

TABER IRRIGATION DISTRICT
ANNUAL MEETING - MARCH 24, 2021

Minutes of the Taber Irrigation District Annual Meeting held as a virtual meeting via Microsoft TEAMS, on Wednesday, March 24, 2021 @ 1:30 p.m.

In Attendance:

From the Board of Directors

Mike Wind - Chair
Kyle Gouw, Vice-Chair
Bruce Francis
Don Johnson
Paul Turcato

From the Staff

Christopher Gallagher, District Manager
Colin Haugan, Engineering Services Manager
Mojtaba Ahmadizadeh, Irrigation Engineer
Barry Jensen, O & M Superintendent
Brenda Pyrch, Recording Secretary

Representatives from Government

Jennifer Nitschelm	- Irrigation Secretariat
Vicky Kress	- AIDA
Lloyd Healy	- Alberta Agriculture and Forestry
Paul Conrad	- Alberta Environment and Parks
Jollin Charest	- Alberta Agriculture and Forestry
Lawrence Wegwitz	- Alberta Environment and Parks
Dennis Matis	- Alberta Environment and Parks
Anne-Marie Philipsen	- Irrigation Council

Others in Attendance

Dan Bosters	- Auditor KPMG
Ben Koersen	- ATB Financial
Len Ring	- Ring Irrigation Engineering
Jason Miller	- RID General Manager
Stephen Van Essen	- Wood Environmental & Infrastructure Solutions
Ivan Friesen	- EID General Manager
Kevin Whittmire	- MPE Engineering

Irrigators in Attendance (not including the Board/Staff members)

Alison Davie
Bill Tverkutes
Lane Lievaart
Tom Paterson
Jeremy Wind
Ellen Conrad
John Conrad
Brady Valgardson
Scott Virostek
Mark Miyanaga

WELCOME

At 1:33 p.m., Chair for the AGM, Mike Wind, welcomed all those who signed in to our first virtual AGM. He went through the process that we will be using today.

Mike advised that the meeting will be recorded on MS Teams. We are not using the chat function or raise hand for this meeting as it does not always work for everyone. If you would like to comment or have a question, please turn on your video and unmute and state your name to speak. Please mute your microphone and turn off video unless you are speaking. For the purpose of voting, Mike will confirm the motion and seconder. He will then ask if anyone is opposed. He will ask for objections instead of counting those in favor.

Mike asked each board member to introduce themselves by area: Don Johnson, (1), Bruce Francis (2), Paul Turcato (3) and Kyle Gouw (4). Mike represents area (5). Mike expressed his appreciation for those that took the time and effort to join our meeting today.

ADOPTION OF AGENDA

The agenda was posted on the website and shown on Chris' shared screen. Mike asked if there were any additions to the agenda.

MOTION Don Johnson seconded by Bruce Francis - that the Agenda be adopted as presented.
Motion Carried

UPDATE ON BOARD OF DIRECTORS NOMINATIONS 2020

Chris Gallagher, Returning Officer, presented slides showing that we had one nomination in each of the divisions that were up for election. Nominations closed February 24th, 2021. Bruce Francis was acclaimed

for Division 2 and Kyle Gouw was acclaimed for Division 4. Congratulations were made to Bruce and to Kyle.

RESOLUTION PROCESS FOR VIRTUAL MEETING

Due to the meeting being held virtually, there was no resolutions committee this year. Attendees were encouraged to email their resolution item to tid@taberirrigationdistrict.ca or bring it by the office for staff to compile the suggestions, forward them to board members, post, and include these suggestions in the minutes for board consideration.

APPROVAL OF THE MINUTES OF THE 2020 ANNUAL MEETING

The 2020 Annual Report, containing the 2020 Annual Meeting minutes, was posted on the TID website and made available from the TID office. Mike asked if there were any errors or changes to the minutes.

MOTION Paul Turcato, seconded by Mark Miyanaga - that the minutes of the 2020 Annual Meeting be approved as presented.

Motion Carried

BUSINESS ARISING FROM THE 2020 ANNUAL MEETING MINUTES

Chris did a follow up on Bill Tverkutes' and Tom Lievaart's request/suggestion to engage TID water users earlier in the design process and to post TID minutes or activities. The board has reviewed this and supports regular communication. They want to avoid over-sharing details. Communication to water users is addressed further in the Engineer's Report. In compliance with the Irrigation Districts Act, the physical copies of approved minutes are available for viewing during regular business hours in the TID office. Water users may also call the office and ask questions. We are happy to speak with you.

