, the District received a lump sum payment of \$15,000 in 2003, which is being recognized over 15 years.

The District has subdivided and developed land in the Strathmore area. The District recognizes revenue, using the percentage of completion method described in Note 3, as each lot is sold. The District has also received payments on other properties for which the sales have not yet been finalized.

	2009	2008
<i>District Capital</i>		
Craigantler Syphon	\$ 9,800	\$ 11,200
George Freeman Marshland	22,888	23,883
Pheasants Forever	8,000	9,000
Annual leases on properties	10,848	10,858
Other leases	3,965	55
Deferred revenue from land sales	13,000	54,200
	68,501	109,196
Less: Current portion	(14,243)	(14,253)
	\$ 54,258	\$ 94,943

**Note 21****Long Term Debt**

	2009	2008
Conditional sales contract bearing no interest, repayable in monthly principal installments of \$5,796, matured January 11, 2009.	\$ -	\$ 11,592
Conditional sales contract bearing no interest, repayable in monthly principal installments of \$4,398, matured January 20, 2009.	-	8,796
Conditional sales contract bearing no interest, repayable in monthly principal installments of \$7,745, maturing February 21, 2010. Specific equipment with a net book value of \$171,226 has been pledged as security.	23,235	116,172
	23,235	136,560
Less: Current portion	(23,235)	(113,325)
	\$ -	\$ 23,235

**Note 22****Asset Retirement Obligation**

The following table presents the reconciliation of the beginning and ending aggregate carrying amount of the asset retirement obligation associated with the restoration of the gravel pit:

	2009	2008
Asset retirement obligation, beginning of year	\$ 122,749	\$ 108,618
Accretion expense	20,032	14,131
Asset retirement obligation, end of year	\$ 142,781	\$ 122,749

No expenditures for reclamation have been made to date. The total estimated undiscounted amount to reclaim the site is \$165,780, for estimated costs to be incurred in fiscal 2016.





**Note 23      Invested in Property and Equipment**

	2009	2008
<i>District Capital</i>		
Water rights (Note 11)	\$ 8,025	\$ 17,014
Property and equipment (Note 15)	2,717,656	2,767,206
Irrigation works (Note 16)	15,886,050	7,788,378
Long term debt (Note 21)	(23,235)	(136,560)
Asset retirement obligation (Note 22)	(142,781)	(122,749)
	18,445,715	10,313,289
<i>Irrigation Works</i>		
Property and equipment (Note 15)	149,455	149,455
Irrigation works (Note 16)	66,681,454	63,989,840
	66,830,909	64,139,295
	\$ 85,276,624	\$ 74,452,584

**Note 24      Externally Restricted Funds**

The net assets of the Irrigation Council Works Fund are restricted under the terms of the Irrigation Rehabilitation Funding Agreement. These funds can only be spent on projects approved by the Irrigation Council, and the costs are shared with the District. Once the District has transferred its 25% share of costs into the Irrigation Council Works Fund, and received the 75% matching deposit from the Irrigation Council, the cash is restricted from use on other projects.

**Note 25      Internally Restricted Funds and Interfund Transfers**

The Board has internally restricted funds for District Capital purchases of equipment and rehabilitation of irrigation works. This internally restricted balance also includes the amount recognized when the Commutation Fund was eliminated as a result of the new Irrigation Districts Act. The internally restricted funds are not available for general purposes without approval of the Board of Directors.

Interfund transfers are required to fund the cash outlays for capital asset acquisitions and loan principal payments as well as expenses requiring Board approval.

The irrigation provision reflects the District's required 25% contribution for the Irrigation Council cost shared projects, as described in Note 24.

**Note 26****Irrigation Rates**

Irrigation rates, net, consist of:

<b>Acres</b>		<b>2009</b>	<b>2008</b>
<u>Assessment roll acres</u>			
79,409.0	irrigation acres at \$16.25 per acre, plus additional pressure charge where applicable	\$ 1,352,252	\$ 1,342,579
882.0	minimum charge irrigation acres at \$406.25 per parcel	20,719	21,938
3,992.5	incentive irrigation acres at \$12.19 per acre, plus additional pressure charge where applicable	49,983	49,338
9,199.5	terminable acres at \$18.00 per acre, plus additional pressure charge where applicable	166,840	166,408
865.0	minimum charge terminable acres at \$450.00 per parcel	18,000	18,000
170.0	annual acres at \$18.00 per acre, plus additional pressure charge where applicable	3,060	3,015
22.5	minimum charge annual acres at \$450.00 per parcel	450	450
694.0	annual acres – off creek at \$14.00 per acre, plus additional pressure charge where applicable	9,716	9,716
145.0	annual acres – irrigation acres at \$16.25 per acre, plus additional pressure charge where applicable	2,356	812
650.5	annual acres – incentive irrigation acres at \$12.19 per acre, plus additional pressure charge where applicable	8,680	8,624
			... continues



**Note 26****Irrigation Rates ... continued**

<b>Acres</b>	<b>2009</b>	<b>2008</b>
15.0 minimum charge annual acres – incentive irrigation acres at \$304.75 per parcel	305	305
96,045.0	\$ 1,632,361	\$ 1,621,185

Where water is supplied by way of pressure pipeline, the charge per acre for permanent and terminable acres is based on the water pressure supplied at an additional charge per acre, at a rate of \$3.10 per 10 PSI delivered.

