

## **Elbow Valley West Wastewater Servicing**

### **EXECUTIVE SUMMARY**

The City of Calgary (The City) provides water and wastewater services to ten customers outside The City through servicing agreements. Rocky View County (RVC) has formally requested extending wastewater servicing by The City from the current service area to Elbow Valley West (EVW). EVW is located immediately west of the existing approved service area along the Highway 8 corridor.

Since 2012, The City's response to servicing enquires for EVW has been that The City was unable to consider the request, as only requests for servicing from Calgary Regional Partnership (CRP) members could be considered. However, the Policy on Regional Water, Wastewater and Stormwater Servicing that Council approved on 2018 February 26 now allows Administration to consider such requests.

Administration has completed a technical review and has found that there is infrastructure capacity to service EVW. The purpose of this report is to seek Council approval to provide wastewater servicing to EVW through a new Master Servicing Agreement with RVC.

#### **ADMINISTRATION RECOMMENDATION:**

That the Intergovernmental Affairs Committee recommend that Council:

1. Approve wastewater servicing to Elbow Valley West and direct Administration to execute a new Master Servicing Agreement with Rocky View County for the provisions of wastewater servicing based on the proposed service area in Attachment 1 and term sheet in Attachment 2.

#### **RECOMMENDATION OF THE INTERGOVERNMENTAL AFFAIRS COMMITTEE, DATED 2018 JUNE 08:**

That the Administration Recommendation contained in Report IGA2018-0610 be approved.

#### **PREVIOUS COUNCIL DIRECTION / POLICY**

1992 May 25 (OE92-31), Council approved a Policy for Utility Extensions Beyond The City's Boundaries known as policy UEP004.

1996 September 30, Council approved wastewater servicing to Elbow Valley and Pinebrook located in RVC with subsequent extensions in 1998 to include Glencoe Golf Course and Stonepine, and again in 2000 to include Country Haven Estates (United Lands).

2011 March 1 (in-camera report C2011-23), Council directed that prior to Provincial approval of the Calgary Regional Water and Wastewater Corporation (CRWWC), outside city servicing

## **Elbow Valley West Wastewater Servicing**

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requests would be considered by City Council only for Calgary Regional Partnership (CRP) members and would be in accordance with the existing servicing policy.

2015 June 29 (in-camera report C2015-0544), Council approved amending the existing wastewater agreement for the Highway 8 corridor to replace the conference centre and associated commercial with 50 additional units to allow for a total of 982 residential units, a clubhouse and concession.

2017 September 11 (NM2017-40), Council directed Administration to continue negotiations of a new Master Servicing Agreement with RVC for the provision of wastewater servicing in alignment with the regional planning principles established by the Urban Municipalities Task Force. Administration was directed by Council to return to Council regarding servicing EVW once it was confirmed The City's wastewater system had sufficient capacity (Attachment 3).

2018 February 26 (IGA2018-0089), Council approved a new Policy on Regional Water, Wastewater and Stormwater Servicing (CP2018-01) to replace policy UEP004 (Attachment 4).

### **BACKGROUND**

The City has been providing water and wastewater services outside of its corporate boundaries since approximately 1961. The City now provides these services to ten customers outside Calgary's boundaries through servicing agreements.

EVW is an existing development along the Highway 8 corridor west of Calgary that is comprised of approximately 120 residential lots. Wastewater effluent is held in a storage tank and then pumped out, hauled and ultimately treated at Calgary's wastewater treatment plants.

The City has received numerous servicing requests in the past for existing and proposed developments for the Highway 8 corridor, including the EVW development. The City has an existing agreement with RVC for the provision of wastewater servicing limited to a defined service area along the Highway 8 corridor (Attachment 1). Wastewater servicing requests for developments outside of the approved service area place The City in a position where it must consider the risks to its drinking water supply due to such extensive development upstream on the Elbow River. Historically, The City's response to recent (since 2012) servicing enquires for EVW were that The City was unable to consider the request for servicing, as it fell outside Council direction and policies. However, the Policy on Regional Water, Wastewater and Stormwater Servicing that Council approved on 2018 February 26 now allows Administration to consider such requests.