Chris followed up on the discussion of the Forty Mile Pumping Agreement, this agreement has now expired. That was by design. There is a window of opportunity allowed for us for discussion every five years that comes up in 2021. The Technical Committee is coordinating with stakeholders to have WaterSMART Solutions develop an Operational Support Tool that will help optimize water diversion and balancing within the St. Mary project. The goal is to maximize the capture and minimize the spill within the system constraints including engaging the potential of Forty Mile. There is a great opportunity to store water there and to pump it as well. The three districts (SMRID, TID, RID) are in discussion to incorporate essential components of this agreement into the Main Canal Agreement as part of our deliberations for this year's review.

Mike asked if there were any questions with regard to business arising from the minutes. No questions were forthcoming.

BOARD OF DIRECTORS' REPORT

Mike Wind read his report from the Annual Report.

MOTION Kyle Gouw, seconded by Don Johnson – that the Board of Director's Report be approved as presented.

Motion Carried

Manager's Report

The Manager's Report was presented by Christopher Gallagher, District Manager. Chris summarized his report from the Annual Report. He reported on snowpack, allocation, rainfall, temperatures, water use and demand. He talked about the Irrigation District Expansion. Eight irrigation districts are involved through Irrigating Alberta Inc. This involves infrastructure investment that is comprised of Alberta Government grant (30%) investment, low interest loans from CIB (50%) and district construction contribution (20%). This funding will allow us to do large projects that may not otherwise be built, and to build long term projects now. Chris thanked the water users for their engagement in the GoA consultation process. The financial statement has a note regarding this funding included for 2020. Chris went into the details of how the funding works and how it will be repaid. TID is not risking existing assets in order to proceed with this funding. TID will secure a low-interest loan that will be repaid from the 'factor of safety' built into the incremental revenue calculations. He explained the legal fees and how TID fronted the costs, and we will be reimbursed. This will result in modernization of the district by having canals upgraded to pipelines and an enlarged reservoir. It will mean improved water use and delivery efficiency along with pressure at pipeline turnouts. There will be reduced risk of accidents, contamination, and canal breach. It will mean enhanced water balancing to store more water and reduce spill as well as expansion of the district to add new acres. It will also mean closer coordination with SMRID on service areas and operations and some amendments to the Main Canal Agreement. TID has approximately 1,500 irrigation acres reserved for intensification of existing parcels in the TID. To add acres, please plan ahead, and let us know. Contact Kyla Ross, our Land Technician and she will walk you through the steps that need to be followed. We will be considering a future expansion plebiscite, but that is not scheduled yet. There is demand for irrigation acres.

Chris said goodbyes and welcomes. Unfortunately, we lost David Bennett last fall and he will be missed. Tony Wikkerink, our District Engineer, has taken a position with SMRID and we have hired Mojtaba Ahmadizadeh as his replacement. Jason Sheppard, Engineering Technologist, has moved back to Newfoundland and we have hired Reid Fletcher as his replacement. Dylan Fletcher, Engineering Technologist has taken a position at BRID and we have hired Jeff Klassen to take his place. Colin Haugan has been lined up to start in 2021 as Engineering Services Manager.

Chris then showed a chart of the work that Brenda did on the analysis of the rates over the last ten years. Brenda explained what the lines on the graph represented. The cost to operate the district has increased over the last ten years and the board has approved many improvements to the district starting around

five years ago. The rates have increased significantly over the last five years as well. The graph included a line that showed the combined operations costs along with the project provisions over that period of time. The combination of the operations costs and the provision for the projects that we have planned that improve the delivery and quality of the water, have meant that the increased rates have been used to accomplish operations along with improvements. We are at a place where the rates are appropriate to sustain both operations and improvements to continue. The plan is to budget for inflation along with any other increased costs and to keep the rates going in that direction.

