

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 This policy was amended on a number of occasions and eventually superseded in 2021 by the *Water Allocation Policy* (Policy CMD-P-3.10) and the accompanying *Water Allocation Administrative Guidelines* (A21-02).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

Prepared by:
James Cameron, Community Development & Engineering Manager
Colin Gainer, Senior Planner
March 15, 2024

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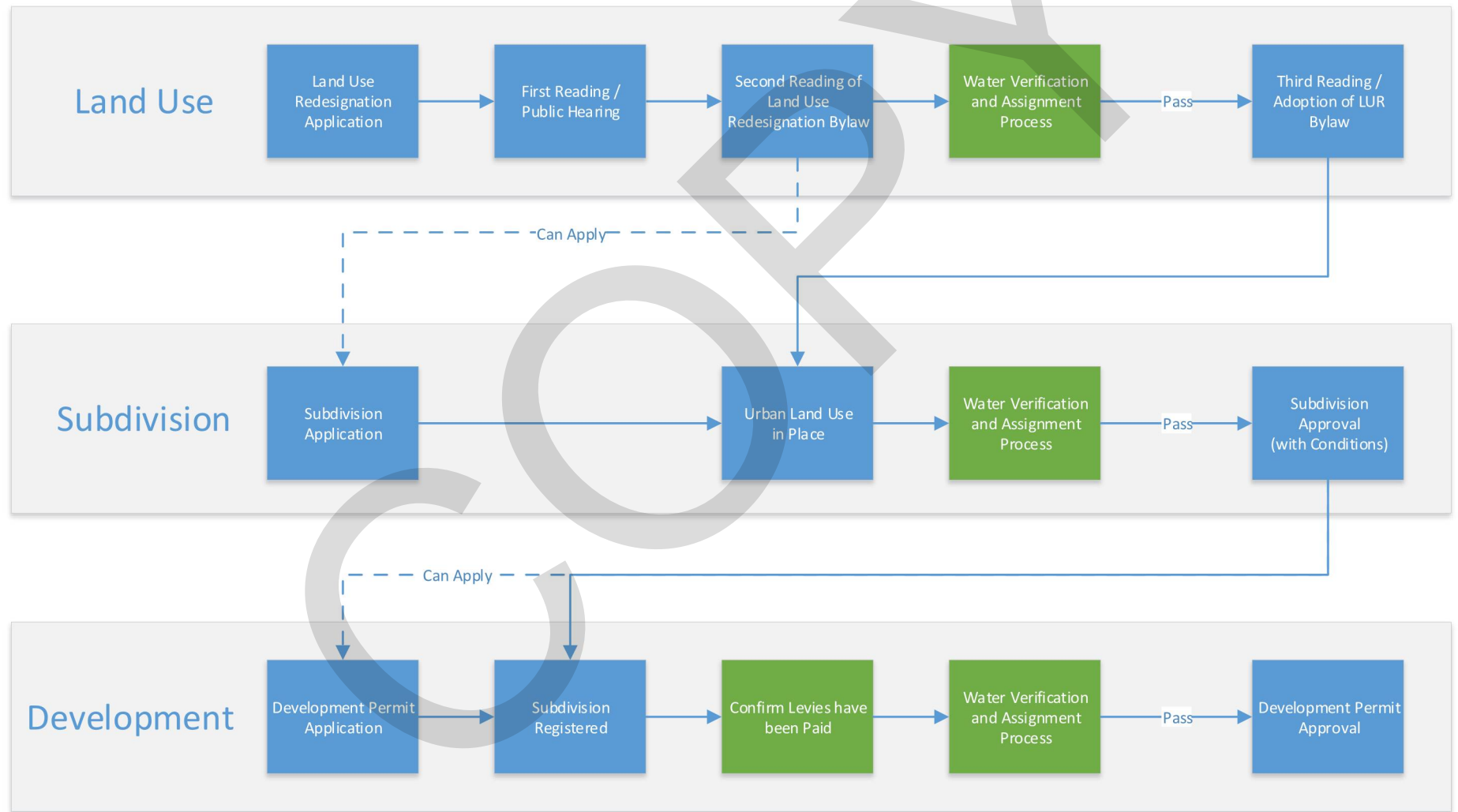
- ii. If the developer does not pay that invoice within the specified time period, that capacity will be added to the *Common Capacity*;
- e. Other capacity held, or earmarked, by the Town for lands that have final land use designations (formally known as Area 'A' Lands under the *Previous Policy*) will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

