	Water Allocation Policy	
	Policy Type:	Council-Management Delegation
	Number:	CMD-P-3.10
	To be Reviewed:	As required
	Approval Date:	May 10, 2021
	Motion Number:	21.C.208
	Revised Date(s):	

Policy Statement:

The Town of Okotoks will have a *Water Allocation System* to ensure that available *Development Capacity* is Assigned to *Planning Approvals* in a fair and equitable manner.


Purpose:

The purpose of this Policy is to establish the *Water Allocation System*. The *Water Allocation System* will work in tandem with the Town's *Land Use Bylaw* and statutory plans and will apply to all *Planning Applications*.

Overview:

The *Water Allocation System* is established on the following principles:

- *Sufficient Development Capacity* must be verified prior to the approval of *Planning Applications*.
- *Development Capacity* is comprised of *Reserved Capacity* and *Common Capacity*.
- *Reserved Capacity* is *Development Capacity* reserved for use by a particular developer.
- *Common Capacity* is *Development Capacity* held by the Town to support imminent growth, Town strategic priorities, and Town initiatives. Access to *Common Capacity* will be subject to conditions that support the Town's objectives.
- Developers are responsible for the costs of obtaining sufficient *Development Capacity* to serve their developments. The Town will recover such costs using a full cost recovery method.
- The cost of obtaining *Development Capacity* must be paid prior to *Assignment of Development Capacity*.
- The Town will carry *Water License Costs* for *Common Capacity* until the *Assignment of the Common Capacity*. The Town will not carry *Water License Costs* for *Reserved Capacity*.
- Developers may retain existing *Reserved Capacity* acquired under *Water Allocation System for Planning Approvals Policy P11-02* provided they repay associated *Water License Costs*.
- Lands categorized under the Town's *Previous Policy* will be re-designated as *Allocated Lands* or *Non-Allocated Lands*.

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- Council has discretion with respect to the application of this Policy and may grant exemptions to this Policy.

Definitions:

Allocated Lands means lands to which *Development Capacity* has been *Assigned*.

Assignment or *Assigned* means the assignment of *Development Capacity* to a parcel or parcels of land.

Chief Administrative Officer means the person appointed to the position of the chief administrative officer for the Town of Okotoks, or their delegate, within the meaning of the *Municipal Government Act*.

Commercial Uses means land uses identified as commercial, business, or lodging land uses in the Town's *Land Use Bylaw*.

Common Capacity means *Development Capacity* available for *Assignment* which is not reserved for a particular developer.

Common Queue means the queue of applications which are waiting for *Common Capacity* to be *Assigned* to them.

Development Capacity means the annual volume of potable water available to be *Assigned* for development and includes the *Common Capacity* and the *Reserved Capacity*.

ICI Uses means *Industrial Uses*, *Commercial Uses*, and *Institutional Uses*.

Industrial Uses means land uses identified as industrial land uses in the Town's *Land Use Bylaw*.

Institutional Uses means land uses identified as institutional uses in the Town's *Land Use Bylaw* and includes:

- i. Public schools;
- ii. Uses carried out for municipal purposes; and
- iii. Uses carried out by the provincial or federal governments for other institutional purposes.

Land Use Bylaw means the Town of Okotoks *Land Use Bylaw*, as amended or replaced from time to time.

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MGA means the *Municipal Government Act*, RSA 2000 c. M-28, as amended or replaced from time to time.

Non-Allocated Lands means lands to which *Development Capacity* has not been *Assigned*.

Planning Applications means:

- i. Land use redesignation applications and other amendments to the Town's *Land Use Bylaw* that impact *Water Usage*;
- ii. Subdivision applications including applications to extend timelines respecting subdivisions; and
- iii. Development permit applications including applications to extend timelines respecting development permits.

Previous Policy means the Town of Okotoks Water Allocation System for Planning Approvals P11-02, adopted January 1, 2011 and amended August 19, 2013.

Reserved Capacity means *Development Capacity* reserved for a specific developer.

Water Allocation Administrative Guidelines means the Water Allocation Administrative Guidelines to be adopted from time to time by the *Chief Administrative Officer* pursuant to this Policy.