Chris gave an indication of the rates and how they trend. The increased inflationary cost is approximately \$1 per year. We have taken larger increases in previous years to get the rates on now track and they are on track. There will be an increase to the SMRID Main Canal assessment that has been approved by the Main Canal Advisory Committee of \$1.50 per irrigated acre. There has been a condition evaluation that shows that major structures need to be rehabilitated over the next 5-10 years. We had funds from the Heritage Fund for improvements on the Main Canal in the 1980's/90's that are not available now. There is a need to ensure a stabilized reserve and to get the rehabilitation done. The reserve sits at approximately \$6,000,000 but with all the work that is forecast the extra \$1.50 will be needed. The boards of the SMRID, TID and RID have agreed that these funds will be needed. Taking this into consideration, the proposed rate for 2021 for TID will be \$23.50. This rate reflects the inflationary increase long with the \$1.50 that will be added to the rate that was at \$21.00 for 2020. The budget is set to be approved at our April board meeting. Chris asked if there were any questions.

Ellen Conrad had a question that related to Chris' report and Brenda's comments. She said the income from the capital funds covered the capital expenditures and it wasn't from ratepayers, but here we are saying that the ratepayers are going to rebuild that \$6M dollar fund. Are there no capital funds available for that? Chris replied that this reserve is for the SMRID Main Canal Account, not for TID's works. We have a separate capital fund for TID's works and that is for district funded capital projects. The provision includes the cost of DFCP and the IRP funding as well. Brenda commented that the interest from the reserves is included in the income, but we are not at this time pulling out of the capital fund as we have sold irrigation acres and those capital assets charges have brought in money that has paid for some of these projects. We are getting to the point where we don't have many acres left to sell and that will mean less Capital Assets Charges will be collected, and things will tend the other way. The SMRID Main Canal fund is completely separate, and that amount is included in our expenses on a separate line item in the financial statement.

Ellen said that it means that we are spending money or requiring ratepayers to invest in the SMRID Main Canal as it seems to be a priority or be required, and increasing spending in other areas. Mike said the Main Canal is something we all use. It is owned by SMRID, but we share it to deliver water with SMRID, TID and RID. We are responsible for our portion of that Main Canal. This is our investment to get water into our district. As a board we chose to say those expenses need to come from the rates. We don't want to take that expense out of our capital funds. We want to use those funds for projects within the district. The board felt that it was important not to confuse the two. Any charges for the Main Canal need to be added to the rates.

Mike asked if that made sense to Ellen. She replied that she heard what he was saying, but as to whether it made sense, she may need to have another discussion. Mike said we would be glad to have that discussion. Mike asked if there were any more questions.

MOTION Chris Gallagher, seconded by Jeremy Wind - that the Manager's Report be approved as presented.

Motion Carried

Mike added a couple comments. He said this is probably the most exciting time probably in the last 100 years in the irrigation business and we are quite excited to be in the middle of it along with the other districts. It is really easy for us on the board as we are going through it all the time, but any time you have questions about what we are doing, feel free to call us or talk to Chris or your board member, about capital funding.

Irrican Report

Chris started by welcoming David Westwood (SMRID) as Irrican's new Manager. We got off to a good start by securing late hedging contracts that exceeded the balancing pool which covered Urica Energy Management fees. Chris thanked Terrence Lazarus for his five years of dedicated service to Irrican. For 2020, we saw lower generation volumes as water use was down. With late hedging and lower pool prices we saw the average drop from \$70/MWh to \$58/MWh which meant that income was down, but we were able to pay the bills. We had improved REC contracts revenue which went from \$1.0M to \$1.29M. Revenue was down from the record high 2018 \$8.61M to 2019 \$7.49M and \$6.65M in 2020. This is a result of lower generation and lower pricing. Still, there was a revenue over expenses of \$1.52M. Repayment of the Due to Districts loan was \$4M in year three. We continue to declare the interest income from this loan to general revenue. The TID portion of the repayment moved to the Capital and Reserve funds. Plant maintenance has been diligently implemented. Ar-Tech has been sand blasting and re-coating on the inside of the Chin penstock. Raymond will possibly be done next year. The control systems at Chin and Raymond plants are being upgraded. Some of the cards for the control system are outdated and cannot be replaced. Security cameras and alarms are being installed. There has been a number of thefts of copper wire and other things over the last couple of years, so they are trying to protect that. It is not about the value of what is stolen, it is about the risk of down time of the plants and loss of revenue and most importantly, safety issues. Chris mentioned the good work being done by the Milk River Ridge Water Quality Stewardship Initiative. They are continuing to develop the wetlands and riparian zones around Ridge Reservoir, and it is making a difference in the quality of water that is being measured. The Ridge Water Services Commission has a new carbon treatment system and have had a drop off of complaints about the taste and odour issues. This is good news for Irrican.