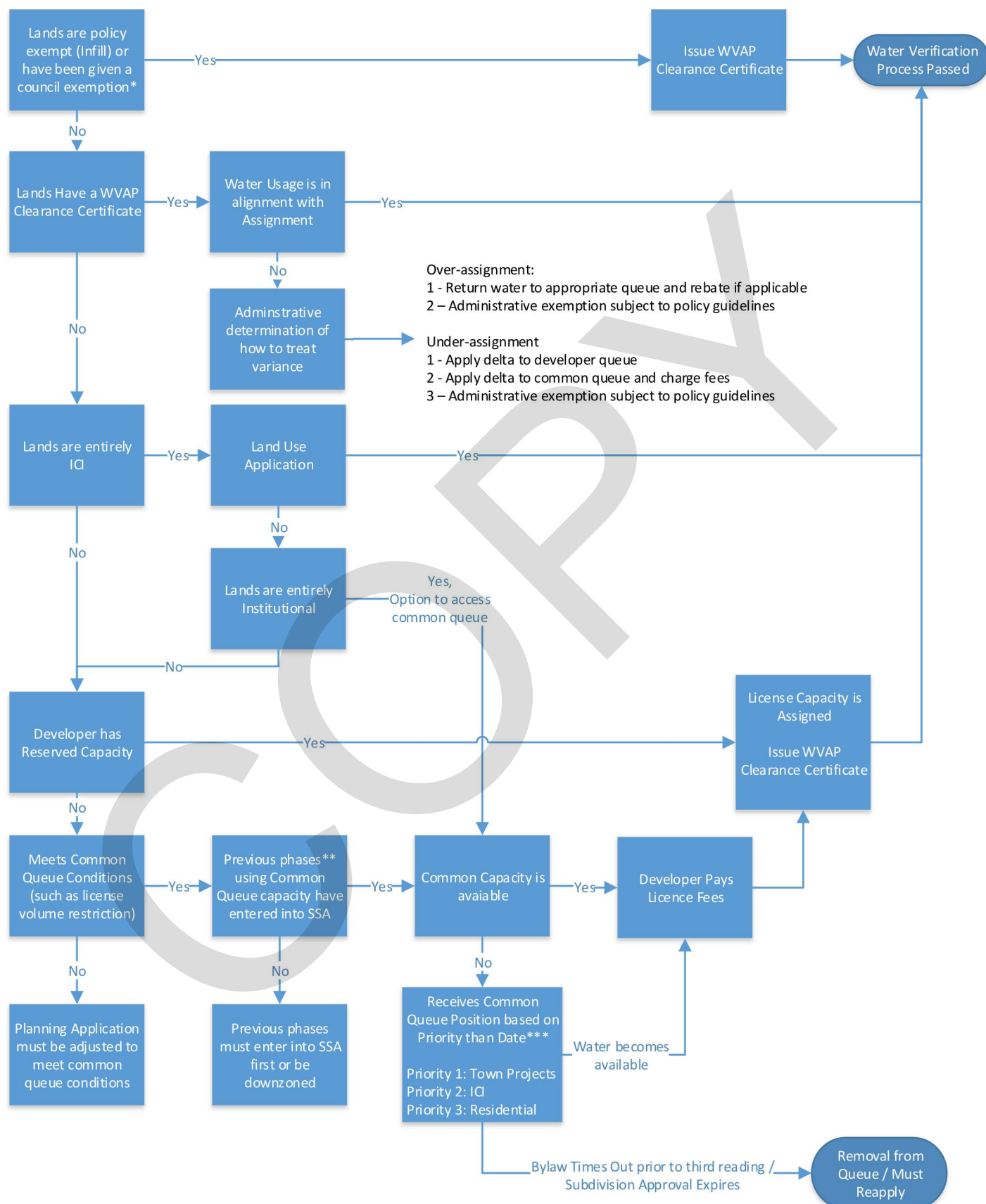
General Provisions and Coming Into Force:

- 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



TOWN OF OKOTOKS ADMINISTRATIVE GUIDELINES

- Original Signed -

Chief Administrative Officer

Title: Water Allocation

Number: A21-02

CAO Approval Date: May 13, 2021

Review Date: As required

Revised Date(s): February 24, 2022

Originating/Lead Business Centre: Community Development & Engineering

Reference(s):