Water Allocation System means the system by which *Development Capacity* is tracked and *Assigned* based on this Policy.

Water License Cost means the cost of obtaining, maintaining and managing *Development Capacity*, and includes license costs, soft costs, Town staff costs, project costs, interest and carrying costs.

Water Usage means the annual amount of water required to service a *Development*.

Water Verification and Assignment Process or **WVAP** means the water verification and assignment process described in this Policy and set out in Schedule A of this Policy.

WVAP Clearance Certificate means a clearance certificate issued by the *Chief Administrative Officer* confirming that an application has passed the *Water Verification and Assignment Process*.

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Responsibilities:

Council

Council is responsible for deciding on the adoption of bylaws, including statutory plans, land use bylaws, and amendments to these plans and the *Land Use Bylaw*, in accordance with the *MGA*.

Council will have regard to this Policy in considering such planning bylaws.

Subdivision and Development Authority

The Subdivision and Development Authorities for the Town of Okotoks will have regard to this Policy in considering subdivision or development applications and will comply with this Policy as it is incorporated into the *Land Use Bylaw*.


Chief Administrative Officer

The *Chief Administrative Officer* will manage the *Water Allocation System* as set out in this Policy, including managing and maintaining records as required by this Policy.

Water Allocation System:

1. Water Verification and Assignment Process

- a. For the purposes of the *Land Use Bylaw*, a *Planning Application* will be deemed to have sufficient water capacity if the *Chief Administrative Officer* has issued a *WVAP Clearance Certificate* in respect of that *Planning Application*.
- b. The *Chief Administrative Officer* will issue *WVAP Clearance Certificates* as follows:
 - i. The *Chief Administrative Officer* will issue a *WVAP Clearance Certificate* for all *Planning Applications* for which Council has granted an exemption to this Policy.
 - ii. If the *Chief Administrative Officer* determines that a *Planning Application* is for infill development which will not increase the expected *Water Usage* by more than 1000m³ /year for the relevant lands, the *Chief Administrative Officer* will grant an exemption to this Policy and issue a *WVAP Clearance Certificate*.
 - iii. If the *Chief Administrative Officer* finds that the expected *Water Usage* for a *Planning Application* respecting *Allocated Lands* is less than or equal to the amount of *Development Capacity* which is *Assigned* to those lands, the *Chief Administrative Officer* will issue a *WVAP Clearance Certificate*.
 - iv. If the *Chief Administrative Officer* finds that the expected *Water Usage* for a *Planning Application* respecting *Allocated Lands* exceeds the amount of *Development Capacity* which is *Assigned* to those lands by less than 1000m³ , the *Chief Administrative Officer* may, in their discretion, issue a *WVAP Clearance Certificate*.

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- c. If a *Planning Application* concerns *Non-Allocated Lands*, or *Allocated Lands* but the *Chief Administrative Officer* finds that the expected *Water Usage* for the *Planning Application* respecting *Allocated Lands* exceeds the amount of *Development Capacity* which is *Assigned* to those lands, sufficient *Development Capacity* must be *Assigned* before the *Chief Administrative Officer* will issue a *WVAP Clearance Certificate*.

2. Assignment of Development Capacity


- a. *Development Capacity* may be *Assigned* to lands for the purposes of a *Planning Application* from either *Reserved Capacity* or *Common Capacity*.

3. Restrictions on Assignment of Common Capacity

- a. Developers must exhaust their *Reserved Capacity* before accessing *Common Capacity*, except in the case of *Planning Applications* that are limited to *Institutional Uses*.
- b. Developers must pay the *Water License Costs* in full prior to *Assignment of Common Capacity*.
- c. The *Chief Administrative Officer* may establish additional requirements to access *Common Capacity* in the *Water Allocation Administrative Guidelines*.