MOTION Chris Gallagher, seconded by Bruce Francis - that the Irrican Report be accepted as presented.

Motion Carried

OPERATIONS AND MAINTENANCE REPORT

The Operations and Maintenance Report was presented by Barry Jensen, District Superintendent. He gave a condensed version of the report in the Annual Report. Photos of various projects were shown on the screen while Barry presented his report. He went over the statistics for the year. We had some challenges due to the COVID pandemic, but we were able to get the district up and running. Barry reported on the chemical approvals and the spraying that was accomplished. Information on the TID projects is available on our website. He reported on the equipment that was purchased or disposed of in 2020. He reported on the maintenance work that was completed throughout the year.

MOTION Barry Jensen, seconded by Paul Turcato - that the Operations and Maintenance Report be accepted as presented.

Motion Carried

Following his report Barry asked if there were any questions or concerns from those in attendance. John Conrad asked about the price and size of tractors that were purchased. Barry replied that they are 120 horsepower John Deere tractors for running the mowers. John asked if we used them for more than just mowing. Barry replied that we use them for many of different purposes including discing and leveling. He was just curious. He thought if they were just small tractors for mowing the price might have been a bit high, but if they are larger and used for other things and upsized for those purposes then he understood they would be larger. Barry commented that we do tender out these purchases. We don't just go out and buy John Deere. The dealerships get to bid on the tenders. John said his last purchase of that size of tractor was for a used unit that cost \$80,000. He said he imagined that we got a good price on that size and quality of tractor. He was okay with that reasoning and he understands that we didn't get "took". Mike thanked John for his question.

Mike said he did want to give 'kudos' to the staff. They had very little interruption because of COVID because the staff members were very careful, but also, they work pretty hard. They understand the importance of getting the district running. It wasn't easy but they got the job done and we thank them for that.

DISTRICT ENGINEER'S REPORT

The District Engineer's Report was presented by Mojtaba Ahmadizadeh (Irrigation Engineer) along with Colin Haugan (Engineering Services Manager). Moj joined the district in June of 2020. Colin was hired in January and worked 12 years in consulting prior to that time. Moj reported on the Irrigation Rehabilitation

Program (IRP) projects that have been completed, and proposed projects for 2021. Three projects were completed or have just a few cleanup items to be completed. Moj showed numerous photos along with maps of the area of each of the projects as part of his presentation. Moj reported on the only new project for IRP which is Aerial Photography. The last photos were supposed to be completed in 2018 but were postponed to 2019 due to the amount of smoke in the atmosphere from the forest fires. He reported on the District Funded Capital Projects including completed projects, continuing projects, and proposed projects. Ten projects were completed in 2020. Photos of the various District Funded Capital projects were included in Moj's report. Colin then took over the reporting on the continuing District Funded Capital projects. He reported on the ongoing projects that will have work completed in 2021. His report included photos of some of the projects and he reported on others. Colin also touched on the proposed projects including the Centralized SCADA and Open System Level Monitoring, the Graphical Information and Water Management System, and the Emergency Preparedness project. Colin reported on the proposed Special Purposes Vehicle, North Fincastle West Pipeline project that has been approved under the funding formula that Chris reported on. We are developing the location plans and we will be sending out information packages to landowners, renters, and stakeholders as soon as possible. Moj reported on the new structure for the engineering department. There have been several staff changes and a revised structure of the department. It will help us address issues and amp up capacity in this department. Colin mentioned the newsletter that is planned to go out bi-monthly to keep everyone informed. The newsletter will be headed up by the engineering department along with input from other departments. Colin also mentioned two major projects that will have an impact on the District: the Horsefly Emergency Spillway and the Highway 3 Twinning project. Both these projects will involve coordination with the TID. Colin asked if there were any questions.

MOTION Colin Haugan, seconded by Don Johnson that the Engineer's Report be accepted as presented.

Motion Carried

Ellen Conrad had a comment. She liked the idea of the bi-monthly newsletter so that all of her questions do not come from just this meeting.

Mike asked if there were any other questions or comments. None were forthcoming.

AUDITOR'S FINANCIAL STATEMENT

The Audit was conducted by KPMG LLP, Chartered Accountants from Lethbridge, Alberta. The Financial Statements for the year ending December 31, 2020 were presented by Dan Bosters, Senior Manager, KPMG. There was some detail added in the notes relating to the impact of COVID-19. The pandemic is ongoing, and the overall impact is not known at this time. The notes also mention the funding agreement that has been entered into, along with the seven other districts through Irrigating Alberta Inc. with CIB, as well as the grant funding with the GoA. All outstanding deposits for irrigation acres have now been recognized into revenue.