- Water Allocation Policy CMD-P-3.10
- Land Use Bylaw 17-21
- *Municipal Government Act*
- Chief Administrative Officer's (CAO) Delegation of Authority Administrative Guideline A17-02

Purpose

In accordance with Water Allocation Policy CMD-P-3.10, the CAO will establish, publish, and periodically update the Water Allocation Administrative Guidelines, which will include:

- Expected Water Usage for different land uses and the methodology used by the Town to calculate expected Water Usage;
- The Water License Costs and the methodology used by the Town to calculate the Water License Costs; and
- Conditions and requirements for assignment of Common Capacity.

Authority

The management and verification of Development Capacity and consideration of new requests for Development Capacity subject to the Water Allocation Policy and Water Allocation Administrative Guidelines is designated as outlined the CAO Delegation of Authority Administrative Guideline.

Expected Water Usage

1. The methodology for calculating Water Usage and Development Capacity requirements for new development will be based on the following:

Land Use Designation/Type	Estimated Consumption (m ³)	
	Area Based (m ³ /ha/year)	Unit Based (m ³ /unit/year)
Traditional Neighbourhood (TN) / Residential		250
Neighbourhood Core (NC) / Residential	8700 ^b	174
General Commercial – GC	3000	
Industrial – IBP	3000	
Public School Sites (excluding High Schools)	1500	3750
Irrigated Playing Fields		3000

- 1.1. Neighbourhood Core (NC) District dwelling units will be calculated on the number of actual units. If an estimate of the number of units is not reasonably available at the land use and/or subdivision stages, the Town may estimate Water Usage at an average consumption of 174 m³/unit/year and 50 units per hectare due the variable density permitted under the NC District. This allocation will be reviewed at the time of subdivision and development permit application; this Capacity may be revised based upon the actual number of units developed.
- 1.2. Direct Control Districts or other land use types not included above will be classified to its nearest equivalent or a site-specific rate as determined by Administration.
- 1.3. Development Capacity is not allocated for non-irrigated municipal reserve lands, public utility lots, stormwater management facilities, and other public infrastructure that is not expected to utilize potable water or where usage is expected to be negligible.
- 1.4. Elementary, junior, or kindergarten to grade 9 (K-9) school sites will be based on a fixed area of 2.5 hectares/school to represent typical building consumption. High school sites will be evaluated on a site-specific basis in consideration of the expectations for Capacity and general design. Water for irrigating outdoor playing fields will be in addition to the above noted amount.
- 1.5. Variations of the above calculation methodology may be used at Administrations' discretion where usage is expected to vary considerably from expected water usage.
- 1.6. Consumption numbers will be periodically updated using current data. Rebates and/or surcharges will not be issued to previously issued certificates for changes that are a result of an update to water consumption numbers.

Water License Costs

2. The methodology used by the Town to calculate the Water License Costs:
 - 2.1. Starting in 2022, the cost of the Common Capacity will be established on an annual basis in the Rates and Fees Bylaw, and calculated annually on a total cost recovery basis.
 - 2.2. The unit cost for Common Capacity will be calculated annually as per the following general formula:

$$\text{Common Water License Cost Unit Rate} = \text{Water License Costs} / \text{Common Capacity}$$
 - 2.3. Water License Costs will be calculated annually as per the following general formula:

$$\text{Water License Costs} = \text{Total Expenditures} - \text{Total Revenues} + \text{Town Administration Fee} + \text{Interest Charges}$$

Annual Town Administration Recovery Fee = annually calculated amount to recover the estimated internal administrative costs to administer and upkeep the policy.

- 2.4. Interest charges will be charged annually based upon Water License Costs owing at the time of calculation at a rate of 2.5%
- 2.5. The Common water volume will be calculated annually as per the following general formula:

$$\text{Closing Volume} = \text{Starting Volume} + \text{Transfers} - \text{Allocations} \pm \text{Adjustments}$$
- 2.6. Adjustments will periodically occur to align Common Capacity with Town usage. Adjustments may include increases to Common Water Capacity through efficiencies and efficiency sponsored projects.