4. The Common Queue

- a. If a *Planning Application* meets the requirements to access *Common Capacity* but there is insufficient *Common Capacity* to meet the needs of that application, the *Planning Application* will be placed in the *Common Queue*.
- b. *Common Capacity* will be *Assigned* to *Planning Applications* in the *Common Queue* in the following order:
- Town initiated projects;
 - Planning Applications* concerning *ICI Uses*; and
 - All other *Planning Applications*, in the order of the date on which the complete *Planning Applications* are received.
- c. Council may change the order in which *Common Capacity* is *Assigned* to *Planning Applications* in the *Common Queue* based on the Town's strategic priorities.
- d. When *Common Capacity* becomes available, the *Chief Administrative Officer* will notify the proponent of the top *Planning Application* in the *Common Queue*. If that proponent fails to notify the *Chief Administrative Officer* of acceptance of the *Common Capacity* and pay the associated *Water License Costs* in full within thirty days, or if that proponent notifies the *Chief Administrative Officer* that they do not intend to accept the *Common Capacity*, the *Chief Administrative Officer* will repeat

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this process with the proponent for the next *Planning Application* in the *Common Queue*.

5. Tracking and Calculating Development Capacity

- a. The *Chief Administrative Officer* will maintain an updated map and database to track the application of the *Water Allocation System*, including identifying *Allocated Lands*, *Non-Allocated Lands*, and any exemptions under this Policy.
- b. The *Chief Administrative Officer* will maintain an updated record of the *Development Capacity*, including *Common Capacity* and *Reserved Capacity*. The *Chief Administrative Officer* will post the total *Development Capacity* and available *Common Capacity* on the Town's website, along with the date that this information was last updated.
- c. The *Chief Administrative Officer* will determine and periodically update the *Water License Costs*.
- d. The *Chief Administrative Officer* will establish, publish and periodically update the *Water Allocation Administrative Guidelines*, which will include:
 - i. Expected *Water Usage* for different land uses and the methodology used by the Town to calculate expected *Water Usage*;
 - ii. The *Water License Costs* and the methodology used by the Town to calculate the *Water License Costs*; and
 - iii. Conditions and requirements for *Assignment* of *Common Capacity*.

6. Land Use Redesignations

- a. Land use redesignation applications may have first and second readings without a *WVAP Clearance Certificate*. Third reading will be postponed until a *WVAP Clearance Certificate* is issued.
- b. If a land use redesignation application in the *Common Queue* expires pursuant to section 188 of the *MGA* before third reading, it will be removed from the *Common Queue*.
- c. *WVAP Clearance Certificates* are not required for land use redesignation applications that relate only to *ICI Uses*. *ICI Uses* require *WVAP Clearance Certificates* prior to subdivision or development approval.
- d. Developers may not hold more than one *Assignment* for *Allocated Lands* where the *Development Capacity* for those lands came from *Common Capacity* and those lands have only been through the land use redesignation stage. If a developer already holds one such *Assignment*, the developer must enter into a subdivision servicing agreement or obtain a development permit before it may access the *Common Capacity* for any other land use redesignation applications. This restriction does not apply to *Planning Applications* which relate exclusively to *ICI Uses*.

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7. Increases to Development Capacity


- a. The Town may obtain water licenses and add the associated capacity to the *Common Capacity*. The Town will determine the amount of water licensing to be obtained based on the amount of costs it is willing to front-end in that regard, Town priorities, and any other factors it considers relevant.
- b. The Town may offer to obtain water licenses on behalf of developers and add the associated capacity to *Reserved Capacity*. The Town will, in its sole discretion, make such an offer to the development community. Any developer who accepts such offer will be required to pay all *Water License Costs* associated with the acquisition of that developer's *Reserved Capacity*.
- c. With the prior approval of the *Chief Administrative Officer* and subject to those conditions that the *Chief Administrative Officer* considers necessary or desirable, a developer may obtain a water license at its own cost and transfer it to the Town, in which event the associated capacity will be added to that developer's *Reserved Capacity*.
- d. Developers may transfer their *Reserved Capacity* to each other. Both transferor and transferee must provide satisfactory written notice of the transfer to the *Chief Administrative Officer* by their respective authorized representatives.