MOTION

Dan Bosters, seconded by Bruce Francis - that the 2020 Financial Statements for the year ending December 31, 2020 be accepted as presented.

Motion Carried

Dan thanked Brenda & Chris and the rest of the team at TID for their help in answering all of the questions and he looks forward to working with them every year. Chris thanked Dan and his team at KPMG for their hard work and the great job that they have done for us.

NEW BUSINESS**Water Situation for 2021**

Chris gave an overview of the current water situation. He presented the information available up to March 18th. The snow pillows are in an average situation at this time. St Mary Reservoir is capturing some snow melt and climbing up and Ridge is at winter target levels. Combined irrigation storage is in good shape. SMRID cumulative storage is in decent shape as well. Chin Reservoir is right where it should be, and Forty Mile is a little high. Some late rainfall dropped demand with the difference captured at Forty Mile.

Mike mentioned that we should be thankful that we are where we are. In the potato business that he is in he has talked to people in PEI and the southern part of Canada they are talking about a severe drought there right now, so he is happy to have what we have in storage.

Mike asked if there were any other questions on this matter or anything else on the agenda.

Ellen Conrad said she read all the minutes from last year. It seems that in the Manager's report regarding the request that TID minutes or activities be posted somewhere on the website it said that they wanted to avoid oversharing details and she does not understand what that means. She said it was suggested that the minutes be posted on the website behind a ratepayer wall. Have you considered that?

Chris asked that one of the board members address this question. Mike asked if she was asking why aren't all the minutes put out on the (public) website? Ellen answered yes, she would like to not have to wait until this meeting to review the details so she can ask questions earlier in the year, be aware earlier in the year, and be more informed.

Mike asked if she was asking about the minutes for this meeting, or every board meeting?

Ellen answered that she was talking about the board meetings through the year, although she does

think that the newsletter that Colin mentioned would help.

Mike said yes, that is the intent of the newsletters, because you are right, that is a lot of information to absorb all at one time because there are a lot of things that go on in the year as you can tell, especially in today's reports. The intent is to keep you up to date all the time of what we are doing.

Mike asked if any other board member wanted to comment on this?

Don said that we went around on this last year and Tom had some questions with regard to that. Our board has always taken the position that we are open, and we want people to come in, but we are not a public organization like MD Council or Taber Town Council, but we do have an obligation to our ratepayers. We provide those minutes at the office. So, if someone wants to come into the office, they can inform us in advance and the staff can prepare properly. There is a lot of work involved in giving out minutes and putting them available online. He is not sure that is productive. If someone has any particular concerns, you are certainly welcome to come into the office and we are more than happy to provide you with access to the minutes.

Chris commented that there are two different approaches to doing minutes. He has seen it done in a minimalist way, where they just simply record the basic items and leave out a lot of the details. At TID, the message that we have received from the board is to provide a significant amount of detail. Typically, our minutes are over a dozen pages long. Brenda does a lot of work in preparing them and Chris works with her on doing the revisions. There is a lot of detail in there, so they are available at the office during our business day. What we want to try to do, is hit a kind of sweet spot in between for the newsletters. That will give you an idea of what is going on to keep you informed without overwhelming you with 12 to 20 pages of minute notes.

Mike asked if that answered Ellen's concern?

Ellen said she thinks it helped. There is no question that being informed of what the board is discussing, throughout the year, would make her and other ratepayers aware, and able to comment and provide input. It is not all negative, it can be positive too, so that we can support the board in their decisions perhaps. Still if the minutes are already prepared, she questions why she has to come into the office to access them. Maybe she is not around to be able to access the office and having them online would be helpful (behind a ratepayer wall as was previously mentioned). Ellen said she would appreciate TID considering that.

Mike thanked Ellen for her question and for her comments.

CLOSE OF MEETING

Mike Wind thanked everyone who participated, and those presenting reports and any presentations made today. He noted that we sure would rather do this in person and be able to see you and are

sure you would rather be here as well. Mike thanked everyone for their patience with this virtual meeting format.

MOTION Ellen Conrad - that this Annual Meeting of the Taber Irrigation District does now close.

Motion Carried @ 3:28 p.m.

DRAFT