- a) A \$4.00 rate discount was applied to irrigators who were under terminable agreements and conveyed water via a creek if they converted to a special agreement in order to allow the District to accommodate permanent acre applications in process through the period in which the acreage cap for the District was met (95,000 acres).
- b) Further to this, the District offered the applications in process during this same period, a special annual agreement reflecting the rate for the type of agreement they would otherwise have entered into.

**Note 27****Gain on Sale of Intangible Assets**

The Western Irrigation District had entered into a transfer agreement with the Municipal District of Rocky View No. 44 where the District had agreed to transfer two thousand acre feet of water from Water License No. 19 to the Municipal District of Rocky View No. 44. In exchange, the Western Irrigation District has received \$15,000,000, which has been allocated for the purpose of developing the South Cluny Canal Rehabilitation, whereby the current open canal system will be converted to a closed pipeline system, which will allow substantial water conservation. The funds were to be received as follows:

July 31, 2007	\$ 7,500,000
July 31, 2008	<u>7,500,000</u>
	<u>\$15,000,000</u>

However, the funds were not received until December 2007 and December 2008. In 2007, a public appeal process had commenced and the potential to not receive the funds was possible and therefore the amount had not been accrued. The appeal process was completed in the prior year, entitling the Western Irrigation District to the funds as originally intended, and the full amount was recognized on the Statement of Operations and Changes in Fund Balances with the final payment of \$7,500,000 being accrued on the Statement of Financial Position in the prior year (*Note 5*).



**Note 28      Government Grants**

In 2008, the District received \$85,000,000 in a legal settlement with Her Majesty the Queen as represented by the Minister of Environment. The action Western Irrigation District claimed was alleging that a license issued to Canadian Pacific Railway ("CPR") on September 3, 1921, continued to subsist in force while the water license issued to Western Irrigation District on July 2, 1963, for 160,400 acre feet of water was not in force even though it had the same priority as the CPR license. The action was settled by way of this grant, which is to be used for the constructing, rehabilitating and enhancing of irrigation works. The funds are required to be invested in a risk-free manner. The funds are invested appropriately and detailed in Note 13.

**Note 29      Transfer as Asset to Irrigation Works**

The Western Irrigation District has transferred \$2,418,171 (2008 - \$2,261,731) as an asset to infrastructure. This amount represents the recovery of District labour and equipment that has been incorporated into the capital cost of the irrigation works.

**Note 30      Contingent Liabilities**

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

At November 30, 2009, the District had expended \$245,087 (2008 - \$213,106) on irrigation works without approval of the Irrigation Council. Until formal approval is received from Irrigation Council for the balance of irrigation works expenditures paid by the District, the unapproved amounts cannot be cost shared with the Province of Alberta, as detailed in Notes 24 and 25.

**Note 31      Environmental Contingencies**

The District is vulnerable to lawsuits with respect to government regulations concerning environmental issues. As well, the operation of a gravel pit may have the potential to pollute ground water. The risk of these contingencies occurring, and the potential clean up costs of polluted ground water, has not been determined but could be material.

**Note 32      Approval of Financial Statements**

The management of the Western Irrigation District approved these financial statements on February 17, 2010.

**Note 33****Financial Instruments**

The District, as part of its operations, carries a number of financial instruments. These financial instruments consist of cash and cash equivalents, accounts receivable, interest receivable, note receivable, loan receivable, preliminary costs pending, investments, accounts payable and accrued liabilities, progress estimates payable and holdbacks, and long term debt. These financial instruments may be exposed to the following risks:

**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. In seeking to minimize the risks from interest rate fluctuations, the District manages exposure through its normal operating and financing activities. The District is exposed to interest rate risk that arises from the credit quality to the entities to which it provides services, as well as from the return on its investments. The District provides its services to a variety of customers and as a result, its credit risk is minimized. The District manages its portfolio investments based on its cash flow needs and with a view to optimizing its interest income.

**Credit Concentration Risk**

Credit risk arises from the possibility that the entities to which the company provides services may experience financial difficulty and be unable to fulfil their obligations. The District is exposed to financial risk that arises from the credit quality of the entities to which it provides services as well as the institutions with which it holds its cash and investments. The District believes that there is no unusual exposure associated with the collection of accounts receivable. Cash and investments are in place with major financial institutions and therefore the District does not believe it is subject to any significant concentration of credit risk with its investments.

**Fair Value**

The fair value of cash and cash equivalents, accounts receivable, interest receivable, and accounts payable and accrued liabilities, corresponds approximately to their carrying amount because of their short term maturity dates.

The carrying amount of the note receivable, loan receivable and investments approximates fair value because the coupons are close to the market rates.

The fair value of long term debt is determined using the present value of future cash flows under current financing agreements.

**Note 34****Comparative Figures**

Some of the comparative figures have been reclassified to conform to the current year's presentation.





## **WESTERN IRRIGATION DISTRICT**

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Box 2372, 105-900 Pine Road Strathmore, Alberta T1P 1K3      [www.wid.net](http://www.wid.net)