8. Availability of Water

- a. Water licenses will only add to the *Development Capacity* if the water can be accessed and delivered to the Town's water distribution network. If there is not infrastructure in place to access the water or other conditions prevent the use of that water, that water license will not be added to the *Development Capacity* unless otherwise directed by Council.

9. Release of Assigned Capacity

- a. If:
 - i. *Allocated Lands* are downzoned to a holding district or one with lower expected *Water Usage* than their *Development Capacity*; or
 - ii. A subdivision or development approval expires prior to registration of the subdivision or completion of the development, as applicable, and the time limits for such subdivision or development are not extended,
 the excess *Development Capacity Assigned* to those lands will be surrendered.
- b. If excess *Development Capacity Assigned* to *Allocated Lands* is surrendered:
 - i. Any *Development Capacity* that came from the *Common Capacity* will be returned to the *Common Capacity*, and the developer will be refunded the amount paid for such capacity less applicable rates or fees; and

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- ii. Any *Development Capacity* that came from *Reserved Capacity* will be returned to the developer's *Reserved Capacity* or, if agreed by the Town and the developer, sold to the Town under terms acceptable to the *Chief Administrative Officer* and added to the *Common Capacity*.

Exemptions:

Council may grant exemptions to the requirements of this Policy or any part of this Policy.

Transitional Provisions:

Upon approval of Water Allocation Policy CMD-3.0, *Previous Policy* "Water Allocation System for Planning Approvals Policy (P11-02)" shall be rescinded.

Capacity obtained or held under the *Previous Policy* will be addressed as follows:

- a. Subject to (b) below, if the developer paid the *Water License Costs* associated with that capacity, that capacity will be *Reserved Capacity* for that developer under this Policy or, if it was allocated to lands, it will be *Assigned* to those lands as if it came from *Reserved Capacity*;
- b. If the developer paid the *Water License Costs* associated with capacity which was to be made available for Town, other developers or general purposes and not reserved for that developer under the *Previous Policy* and the Town owes the developer *Water License Costs* associated with that capacity, the Town will reimburse the developer for the associated *Water License Costs* and this capacity will be *Common Capacity* under this Policy;
- c. If capacity was reserved for the developer but the Town paid the *Water License Costs* associated with that capacity (including by reimbursing the developer), the *Chief Administrative Officer* will issue an invoice to the developer for the *Water License Costs*, and:
 - i. If the developer pays that invoice within 60 days of the date it is issued, that capacity will be treated in accordance with the preceding section (a); or
 - ii. If the developer does not pay that invoice within 60 days of the date it is issued, that capacity will be added to the *Common Capacity*;
- d. If capacity was allocated to the developer but the Town paid the *Water License Costs* associated with that capacity (including by reimbursing the developer), the *Chief Administrative Officer* will determine whether the requirements to access *Common Capacity* set out in the *Water Allocation Administrative Guidelines* and in this Policy are met and, if so, will issue an invoice to the developer for the capacity that was allocated to the developer's land, and:
 - i. If the developer pays that invoice within 60 days of the date it is issued, that capacity will be *Assigned* to the subject lands as *Developer Capacity* that came from *Common Capacity*; or

