



Administrative Clarifications to Water Allocation System for Planning Approvals – Policy P11-02

Background

Policy P11-02 is a Council adopted policy for planning approvals to ensure approvals for development of green field lands are granted in a fair and equitable manner and in accordance with the Town’s water license capacity. The policy’s effective date was January 1, 2011 and the policy was revised August 19, 2013. The policy was developed in consultation with developers in the Town of Okotoks.

Annexation has taken effect July 1, 2017 and new green field lands are now considered for development. The intent of this document is to provide clarification and guidelines as to how the Town intends to administer the policy going forward. The policy itself remains valid and in effect. This document should be read and interpreted in conjunction with the policy.

Clarifications

- Upon annexation becoming effective on July 1, 2017, all lands that are newly incorporated into the Town will be classified as AREA C, with the exception of lands have obtained the necessary planning approvals from the MD to make the lands ready for consideration of tentative plans of subdivision, such as an adopted MD area structure plan (ASP) and/or potentially final MD land use designation, or lands that have an adopted Town ASP. These exceptions will become Area ‘B’ lands.
- For developer facilitated license transfers, 40% of the volume transferred will be added to the common water capacity. Under section 5 of the policy this water will only become available for Area ‘B’ lands, if there is sufficient Water Licensing Capacity to service all Area ‘A’ lands, with the exception of the Burnswest lands. Burnswest water licensing requirements are addressed by Clause 15 in the policy.
- Available Development Capacity will now be tracked as the volume of water supply available to new development as opposed to the area of land that can be developed. Lands proposed for development will be allocated Development Capacity based on a site specific calculation for each phase, considering number and types of units as outlined in the following table:

Land Use Designation/Type	Estimated Consumption (m ³)	
	Area Based (m ³ /ha/year)	Unit Based (m ³ /unit/year)
Residential Detached – R1		279
Residential Detached – R1N		261
Residential Detached – R1S		233
Residential Low Multi – R2		206
Residential Medium Multi/Mixed Use – R3, MUM, MUL	8700*	174
Commercial/Industrial – CGATE, CHWY, CSC, CN	3000	
Industrial – I1, I1S, I2,	3000	
Public Institution – PS (for sites with buildings)	1500	

- *R3 has an estimated consumption of 174 m³/unit/year but will be calculated at a fixed rate of 50 units per hectare due the variable density permitted under the R3 District.
 - Other land use types will be classified to its nearest equivalent or a site specific rate as determined by the Town.
 - Water will not be allocated for non-irrigated MR, PUL or storm ponds.
 - Existing AREA A lands that received approved Town land use prior to the 8 upa density target coming into effect will be assessed at the previous residential rate of 3000 m³/ha/year (i.e. approximately 1 acre to 1 acre-ft)
 - School consumption (excluding high schools) will be evaluated on a fixed area of 2.5 hectares/school to represent building consumption. High Schools will be evaluated at a higher consumption rate (site specific calculation).
- When a developer facilitates a license transfer to the Town, the developer can reserve 60% of the transferred volume for their lands. The developer must utilize any reserved Development Capacity before they would be eligible to use water from the common Development Capacity with one exception: The developer may access water from the common Development Capacity for public institutions.
 - A developer may apply for final Land Use Re-designation for AREA B lands subject to facilitating a water license transfer to the Town **or** sufficient capacity being in place to service all AREA A lands and the subject AREA B lands. In the event the Developer does not have reserved capacity and there is sufficient capacity in the common queue to accommodate the Land Use Re-designation, the Town will earmark the Development Capacity for the subject area for **up to one year** after adoption (third reading) by Council of the Land Use Re-designation. If the Developer does not apply for a subdivision and enter into a Subdivision Servicing Agreement for the subject lands within the one year period, the capacity will be available for re-assignment to other applications in accordance to Section 10 of the Policy.
 - Administration will limit earmarking of **common** Development Capacity to AREA B lands to a maximum of 60,000m³ (48.6 AF) for Land Use Redesignations to prevent available capacity being tied to lands that have not committed to develop immediately. Subsequent Land Use Redesignations may be allocated from the common Development Capacity once the Developer has received Subdivision Approval and entered into a Subdivision Servicing Agreement for the previously earmarked AREA B lands.
 - On a developer facilitated license transfer, the developer will assume the full cost for the 60% of the license which is reserved for that developer, plus any portion of the cost that exceeds a specified amount set by the Town. Town Engineering Services will provide details of reimbursement and cost recovery requirements on Water Licence Transfers. Developers that access water licensing from the common queue must first utilize licensing that has the highest per acre foot value. In the case where the developer accessing water from the queue facilitated a transfer to the queue at a cost less than the highest per acre foot value, then the developer will be allowed to access the portion of the water that they facilitated being transferred. The actual transfer costs shall comprise of the actual cost paid to the transferor of the license, carrying costs (3%) and within reason, substantiated soft costs.
 - For developers who access water from the common queue, the developer will compensate the Town of Okotoks for the actual cost to the Town, plus will pay the Water License Cost Recovery fee. The collection of this compensation will be in accordance with the Developer's Agreement.

The Developer's Agreement will be modified to reflect the actual cost of having water licenses transferred.

- The offsite levy for the "Water Supply and Treatment Levy" will be reduced by the dollar amount identified in the Subdivision Servicing Agreement up to the Maximum levy amount until all water that has been reserved or placed in the queue has been utilized. The intent of this levy reduction is to ensure equitable payment for Water Supply and Treatment between current and future developers.
- Water available in the queue will be tracked by the Town, along with the incremental "Water License Cost Recovery" and the developer to whom the "Water License Cost Recovery" cost is owed.