Exceptions have been made under the previous regional servicing policy to address cases which may result in negative environmental consequences for The City. The risk to Calgary's source water for this particular development is negligible, as the development is already in place and wastewater is hauled away for treatment at The City's wastewater treatment plants. However, it is possible that RVC could construct a wastewater treatment plant upstream of Calgary in the future.

## **Elbow Valley West Wastewater Servicing**

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### **INVESTIGATION: ALTERNATIVES AND ANALYSIS**

A technical review by Water Resources has indicated there is now capacity to service EVW following improvements RVC has made to past inflow and infiltration issues within its system. This review was based on flow data from the existing approved service areas and typical assumptions for new developments in the area.

Operation and ownership of the sanitary forcemains and lift stations that pump the wastewater from the existing service area to The City's wastewater system are owned and operated by RVC. In addition, The City already treats the wastewater from EVW, so there will be no additional capital infrastructure required by The City.

There will be little to no impact on the City of Calgary by not servicing EVW. At this point in time, the risk to Calgary's source water for this particular development is negligible as the wastewater is hauled away for treatment by Calgary's wastewater treatment plants.

An alternative to providing immediate servicing to EVW, would be to wait for the Calgary Metropolitan Region Board (CMRB) to complete its Growth and Servicing Plans. These Plans are anticipated to be available in 2021 and intended to outline how sustainable regional growth and servicing will be achieved.

### **Stakeholder Engagement, Research and Communication**

Administration has been negotiating a new Master Servicing Agreement (MSA) with RVC to update the existing wastewater servicing agreements to make them consistent with the servicing agreements with other regional customers. Should Council approve wastewater servicing to EVW, the service area within the proposed MSA will be revised to incorporate EVW and Administration will proceed with executing the MSA.

### **Strategic Alignment**

Regional water and wastewater servicing demonstrates The City's commitment to being a regional partner. Servicing the existing EVW development will not provide any substantive environmental or source water protection benefits.

Approving wastewater servicing at this time could be seen as premature given the establishment of the CMRB, and its mandate to create Growth and Servicing Plans. Servicing EVW at this time may not align with the Growth and Servicing Plans, and may trigger additional regional servicing requests that The City should not consider prior to establishment of the CMRB's Servicing Plan.

### **Social, Environmental, Economic (External)**

There are no direct environmental benefits or impacts for The City associated with this report. Servicing EVW is considered by RVC as a more cost-effective wastewater solution for the residents of EVW.

## **Elbow Valley West Wastewater Servicing**

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### **Financial Capacity**

#### ***Current and Future Operating Budget:***

There are no operating budget impacts for The City associated with this report. Wastewater is already being treated by The City for this service area with costs recovered through existing hauled wastewater rates.

Should Council approve servicing EVW, costs will be recovered through rates approved by Council in the Wastewater Bylaw for regional customers.

#### ***Current and Future Capital Budget:***

There are no capital budget impacts for The City associated with this report. All proposed future capital infrastructure in relation to a service area would be constructed, funded and maintained by the regional customer.

### **Risk Assessment**

Providing servicing may give the perception to the region that The City has opened the doors for other servicing requests to The City prior to the establishment of the CMRB and its growth and servicing plans. Calgary historically managed a similar request from MacKenas Estates, another development along highway 8, which went to the Alberta Court of Appeal.

The City is currently in an intermunicipal dispute with RVC over the OMNI Area Structure Plan and other intermunicipal issues. The City filed a Municipal Government Board 690 appeal of the OMNI Area Structure Plan. Proceeding to provide servicing to EVW might be viewed as Calgary supporting unsustainable RVC development and may have unanticipated consequences on the ability of The City to present a fulsome appeal. This risk could be mitigated by not proceeding with servicing EVW until the appeal merit hearing has been concluded.

#### **REASONS FOR RECOMMENDATIONS:**

1. Administration was directed by Council in Notice of Motion NM2017-40 (Attachment 3) to return to Council for approval of a new service area that includes Elbow Valley West once it was confirmed that The City's wastewater system has sufficient capacity.

### **ATTACHMENT(S)**

1. Existing and Proposed Highway 8 Corridor Service Area
2. Master Servicing Agreement Term Sheet
3. NM2017-40 – Notice of Motion Regarding Elbow Valley West Servicing
4. P2018-01 - Policy on Regional Water, Wastewater and Stormwater Servicing
5. Regional Servicing Summary