



WATER FOR GROWTH ANNUAL UPDATE

Issue

An annual update on the Water Allocation System is provided for Council's information.

Motion Proposed by Administration

That the 2024 Water Allocation System Update be received as information.

Report, Analysis and Financial Implications

In 2011, Council implemented Water Allocation System for Planning Approvals Policy 11-02, which was superseded in 2021 by Water Allocation Policy CMD-P-3.10. The intent of this policy is to ensure that Planning Applications are approved in an equitable and sustainable manner. Since the adoption of this policy, lands have only been approved for development if sufficient water licence capacity is available to service those lands. This technical memorandum provides the 2024 status update of Okotoks' Water Allocation System and potential upcoming Planning Applications that are expected to require additional Development Capacity for approval.

Planning Approvals in 2023 were for new subdivisions in Wedderburn (Phases 5 and 6) and D'Arcy (Phase 11), land use redesignation in Tillotson (Phase 1), and five major multi-family developments in D'Arcy. These Planning Approvals resulted in the allocation of 169,382 m³ of Development Capacity, including the remainder of Tristar's Reserved Development Capacity.

Two adjustments were made in 2023 that increased the available Common Development Capacity due to the purchase of Burnswest's remaining Reserved Development Capacity and credit for the closure of the Town's potable water bulk fill station. The acquisition of Burnswest's Reserved Development Capacity resulted in a transfer of 71,056 m³ from Reserved Development Capacity to Common Development Capacity (net change of zero to the overall system). The closure of the potable water bulk fill station resulted in an increase to Common Development Capacity by 10,000 m³ (net increase of 10,000 m³ to the system). Overall, these adjustments increased the available Common Development Capacity by 81,056 m³.

Year to date in 2024, 35,406 m³ of Common Capacity has been allocated to the D'Arcy Phase 4 land use redesignation and several development sites. There is currently 37,641 m³ of Common Development Capacity remaining.

Table 1 summarizes the remaining Development Capacity for the past three calendar years as at year-end and as at April 4, 2024.

Table 1: Remaining Development Capacity

Developer	Remaining Development Capacity (m ³)			
	As at Dec 31, 2021	As at Dec 31, 2022	As at Dec 31, 2023	As at Apr 4, 2024
Common	199,499	147,851	73,047	37,641
Anthem United	12,103	0	0	0
Tristar	13,522	13,522	0	0
Burnswest	71,056	71,056	0	0
Total	296,179	232,428	73,047	37,641

Administration has received multiple Planning Applications that have not yet received WVAP Certificates. The Development Capacity requirements for these Planning Applications are estimated using the best available information and is subject to change. Subject to the Water Allocation Policy and other planning processes, the certainty and timing for these Planning Applications to proceed is at the discretion of the applicants. The total additional Common Capacity required for the Planning Applications that have been received to date in 2024 is estimated to be 63,766 m³ as shown in Table 2.

Table 2: Anticipated Planning Applications Requiring Common Capacity

Planning Application	Common Assignment (m ³)	Notes
Wedderburn Phase 9	8,250	Land Use Redesignation – 33 TN units
Tillotson Phase 2	53,048	Land Use Redesignation – 176 TN units, 52 NC units
DP164-22	1,314	Development Permit – 10 NC units
DP2024-0115	1,154	Development Permit – 8 NC units
Total	63,766	

Based on the above, the total Development Capacity assignments in 2024 is currently estimated to be 99,172 m³ which exceeds historical norms. This does not account for any additional Planning Applications that may be received in the remainder of 2024. For reference, the average annual Development Capacity Assignments since inception of the Water Allocation policy is 64,642 m³; refer to Table 3 for the history of total annual Development Capacity assignments.

Table 3: Total Development Capacity Assignments by Year

Year	Development Capacity (m ³)	Year	Development Capacity (m ³)
2011	55,578	2018	175,174
2012	12,893	2019	41,559
2013	30,602	2020	33,408
2014	35,692	2021	46,535
2015	111,831	2022	63,751
2016	41,875	2023	169,382
2017	22,071		

If the Planning Applications outlined in Table 2 advance through the Water Verification and Assignment Process and no additional Development Capacity is added to the system, the remaining available Common Development Capacity will be depleted. In this scenario, Planning Applications will be placed in the Common Queue and will not be eligible for approval until sufficient Development Capacity is available and allocated to those lands.

Complete details of this process are available in the Water Allocation Policy CMD-P-3.10 and the accompanying Water Allocation Administrative Guidelines 21-02. Additional interpretation of these documents is available in the March 25, 2024 Council report on the "Water Allocation Policy Process" (Attachment 1).

Information about the Water Allocation System, including policy, guidelines, remaining Development Capacity, and mapping of all previous assignments, is publicly available at the Town of Okotoks' website: <https://www.okotoks.ca/your-services/buildingservices/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 - directs the process for allocation of development capacity for planning applications
 - Fees, Rates and Charges Bylaw 09-24 - establishes fees, rates, and charges for services provided by the Municipality

Public Participation Strategy

n/a

Alternatives for Consideration

n/a

CAO Comments

This monitoring report highlights the results of the water allocation policy and its impact on development in the Town. Currently in inventory, there is approximately 350 remaining lots for residential development. With the new supplemental water solution not becoming operational until 2026, the lack of available water on the Sheep River, and the unprecedented demand for new housing we could face a severe shortage of supply that could have negative impacts on affordability. The Town continues to actively pursue interim water options that could contribute to advance development within our current allocation policy.

Attachment(s)

1. Council Report on the "Water Allocation Policy Process" (March 25, 2024)

Prepared by:
James Cameron
Engineering Manager
April 04, 2024