

NEWS RELEASE

Municipal District of Taber



January 15, 2019

The M.D. of Taber to Make Application for Water Rights for Municipally Owned Land

The Council of the Municipal District of Taber at a recent Council meeting has passed a resolution to make application for water rights to the Bow River Irrigation District (BRID) on 18 quarter sections of M.D. of Taber owned lands. The lands affected by this application are primarily in the Retlaw area.

The decision by Council to move forward with the application was prompted by the BRID's recent announcement they would be expanding their district by 35,000 acres of water rights. The application deadline is January 16 and decisions on applications will be made shortly thereafter by the BRID board.

Consultations with the affected leaseholders of these municipal lands is being undertaken at this time.

The M.D. of Taber has identified the conversion of a portion of municipally owned lands into irrigation as a way to increase financial returns received from municipally owned lands.

Currently 70% of the property taxes paid to the M.D. of Taber to support municipal services are paid by non-residential sources including oil and natural gas producers. Due to low prices for these commodities there has been a consolidation of the industry with the assets of small producers whose assets are either being bought up by larger companies, are in the process of being shut in or are being transferred to the orphan well association due to bankruptcy. Over the past 3 years approximately \$3.2 million in municipal property taxes and the Alberta School Foundation Fund portion of municipal property tax is deemed to be uncollectable due to the bankruptcy of a number of oil and gas companies.

As a result, over the past number of years the M.D. of Taber has had to reduce operating and capital expenditures on projects and equipment in order to align revenues with expenditures. Net projected expenditures for the 2019 budget year are below those of 2018.

The approval by Council to make application to the BRID for water rights on 18 quarter sections of land is a part of the long term plan to seek additional non-tax financial resources that will support municipal operating and capital budgets.

It is expected that the M.D. of Taber will be borrowing the funds necessary to undertake the irrigation project with revenues generated by land rentals paying the debenture costs. The total cost of the project will be finalized in the coming weeks. It is expected that the debenture taken to fund the project will be a 20-year term. The Council believes that this project is a low risk venture which will not only provide future operating revenue but will also increase the value of the land, support local agricultural production and enable the development of land near existing irrigation infrastructure.

Additional information will be provided to the citizens of the M.D. of Taber once a final decision has been made on the allocation of the water rights by the Board of Directors of the Bow River Irrigation District and a final decision made by the Council of the M.D. of Taber on total costs and borrowing related to this project.

Questions pertaining to this information may be directed to:

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