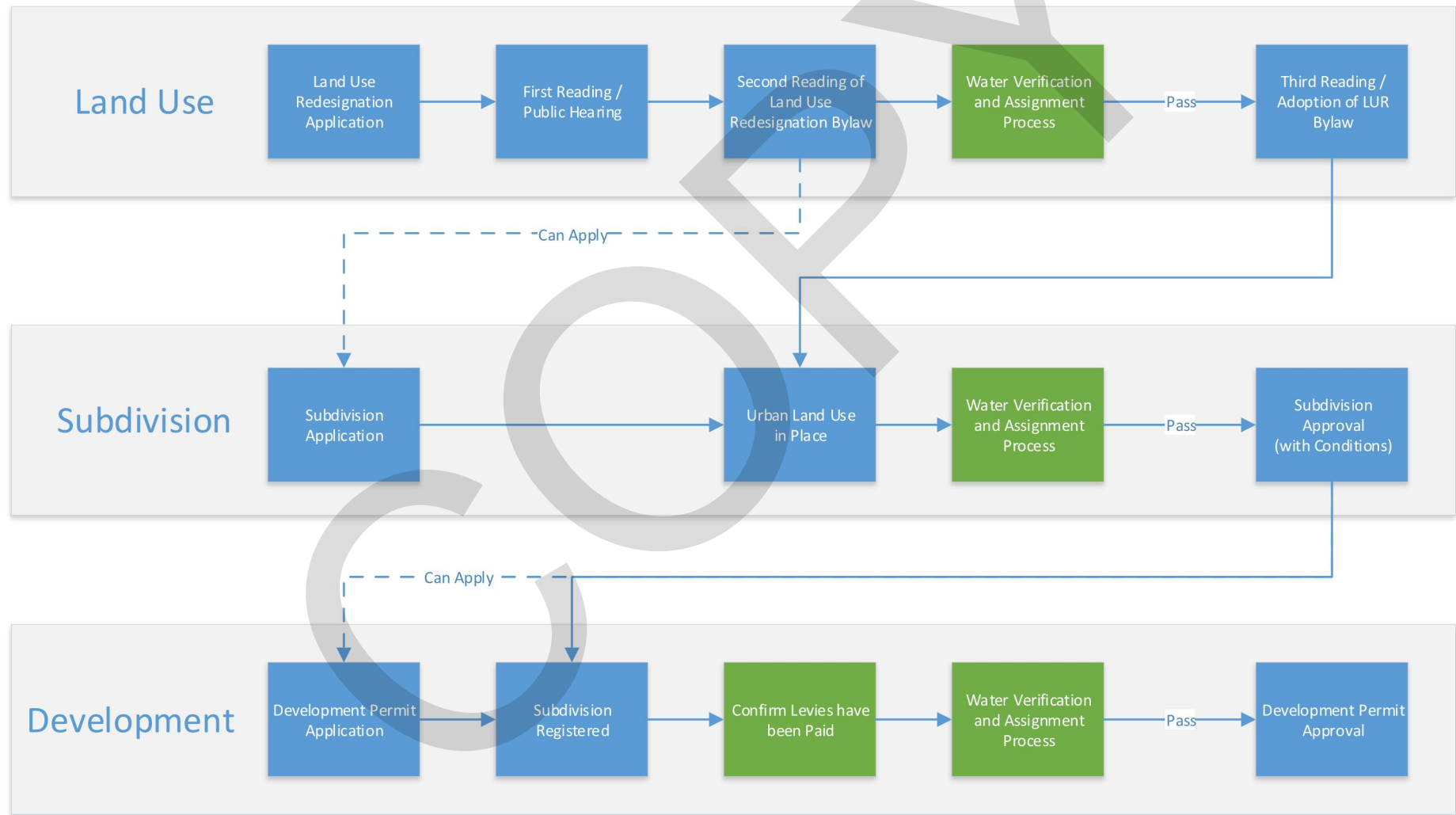
Water Reuse and Efficiency Projects

3. The Town has budgeted for Water Reuse and Water Efficiency Projects. These efficiency projects are expected to increase Development Capacity. Reasonable costs for these projects will be included in Total Expenditures with increases in Development Capacity being added to Common Capacity.

