

Background and Previous Council Direction

Background

Calgarians value healthy rivers and clean drinking water. The City of Calgary (The City) is committed to supporting a healthy, resilient watershed that provides reliable, clean water for current and future generations. Watersheds are interconnected and water is an essential resource that is shared between multiple and diverse users in the Calgary Metropolitan Region and wider region. Providing reliable, safe, and affordable treatment and delivery of drinking water to surrounding municipalities contributes to public health and long-term sustainability in the Calgary Metropolitan Region.

The City has been providing bulk water provision services outside its corporate boundaries since 1961 and wastewater treatment services since 1972. The City operates regulated water treatment and delivery and wastewater treatment and disposal services to some customers outside The City's municipal boundaries through bi-lateral Master Servicing Agreements (MSAs) and per City Council policies. City Council holds authority for approving new servicing agreements and for setting regional customer rates. The City of Calgary's regional water and wastewater utility customers currently comprise approximately 10 per cent of The City's customer population base, 5 to 6 per cent of its consumption or treatment, and 3 per cent of its revenue. The City's largest current customer is The City of Airdrie (water and wastewater). See Attachment 6 for a full summary of existing regional customers. The City currently does not provide stormwater servicing for any regional customers.

The City has a MSA with each regional customer to establish the legal obligations associated with the provision of regional water and wastewater servicing by The City. The MSAs are designed to be updated with each business cycle to update the annual contracted volumes to be provided by The City to each customer for the upcoming four years. These contracted volumes are a critical input into the Utility's Cost of Service Study that attributes utility costs to each customer class to inform customer rates, including the regional customer rate class. Rates charged by The City to regional customers are designed to recover 100 per cent of the cost of providing the regional service.

Previous Council Direction

DATE	REPORT NUMBER	DIRECTION/DESCRIPTION
2018 February 26	IGA2018-0089	Council adopted a new <i>Policy on Regional Water, Wastewater and Stormwater Servicing (CP2018-01)</i> and directed Administration to return to Council, through the Standing Policy Committee on Utilities and Corporate Services, in Q2 2018 on the 2019-2022 Regional Water Allocations.
2018 May 28	IGA2018-0610	Council approved wastewater servicing to Elbow Valley West and directed Administration to execute a new Master Servicing Agreement with Rocky View County for the provisions of wastewater servicing based on a proposed a service areas (in Elbow Valley and Bearspaw) and term sheet.

2023 July	IGA2023-0780	Council confirmed The City of Calgary's support for the Prairie Economic Gateway Initiative work in collaboration with Rocky View County intended to provide a collaborative holistic approach to the lands in question, alongside a servicing strategy.
2024 January 30	IGA2023- 1281	Council Adopted the updated Policy on Regional Water, Wastewater and Stormwater Servicing (CP2018-01)

Bylaws, Regulations, Council Policies

Regional water and wastewater servicing aligns with or supports several Council Policies, including the following:

Policy on Regional Water, Wastewater and Stormwater Servicing (CP2018-01)

Regional water servicing aligns with The City's *Policy on Regional Water, Wastewater and Stormwater Servicing (CP2018-01)*. This policy:

- Provides Administration direction on how to administer requests for Regional Servicing;
- Provides Administration direction, on the types of information required to evaluate the impacts and risks associated with Regional Servicing and support Administration's recommendations to Council on Regional Servicing requests and;
- Defines decision-making authority for Regional Servicing requests.

Triple Bottom Line Policy (LUP003, EM003, CS003)

Regional water servicing is consistent with the following themes of The City's *Triple Bottom Line Policy Framework*:

- provides affordable and cost-effective infrastructure;
- supports sports/leisure activities (e.g., Spruce Meadows);
- supports efficient land use;
- conserves and protects The City's water resources;
- promotes collaboration with neighbouring municipalities to ensure effective delivery of services and shared responsibility for future sustainability; and
- supports the long-term viability of The City and the region by collaborating with its regional partners on servicing and watershed issues.

Source Water Protection Policy (CP2020-04)

Regional water servicing aligns with The City's *Source Water Protection Policy (CP2020-04)*, which states that The City is committed to delivering safe, clean, high quality drinking water to our city and regional customers.

The City of Calgary's Environmental Policy (UEP001)

Regional water servicing is consistent with The City's *Environmental Policy (UEP001)* by promoting water conservation, minimizing water and land consumption, and partnering with other governments to enhance environmental sustainability.