

Planning & Development Services Report to
Intergovernmental Affairs Committee
2024 March 21

ISC: UNRESTRICTED
IGA2024-0267

Harmony Wastewater Infrastructure Sub-Regional Servicing Request

PURPOSE

This report responds to previous Council direction to report back and bring forward for approval Administration's recommendation for the Harmony Wastewater Infrastructure Sub-Regional servicing request.

PREVIOUS COUNCIL DIRECTION

The City of Calgary (The City) has been providing bulk water and wastewater services outside its corporate boundaries since 1961 (Attachments 1 & 4). The City's *Policy on Regional Water, Wastewater and Stormwater Servicing* (CP2018-01) (The Policy) provides guidance on how Administration receives, reviews, and administers regional servicing requests (Attachment 3). The Policy states that upon receiving a written request for regional servicing (Attachment 2), Administration is required to take a report to City Council with recommendations within six months.

In 2022 Q4, Administration reported to Council through IGA2022-1363, requesting:

- Political support for Calgary Administration to continue participation in a regional working group with Rocky View County (RVC), the Town of Cochrane (The Town) and Rocky View County's private utility franchise partner, Harmony Advance Water Systems Corporation (HAWSCo), and to advance technical work required for the project;
- To direct Administration to apply for an Alberta Community Partnership (ACP) Grant from the Government of Alberta in the amount of \$200,000 to fund the work; and
- For Administration to report back by 2024 Q1.

RECOMMENDATION:

That the Intergovernmental Affairs Committee recommend that Council:

1. Approve, in principle, the wastewater servicing request by The Town of Cochrane in their letter dated 2024 February 1, and direct Administration to commence Master Servicing Agreement negotiations based on the proposed service area.

RECOMMENDATION OF THE INTERGOVERNMENTAL AFFIARS COMMITTEE, 2024 MARCH 21:

That Council:

1. Approve, in principle, the wastewater servicing request by The Town of Cochrane in their letter dated 2024 February 1, and direct Administration to commence Master Servicing Agreement negotiations based on the proposed service area; and
2. Direct that the Closed Meeting discussions remain confidential pursuant to Sections 21 (Disclosure harmful to intergovernmental relations) and 24 (Advice from officials) of the *Freedom of Information and Protection of Privacy Act*.

Opposition to Recommendations: Councillor Chabot

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CHIEF ADMINISTRATIVE OFFICER/GENERAL MANAGER COMMENTS

Acting General Manager Debra Hamilton concurs with this report. Advancing this servicing request demonstrates Calgary's commitment to regional collaboration and growth, while safeguarding a clean drinking water supply for Calgarians.

HIGHLIGHTS

- The Town submitted a formal servicing request letter to The City to add service area in the Harmony vicinity to the existing Cochrane-Calgary wastewater Master Servicing Agreement (MSA).
- The City is committed to successful, sustainable regional growth as per the Calgary Metropolitan Region Board's (CMRB) Growth and Servicing Plans (Attachment 5).
- HAWSCo's existing wastewater treatment plant is reaching capacity and The Town of Cochrane is in the design phase of twinning the existing force-main that carries wastewater from Cochrane to Calgary.
- The City is committed to source water protection. Providing the requested service would avoid the alternate option of HAWSCo pursuing a plant expansion with a new effluent outfall to the Bow River just upstream of Calgary's water intake.
- The regional working group has completed its technical assessment (Attachment 6) and has determined that a sub-regional approach for wastewater servicing using the Cochrane line is the preferred option for all parties.
- The proposed servicing may be leveraged to argue for development outside of a preferred growth area. However, on balance, the possibility of water contamination if this servicing does not advance is a greater risk.

DISCUSSION

Following Council direction (IGA2022-1363), The City of Calgary has participated in a regional working group with RVC, The Town, and HAWSCo, with Alberta Environment and Protected Areas (AEPA) and Calgary Metropolitan Region Board (CMRB) Administration participating as observers. The working group's objective was to explore regional wastewater servicing options west of Calgary, specifically looking at bringing more regional wastewater into The City via the existing Cochrane wastewater line. HAWSCo's existing wastewater treatment plant is reaching capacity and The Town is expanding their wastewater line from Cochrane to Calgary. The City's top priority throughout this work has been to ensure source water protection at the Bearspaw Reservoir to support a clean and safe water supply for Calgarians.

The regional working group engaged Urban Systems (using ACP funding) to complete a regional infrastructure assessment and present governance considerations. This work aligns with the CMRB's Regional Growth and Servicing Plans, supports development within a preferred growth area, supports The City's source water protection goals and is an important example of regional collaboration.

The working group assessed three potential wastewater servicing options:

1. HAWSCo expands its existing wastewater treatment plant and applies for a new wastewater outfall directly to the Bow River and upstream of the Bearspaw Reservoir.

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2. HAWSCo expands its existing wastewater treatment plant and builds an outfall to the Bow River downstream of Bearspaw Water Treatment Plant (WTP) intake.
3. Connect HAWSCo to Cochrane's expanded wastewater infrastructure that conveys wastewater to Calgary for processing at the Bonnybrook WTP (interim and final sub-options).

