

WATER ALLOCATION POLICY PROCESS

Issue

Additional information regarding the Water Allocation Policy and water licensing is provided as requested by Council at the February 12, 2024 Council meeting when consideration of second reading of Bylaw 02-24 - Land Use Redesignation Tillotson Phase 2 was postponed.

Motion Proposed by Administration

That the Water Allocation Policy Process report be accepted as information.

Report, Analysis and Financial Implications

In 2011, Okotoks Council implemented the *Water Allocation System for Planning Approvals* (Policy P11-02). This policy was amended on a number of occasions and eventually superseded in 2021 by the *Water Allocation Policy* (Policy CMD-P-3.10) and the accompanying *Water Allocation Administrative Guidelines* (A21-02). The intent of this policy is to ensure that Planning Applications are approved in an equitable and sustainable manner.

Since the adoption of the 2021 Water Allocation Policy, lands have only been approved for development if sufficient water licence capacity is available to service those lands. The process to validate this assessment is triggered by an application for land use redesignation, subdivision, or development permit as shown in Attachment 3. At each stage of the typical land development process, the Water Verification and Assignment Process (WVAP) must be completed as shown in Attachment 4. WVAP Clearance Certificate must be issued certifying that a subdivision or development permit application has passed the WVAP process before the application can become eligible for approval by the respective authorities. For land use redesignation applications, Council can consider up to second reading without a WVAP Clearance Certificate with the exception of lands that only relate to institutional, commercial, or industrial uses which do not require a WVAP Clearance Certificate until subdivision or development permit.

In both the Policy (CMD-P-3.10) and Administrative Guidelines (A21-02), Development Capacity represents water licence capacity that is available to be allocated to development. The methodology for calculating the required Development Capacity for a Planning Application is outlined in the Administrative Guidelines. Most use types have a either an average per unit or average per area calculation that is applied at land use redesignation and further refined at subdivision and development permit applications if necessary. If a planning application requires an increase or decrease in Development Capacity, the difference must be purchased or refunded. The rate for Development Capacity is specified in the *Fees, Rates and Charges Bylaw* (Bylaw 09-24) and is currently \$8.11/m³.

If a Planning Application meets the requirements to access Common Development Capacity and there is insufficient Common Development Capacity remaining, the Planning Application

is placed in the Common Queue as outlined in section 4 of the policy. As additional Common Development Capacity becomes available, it will be allocated to Planning Applications in the Common Queue in the following order:

1. Town-initiated projects;
2. Planning Applications concerning ICI Uses; and
3. All other Planning Applications, in the order of the date on which the complete Planning Applications are received.

If there are Planning Applications in the Common Queue and there is sufficient Common Development Capacity remaining for a more recent Planning Application, Common Development Capacity can be assigned to that Planning Application provided that it meets the requirements to access Common Development Capacity.

As of March 15, 2024, the remaining Common Development Capacity is 37,641 m³ and there are no Planning Applications in Common Queue. Bylaw 02-24 (Tillotson Phase 2 land use redesignation) does not currently meet the requirements to access the Common Capacity and as such, is not yet in the Common Queue.

Information on the Water Allocation System, including policy, guidelines, remaining Common Development Capacity, and mapping of all previous assignments, is publicly available at the Town of Okotoks' website: <https://www.okotoks.ca/your-services/building-services/engineering/water-allocation-system>

Strategic Plan Goals

<input checked="" type="checkbox"/>	Responsibly Managed Growth	<input type="checkbox"/>	Demonstrated Environmental Leadership
<input type="checkbox"/>	Strong Local Economy	<input type="checkbox"/>	Enhanced Culture & Community Health
<input type="checkbox"/>	Organizational Excellence		

Equity/Diversity/Inclusivity Impacts and Strategy

n/a

Environmental Impacts

n/a

Governing Policies/Bylaws/Legislation or Agreements

- Municipal Development Plan (Bylaw 02-21) – Section 1.3 [Allocate water to support Okotoks' vision] provides the following direction:
 - 1.3.1 Align development approvals with the Town's water license capacity*
 - a) Ensure that approvals for development are granted in a fair and equitable manner in accordance with the Town's water allocation policy.*
 - b) Prioritize water allocation for industrial, commercial, institutional or mixed-use developments.*

- Land Use Bylaw (17-21) – establishes procedural requirements for the consideration of amendments, subdivisions, and development permits, specifically:
 - Section 3.4.E(2), which requires that *"in addition to the general requirement to demonstrate sufficient water pursuant to the Bylaw [...] in considering an amendment to the Land Use Bylaw that re-Districts a Site from Agricultural Holdings to any other District, Council must consider whether there is a concurrent planning application or active Development of the subject lands to justify an increase of allocation of water capacity to a Site."*
 - Section 5.2.G – *"A re-Districting application to amend this Bylaw should not be approved by Council where there is insufficient water allocation assigned to the subject Parcel(s) required to support the minimum Development potential for the Site unless Council has granted an exemption to that requirement."*
 - Section 5.2.H – *"Re-Districting applications will be required to demonstrate compliance with the Town of Okotoks Water Allocation Policy as adopted by Council from time-to-time"*
 - Section 5.11.B – *"An application for Subdivision must demonstrate sufficient water capacity to meet the needs of the intended Development or otherwise demonstrate compliance with the Town of Okotoks Water Allocation Policy as adopted by Council from time-to-time."*
 - Section 5.16.A(13) – *"An application for a Development Permit in all districts, including Direct Control Districts, must demonstrate sufficient water capacity to meet the needs of the intended Development or otherwise demonstrate compliance with the Town of Okotoks Water Allocation Policy as adopted by Council from time-to-time. The Development Authority shall refuse an application that does not comply with this Water Allocation Policy."*
- Water Allocation Policy (CMD-P-3.10), which directs the process for allocation of development capacity for planning applications
- Fees, Rates and Charges Bylaw (09-24), which establishes fees, rates, and charges for services provided by the Municipality

Public Participation Strategy

n/a

Alternatives for Consideration

n/a

CAO Comments

This review provides clarity on how the process works and the necessary steps to ensure compliance with the Town's overall water allocation process.

Attachment(s)

1. CMD-P-3.10 Water Allocation Policy
2. A21-02 Water Allocation Administrative Guidelines

3. Implementation of Process throughout Land Development
4. Water Verification and Assignment Process

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