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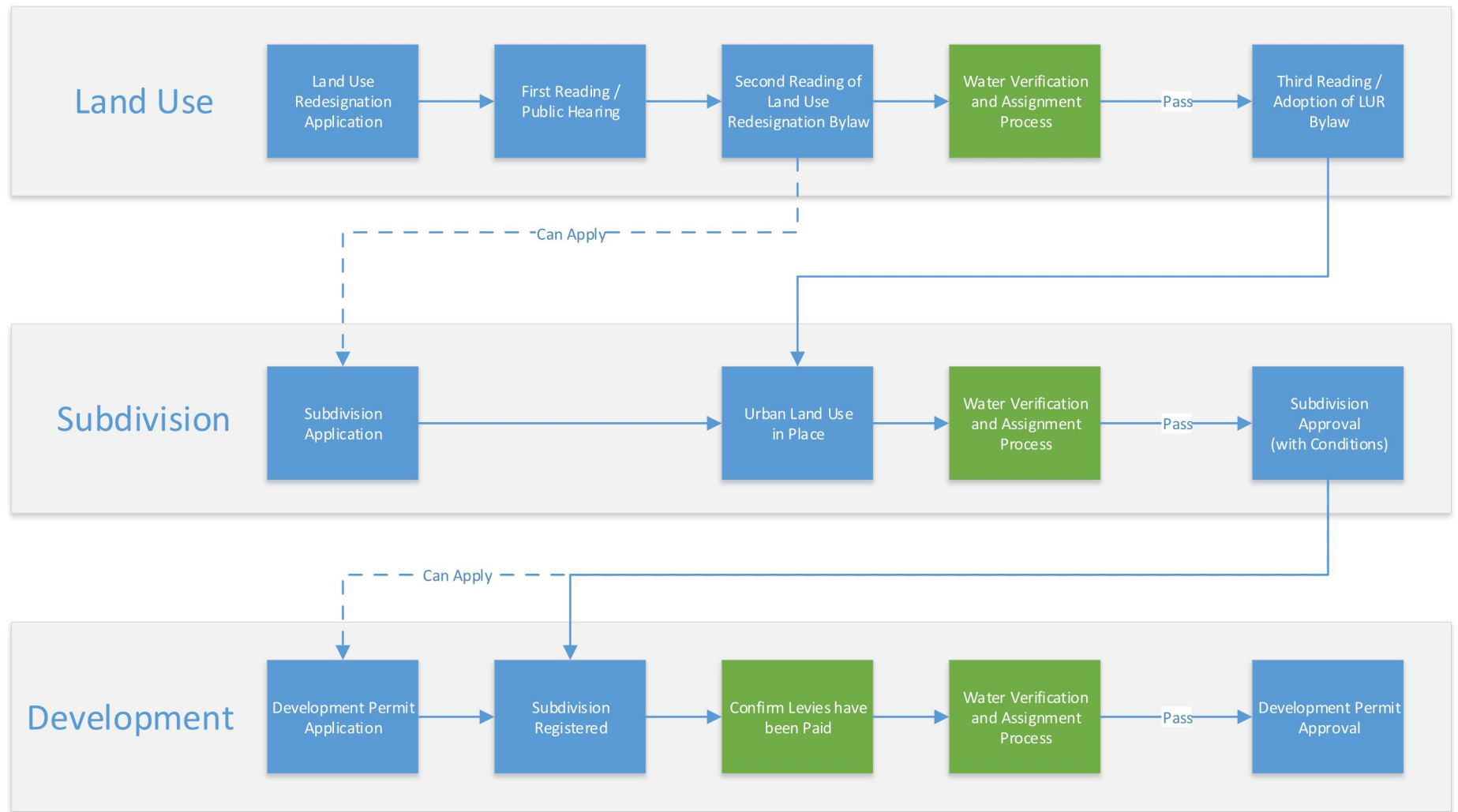
- ii. If the developer does not pay that invoice within the specified time period, that capacity will be added to the *Common Capacity*;
- e. Other capacity held, or earmarked, by the Town for lands that have final land use designations (formally known as Area 'A' Lands under the *Previous Policy*) will be added to the *Common Capacity*; and
- f. All other capacity will be added to the *Common Capacity*.

Developers are notified by way of this Policy that reductions to the Water Supply and Treatment Levy will no longer be given, and such levy will be charged in accordance with the Town's Off-Site Levy Bylaw in force from time to time.