All options were analyzed and reviewed to determine the technical feasibility, infrastructure requirements, comparable costs, and potential source water impacts. With the agreement of the regional working group, and consistent with the Policy on Regional Water Wastewater and Stormwater Servicing (CP2018-01), The Town has submitted a servicing request to The City to advance the regional working group's recommended option: Option 3.

EXTERNAL ENGAGEMENT AND COMMUNICATION

- | | |
|--|---|
| <input type="checkbox"/> Public engagement was undertaken | <input checked="" type="checkbox"/> Dialogue with interested parties was undertaken |
| <input type="checkbox"/> Public/interested parties were informed | <input type="checkbox"/> Public communication or engagement was not required |

A regional working group was established to investigate a subregional wastewater infrastructure strategy to the west of Calgary. Members of the working group include Administration from: The City, The Town, RVC, HAWSCo. AEPA and CMRB staff have been participating as observers.

The investigation is supported by CMRB Administration who reviewed how the strategy would achieve goals and policies outlined in the CMRB's *Regional Growth Plan* and *Regional Servicing Plan*.

Public engagement on land use and development happens through relevant municipal planning approvals processes, which falls outside of the scope of engagement on this servicing request.

IMPLICATIONS

Social

The City continues to redefine our relationship with neighboring municipalities by exploring partnerships and the borderless delivery of essential services in support of the Calgary Metropolitan Region's vision.

The *Policy on Regional Water, Wastewater and Stormwater Servicing* (CP2018-01) supports sustainable regional growth in line with the CMRB Growth and Servicing Plans. The lands in Harmony and Cochrane are considered preferred growth areas and priority servicing areas by the CMRB.

By adopting this servicing strategy, water quality risks will be decreased, thereby supporting the health and quality of life of Calgarians who rely on reliable, clean drinking water.

Environmental

The City's *Source Water Protection Policy* (CP2020-04) directs Council and Administration to integrate source water protection into city and regional planning. A new wastewater outfall

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immediately upstream of Bearspaw Reservoir would risk pollutants and degrade upstream water quality, as outlined in the Source Water Risk Assessment Summary (Attachment 7).

Implementing a regional servicing solution that routes wastewater downstream of the Bearspaw Reservoir significantly mitigates source water safety risks from a new wastewater outfall.

Economic

Approving this request would support wastewater servicing to employment areas near the Springbank Airport that have been identified as regionally important in the CMRB growth plan.

Service and Financial Implications

No anticipated financial impact

This report's recommendation has no direct financial implications to The City's capital or operating budgets. Should the MSA be approved, The City will fully recover the wastewater treatment and transmission costs through regional fixed and variable rates recommended by the Cost of Service Study approved by Council. Council endorsement of the recommendation should not cause other projects to be deprioritized.

If the preferred option of servicing is not supported, managing contamination and degradation of water quality may have significant and long-term financial implications for The City and Calgarians.

RISK

While Harmony and Cochrane are identified as preferred growth areas by the CMRB, some development plans for adjacent areas in RVC are not yet aligned with the CMRB Growth Plan. There is a risk that, should the additional service areas be added to the Cochrane MSA, it could be used as a point of leverage in pressing for support for adjacent development outside of preferred growth areas. Should Council be supportive of moving forward on this work, Administration will look to the tools available via the Growth Plan, Regional Evaluation Framework and Council Policy to mitigate this risk.

If The City does not provide this proposed service, there will be source water risks that could compromise the health and safety of Calgarians. There may also be relationship implications with other members of the working group and the CMRB membership. Partnerships with regional municipalities and water service providers are critical to address The City's source water risks. Without a regional servicing solution, upstream wastewater loadings from both Cochrane Lakes and Harmony are expected to degrade water quality. To protect Calgary's high quality source water, mitigation through the proposed regional servicing solution is the preferred option.

Considering the balance of these risks, the risk of water contamination is greater than the risk of the servicing being leveraged to argue for development outside the preferred growth area.

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Additionally, HAWSCo has shared that they are in due diligence for potential sale to a private utility company. This is not anticipated to impact the direction nor terms of this sub-regional concept.

ATTACHMENT(S)

1. Background and Previous Council Direction
2. Wastewater Servicing Extension Request
3. Policy on Regional Water, Wastewater and Stormwater Servicing (CP2018-01)
4. Regional Water and Wastewater Servicing Summary
5. Calgary Metropolitan Region Board Growth and Servicing Plans Overview
6. CHRC West Sub-Regional Wastewater Feasibility Study
7. Source Water Risk Assessment Summary
8. Presentation

Department Circulation

General Manager/Director	Department	Approve/Consult/Inform
Debra Hamilton, GM	PDS – General Manager	Approve
Carolyn Bowen, Director	PDS – Climate and Environment	Approve
Josh White, Director	PDS – City and Regional Planning	Approve
Nancy MacKay, Director	OS – Water Services	Inform

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