

CITY OF CALGARY

Water Utility Oversight Board Compensation Review

April 27, 2026



Background

Recommendations from the final report of The Bearspaw South Feedermain Independent Review Panel support The City of Calgary's development of a dedicated Water Utility department with independent expert oversight through a Water Utility Oversight Board (WUOB).

In light of these recommendations, The City of Calgary asked WTW for recommendations for the framework and quantum of compensation for the Board Chair and Board Members of the Water Utility Oversight Board.

This report includes:

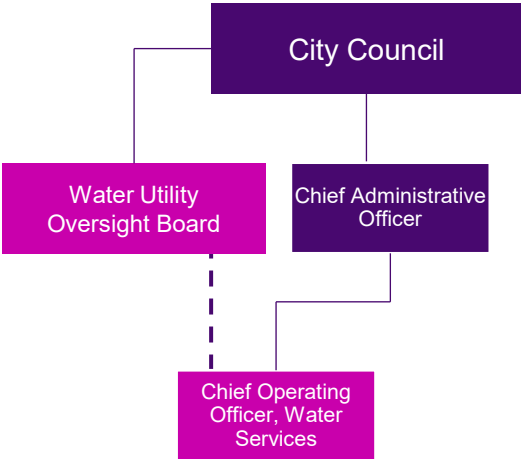
- Our understanding of the structure of the Water Utility department and relevant reporting relationships
- Summary of potentially relevant market reference points
- Range of market compensation data
- Recommended compensation framework for the WUOB

Water Utility Oversight Board Structure

Proposed WUOB Governance Structure

*per Independent Review Panel report**

We understand the Water Utility Oversight Board will report directly to City Council as a Committee of Council, offering advisory support and oversight of water utility operations.*



The Panel recommends that the WUOB function as a ‘Committee of Council’... The WUOB’s role is advisory in nature and does not extend to operational decision-making. The WUOB reports directly to Council.

- The Bearspaw South Feedermain Independent Review Panel – Final Report

Board Structure & Design Features

*per Independent Review Panel report**

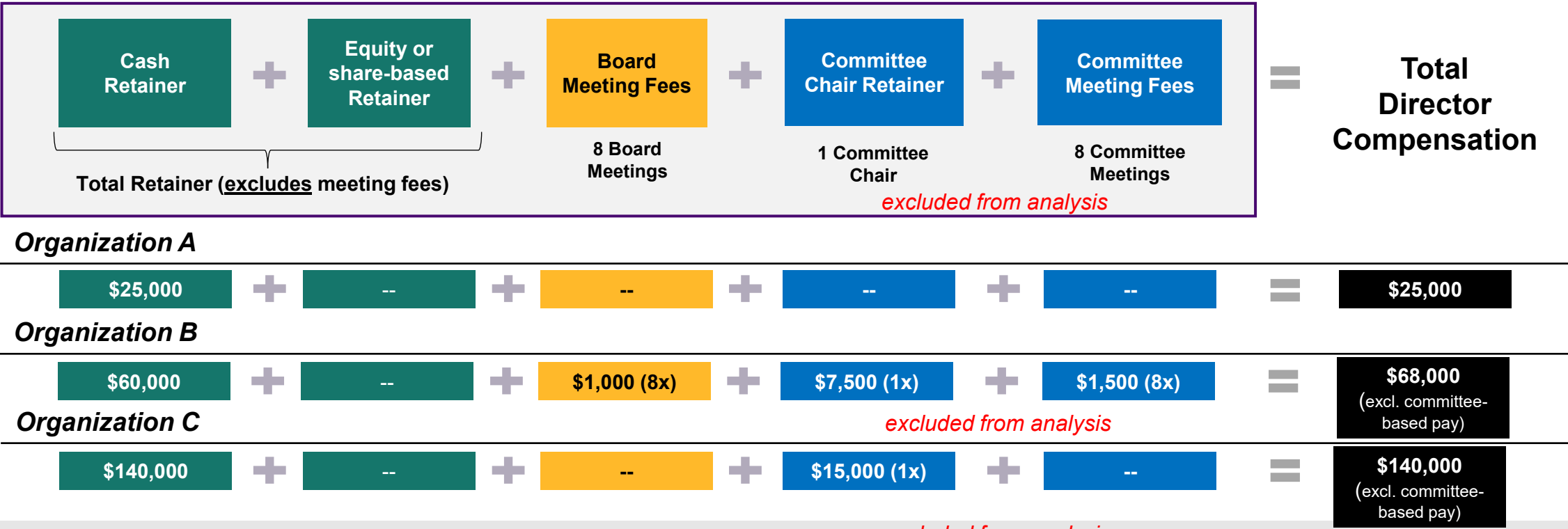
FEATURE	DETAILS
Authority	<i>“To evaluate work, provide input on Water Utility leadership, request relevant information or analysis from the Water Utility management and provide advice on decisions Council makes.”</i>
Board Member Independence	Independent from Council, administration and the public
Board Member Experience	<i>“Members should have deep expertise in water infrastructure, large scale asset operations, finance, governance, and risk management.”</i>
Board Size	Five board members
Meeting Frequency	Not less than four meetings per year
Committees within WUOB?	We understand there are no sub-committees within the WUOB
Compensation	<i>“WUOB should provide members with compensation comparable to other independent boards.”</i>

- The Bearspaw South Feedermain Independent Review Panel – Final Report

Board Compensation Methodology – Structure and Calculation

Compensation for board members can comprise multiple elements as shown below:

- The largest component is the annual retainer which can be supplemented by per-meeting fees and/or committee-based pay
- As not all organizations pay meeting fees, we standardize workloads assuming a normalized profile of eight meetings per year – based on expectations shared by the City of Calgary regarding the number of annual meetings in a typical year for the WUOB. We note that a typical workload for most boards is four to five meetings per year
- We understand the WUOB will not have sub-committees therefore our review excludes committee-based compensation



Market References

We recommend the City of Calgary target pay levels of the Chair and members of the WUOB based on relevant Crown Corporation and Municipally Owned Organization pay levels (the Public-Sector sample of 14 companies noted below). While board members may be sourced from the private sector, pay levels are materially different between these two sectors as shown on the following page.

