

Chief Administrative Officer's Report to
Executive Committee
2026 May 05

ISC: UNRESTRICTED
EC2026-0383

Water Utility Oversight Board – Compensation and Selection

PURPOSE

This report recommends to Council Board Chair and Board Member retainers and meeting fee compensation, as well as a recruitment and selection process for the Water Utility Oversight Board (WUOB) established by Council through Bylaw 7M2026 on 2026 February 17.

PREVIOUS COUNCIL DIRECTION

Through Report EC2026-0104 to the 2026 February 17 meeting of Council, Council directed Administration to engage an independent external recruitment firm to conduct a skills-based recruitment process for the Board Chair and Board Members of the WUOB, with a proposed compensation framework and that recommendations for Board Chair and Board Members to be brought forward to Council for approval in 2026 Q2.

RECOMMENDATION(S):

That Executive Committee:

1. Forward this Report and Attachments to the 2026 May 12 Public Hearing Meeting of Council.

That Executive Committee recommends that Council:

1. Approve the annual retainers of \$70,000 for the Board Chair and \$30,000 for Board Members and approve a meeting fee of \$1,000 per meeting when the number of meetings exceeds eight per year.
2. Pursuant to section 5.12.1 of the Council Policy on the Governance and Appointment of Boards, Commissions and Committees, exempt recruitment of the Water Utility Oversight Board Chair from the City Clerk's Office recruitment and advertising process;
3. Give three readings to the proposed Bylaw in Attachment 3 to establish the Water Utility Oversight Board Chair Selection Committee (Selection Committee), to support recruitment of the Board Chair;
4. Appoint Members of Council to the Water Utility Oversight Board Chair Selection Committee, including a Chair;
5. Notwithstanding Part C of the Council Policy on the Governance and Appointments of Boards, Commissions and Committees, appoint the individual named in Confidential Attachment 4 as a Public Member of the Water Utility Oversight Board Chair Selection Committee;
6. Direct that the Public Member appointment to the Water Utility Oversight Board Chair Selection Committee be released publicly following notification of the Public Member appointee and their acceptance of the appointment; and
7. Direct that Closed Meeting discussions and Confidential Attachments remain confidential pursuant to Sections 20 (Disclosure harmful to personal privacy) and 22 (Confidential evaluations) of the *Access to Information Act*.

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CHIEF ADMINISTRATIVE OFFICER/GENERAL MANAGER COMMENTS

David Duckworth, Chief Administrative Officer, Stuart Dalgleish, Chief Operating Officer, Jennifer Kapala, General Manager, People Innovation and Collaboration Services, concur with this report.

HIGHLIGHTS

- The WUOB will be responsible for oversight of The City's water utility which delivers an essential public service and represents a significant portion of The City's financial footprint. This requires compensation and selection processes that differ from standard Board, Committee and Commission practices.
- Board compensation – Administration recommends an annual retainer of \$70,000 for Chair and \$30,000 for Board Members. The Board Chair and Board Members will each receive a meeting fee of \$1,000 per meeting when the number of meetings exceeds eight per year. This is supported by the benchmarked Compensation Framework (Attachment 2) developed by an external recruitment firm. Compensation is higher than typical Committees of Council due to factors outlined in this report.
- Board selection – Recommendations for the Board Chair will be completed through the development of a Selection Committee comprised of the Mayor and two Councillors as voting members, one non-voting Public Member (Attachment 4) and two non-voting Administration Members. Board Member recommendations will be brought forward to Council through Nominations Committee.
- Bearspaw South Feedermain Independent Review Panel identified implementing the WUOB is a priority action to ensure the appropriate skills, continuity of oversight and shared vision are in place during the establishment of a dedicated water utility department. The WUOB will support the Chief Operating Officer, Chief Administrative Officer and Council by sharing information and enabling more informed management decisions, improved governance and a better-run water utility.

DISCUSSION

Administration has accepted all the recommendations of The Bearspaw South Feedermain Independent Review Panel and proposed an implementation plan. Work is progressing on the implementation plan and Administration will return in 2026 June with our Quarterly Update which will include updates on other implementation plan recommendations.

This report is focused on Item 17 of the implementation plan in which Administration was directed to establish an independent expert WUOB with Board Chair and Board Members appointed by Council.

WUOB Compensation

Administration engaged WTW to develop a compensation framework to attract a Board Chair and Board Members with specialized expertise in water infrastructure, large-scale asset operations, finance, governance and risk management.

WTW reviewed board compensation structures using recent public disclosures. Based on this analysis, WTW recommended an annual retainer of \$50,000–\$70,000 for the Board Chair,

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\$20,000–\$30,000 for Board Members, and a \$1,000 per meeting fee when the number of meetings exceeds eight per year. Additional details are provided in Attachment 2.

While compensation assumptions reflect steady-state boards, the WUOB is launching during a period of organizational strain and transformation, with a higher expected workload, particularly in the first two years. Accordingly, Administration recommends annual retainers at the maximum of each range, being \$70,000 for the Board Chair and \$30,000 for each Board Member. Further, Administration concurs with an additional \$1,000 per meeting fee when the number of meetings exceed eight per year.

The approval of the Board Chair and Board Member retainers and meeting fees is necessary as it will be used to inform the recruitment process.