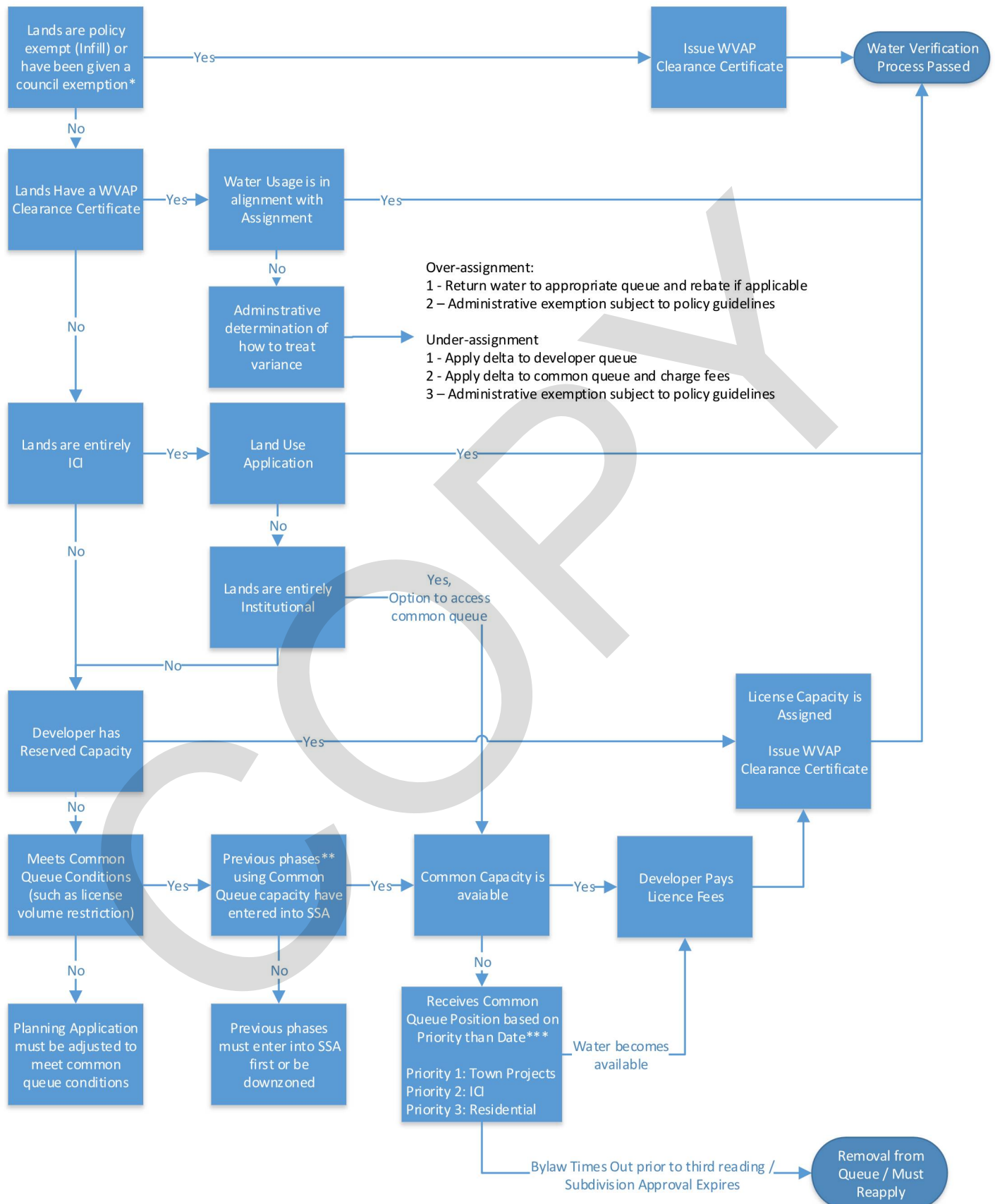
Common Capacity Conditions

4. The maximum amount of Common Capacity that can be assigned is 60,000m³ per application. The Town has paid Water License Costs for Common Capacity which is intended to fund imminent development. This condition is intended to limit the amount of Common Capacity assigned to lands which have not proceeded to a subdivision servicing agreement and/or development permit.
5. For greater clarity, the application referenced in clause 4 above and in clause 6 d. of Water Allocation Policy CMD-P-3.10 can be for lands in more than one subdivision or development. A subdivision servicing agreement or development permit must be entered for all Allocated Lands in the application before a developer may access Common Capacity for other land use redesignation applications.

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