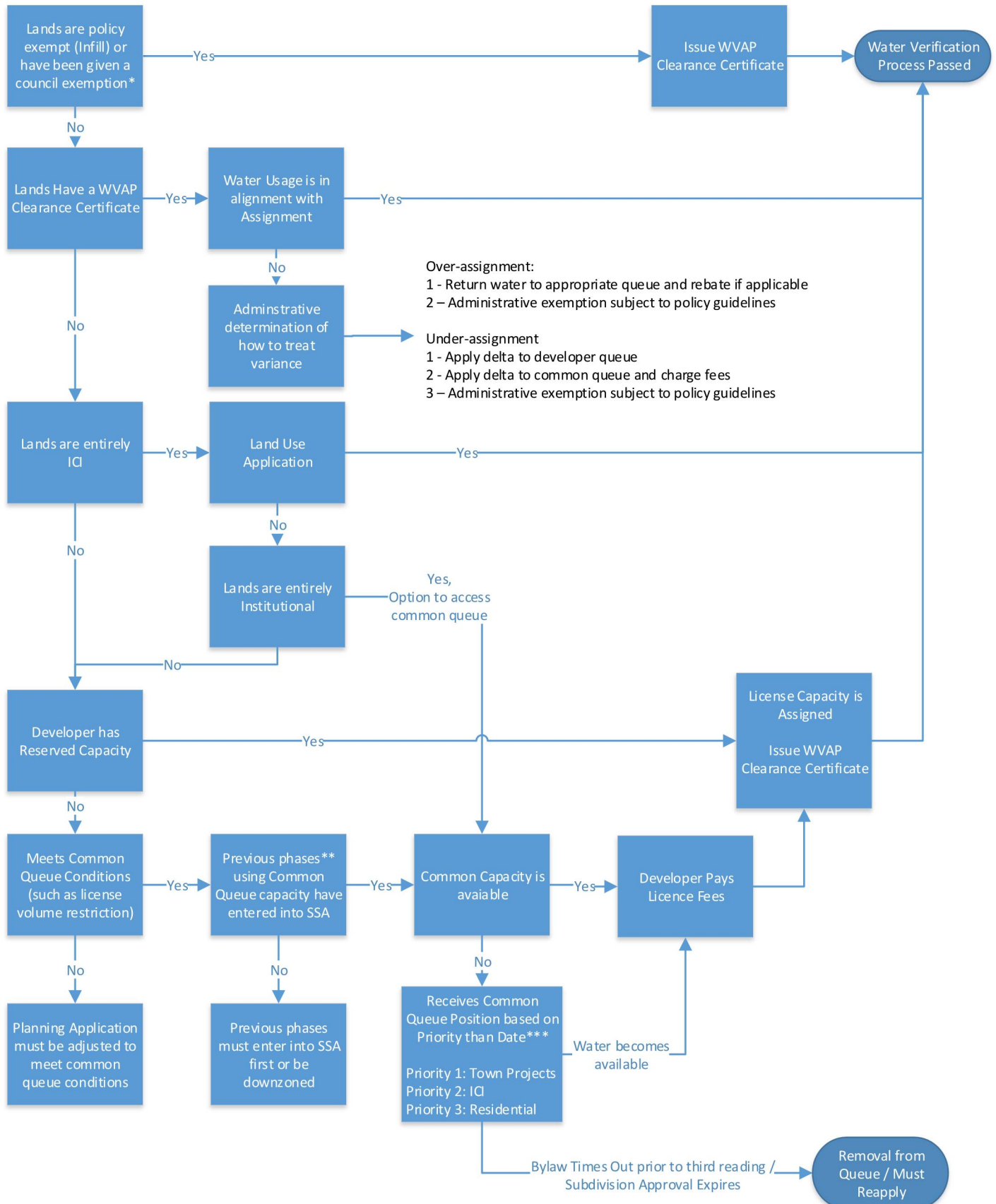
General Provisions and Coming Into Force:

- a. If any term, clause or condition of this Policy or the application thereof is found to be invalid or unenforceable, the remainder of this Policy or the application of such term, clause or condition will not be affected and will remain in force and effect.
- b. Where the singular or masculine form of a term is used in this Policy, it includes the plural, feminine or neutral, as the context requires, and vice versa.
- c. This Policy will come into effect upon adoption by Council.

The Implementation of the Water Verification and Assignment Process throughout Typical Land Development



The Water Verification and Assignment Process



*Council always retains discretion with respect to the application of the policy and may grant an exemption to the requirements of the Water Allocation Policy or any element contained within the policy.

**See policy and Administrative guidelines for treatment of previous phases with land use and without assignment and or transition phases between developer and common queue capacity.

***Council may allow for deficit assignment/queue jumping based on strategic priorities