WUOB Member Selection, Onboarding and Work Plan

Given the scale and complexity of the WUOB's mandate, Administration recommends exemption from the City Clerk's Office recruitment and advertising process set out in the Council Policy on the Governance and Appointment of Boards, Commissions and Committees, and a tailored recruitment and selection process to ensure the appointment of a highly qualified Board Chair and Board Members. This includes engaging an external recruitment firm, established by bylaw a temporary Selection Committee, including appointment of the Mayor and two members of Council as voting members, one non-voting Public Member (Attachment 4) and two non-voting Administration Members, and sequencing appointments through Nominations Committee and Council. Administration will also provide onboarding, legislative support and ongoing resourcing to enable the WUOB to develop and execute its Annual Work Plan as required by Bylaw 7M2026. Additional details are included in Attachment 5.

Anticipated Recruitment and Selection Timeline

Administration recommends forwarding this report to the 2026 May 12 Public Hearing of Council to accommodate tight implementation timelines to appoint the Board Chair in 2026 July and establish the WUOB before the end of 2026.

The Board Chair appointment recommendation will be presented to Council at the 2026 July 28 Regular Meeting of Council, provided that Selection Committee Members have adequate availability in June to vet and select the Board Chair.

Board Member appointment recommendations will be presented to Council at the 2026 October 20 Organizational Meeting of Council, with the first meeting of the WUOB anticipated to occur in 2026 December. Additional timeline details are included in Attachment 6.

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 |

Advisory Group Engagement

The Advisory Group has expressed concern that the recommended compensation may be insufficient to attract the necessary expertise and to fairly reflect the level of engagement

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required for a well-functioning WUOB during the initial three-year term. The Advisory Group believes that WUOB compensation could be reconsidered following completion of the initial term.

IMPLICATIONS

Social

Establishing the Water Utility Oversight Board plays an important role in rebuilding public confidence. By introducing independent expert review and regular public-facing reporting, the WUOB helps ensure Calgarians and regional partners can clearly see how risks, investments and system performance are being managed. This is reinforced by Administration's focus on outreach to communities most affected by the recent feedermain failures and construction impacts.

Environmental

The WUOB's oversight role includes reviewing long range plans that incorporate climate adaptation considerations, water security and supply reliability, using environmental responsibility as a guiding principle. This oversight includes examination of long-term supply, demand, capacity and risk forecasting as well as the integration of asset, financial and risk planning with Council approved climate and environmental policies. Through this role, the WUOB helps ensure that environmental considerations, such as climate resilience, water security and lifecycle and environmental impacts across both built and natural assets, are systematically and transparently evaluated within utility planning processes.

Economic

The WUOB strengthens financial transparency and supports disciplined long-term investment decisions. Through its independent review of long-range financial and capital plans, rate-setting practices and lifecycle funding considerations, the WUOB will provide Council with clearer oversight of the financial implications associated with system reliability and major investments.

A reliable water system is essential to sustaining population growth, maintaining public trust and driving investment into the city.

Service and Financial Implications

Other:

A preliminary WUOB budget of \$600,000 was approved by Council on 2026 March 17 as part of Report EC2026-0173. Costs associated with proceeding with this report's recommendations can be funded from the 2026 March 17 approved budget, and no budget approval is needed at this time.

It is expected there will be future additional costs associated with day-to-day operations of the WUOB such as Administrative support. As needed, these costs will be identified and included in the 2026 November budget recommendations for the 2027 budget year.

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RISK

Risks of Approving:

Cost: The cost of the WUOB, including compensation, is materially higher than other current BCCs due to the specialized nature of the roles, workload size, etc., and will be factored into future water rates. Although upfront costs are higher, the investment is expected to deliver net return through better governance and oversight of Calgary’s critical and essential water utility service.

Candidate Pool: The City may have difficulty attracting qualified candidates. The high level of public attention and Council oversight may deter candidates. Compensation may not be seen as sufficient for the public profile of the role. The pool of candidates with water utility expertise is limited, which will be mitigated through use of a qualified search firm.

Risks of Not Approving:

Timelines: Without approval of compensation, the recruitment firm cannot work to identify candidates for the WUOB. This would delay the overall implementation timeline for the WUOB. Timelines are subject to the candidate pool, Selection Committee availability, and Council schedule.

Governance, Oversight and Expertise: Not approving the recommendations creates material governance, operational and public confidence risks. Without a dedicated oversight body, Council would continue to receive limited independent insight into operations, system reliability, capital decisions and overall risk. Diffuse accountability and limited visible oversight would also limit Council’s ability to demonstrate effective stewardship of a critical public asset, further undermining public confidence as The City works to rebuild trust in the water utility

ATTACHMENT(S)

1. Background and Previous Council Direction – (EC2026-0383)
2. Compensation Framework – (EC2026-0383)
3. Proposed Bylaw – (EC2026-0383)
4. CONFIDENTIAL – Public Member Attachment – (EC2026-0383)
5. WUOB Member Selection, Onboarding and Workplan – (EC2026-0383)
6. Anticipated Recruitment and Selection Timeline – (EC2026-0383)
7. Presentation – (EC2026-0383)

Department Circulation

General Manager/Director	Department	Approve/Consult/Inform
David Duckworth	Chief Administrative Office	Approve
Stuart Dagleish	Chief Operating Office	Approve
Jennifer Kapala	GM, People, Innovation, and Collab Services	Approve
Jill Floen	City Solicitor	Consult

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Debra Hamilton	GM, Planning and Development Services	Inform
Michael Thompson	GM, Infrastructure Services	Inform
Doug Morgan	GM, Operational Services	Inform

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