	Public Sector (n=14)		Private Sector (n=12)	
	Crown Corporations	Municipally Owned Organizations	Private Companies Privately-Held	Private Companies Publicly-Traded
Water Utilities	<ul style="list-style-type: none"> • Ontario Clean Water Agency • SaskWater 	<ul style="list-style-type: none"> • EPCOR • Halifax Water 	<ul style="list-style-type: none"> • Nexus Water Group 	
Other Utilities	<ul style="list-style-type: none"> ▪ Alberta Electric System Operator ▪ BC Hydro ▪ Manitoba Hydro ▪ New Brunswick Power ▪ Ontario Power Generation ▪ SaskPower 	<ul style="list-style-type: none"> ▪ Alectra Utilities ▪ ENMAX ▪ Hydro Ottawa ▪ Toronto Hydro 	<ul style="list-style-type: none"> • AltaLink, L.P. • FortisAlberta • FortisBC • Nova Scotia Power • TriSummit Utilities 	<ul style="list-style-type: none"> • ATCO Ltd. • Boralex • Northland Power Inc. • SECURE Waste Infrastructure • Superior Plus Corp. • TransAlta

Bold market references are headquartered in Alberta

Summary of Findings

Majority market practice is for organizations to target a median level (50th percentile) of compensation. On this basis, we suggest a reasonable range around the Public Sector medians for Board Chair (\$62,500) and Board Members (\$24,600). 50% of the Public Sector sample pays meeting fees to board members (vs 9% of the Private Sector sample).

Board Chair Compensation	Recommended Reference			Private Sector		
	Public Sector <i>6 Crown Corps and 8 Municipally Owned Utilities</i>			<i>6 Publicly Traded and 6 Privately Held Companies</i>		
	25th Percentile	50th Percentile	75th Percentile	25th Percentile	50th Percentile	75th Percentile
Cash Chair Retainer	\$35,900	\$62,500	\$170,000	\$138,500	\$170,000	\$185,000
Equity Chair Retainer	--	--	--	\$170,000	\$175,000	\$256,300
Board Meeting Fees (per meeting)	\$600	\$900	\$1,500	--	--	--
Total Compensation *	\$40,400	\$62,500	\$170,000	\$157,500	\$330,000	\$350,000
<i>Multiple of Board Total Compensation</i>	1.7x	2.1x	3.8x	1.4x	1.7x	2.0x

Board Member Compensation	Recommended Reference			Private Sector		
	Public Sector <i>6 Crown Corps and 8 Municipally Owned Utilities</i>			<i>6 Publicly Traded and 6 Privately Held Companies</i>		
	25th Percentile	50th Percentile	75th Percentile	25th Percentile	50th Percentile	75th Percentile
Cash Board Retainer	\$8,800	\$21,100	\$60,000	\$87,500	\$97,500	\$115,000
Equity Board Retainer	--	--	--	\$80,600	\$98,800	\$153,700
Total Board Retainer (Cash + Equity)	\$8,800	\$21,100	\$60,000	\$90,000	\$175,000	\$225,000
Board Meeting Fees (per meeting)	\$800	\$1,100	\$1,500	--	--	--
Total Compensation *	\$12,400	\$24,600	\$72,000	\$90,000	\$175,000	\$225,000

Total Compensation assumes each Board Member and Board Chair attends eight board meetings

Note: Statistics cannot be added at median because data is independently arrayed

All values are in CAD.

Key considerations and implications for target pay levels

Market compensation data provides a useful starting point in determining appropriate pay levels. We recommend the City of Calgary supplement market data with qualitative considerations unique to the WUOB. We note that not all considerations will have an equal impact on pay:

Consideration	WUOB	Impact on Pay Levels	WTW commentary
Level of autonomy	Advisory in nature. Less autonomy than the boards of municipally-owned or private sector organizations.	▼	Pay levels increase alongside greater autonomy (e.g. ability hire / fire CEO, make strategic decisions related to corporate transactions – e.g. approve debt financing).
Time commitment	High, particularly in the initial stages of the WUOB.	▲	Suggest mitigating potential workload concerns with a per-meeting fee that applies after the eighth meeting of the WUOB, in a given year.
Risk and complexity of role	A high-profile role with significant risk and complexity.	▲	There may be a limited talent pool, placing upward pressure on pay levels.
Public service	Opportunity to apply expertise / stewardship for the benefit of residents of the City of Calgary.	▼	It is common for public sector board members to serve on both lower-paying public-sector boards and higher-paying private sector boards.
Talent market	For discussion: the relative challenge in attracting needed talent / expertise	TBD	Proposed pay levels should reflect WUOB's ability to find qualified board members / chair.

Taken together, we suggest positioning pay within a reasonable range of the public sector median for board members and board chair.

Potential WUOB Compensation Framework

We recommend the following compensation framework for the WUOB:

Compensation Element	Potential Board Chair	Potential Board Member	Rationale
Annual Retainer	\$50,000 to \$70,000	\$20,000 to \$30,000	Position pay competitively within the public-sector sample. Board Chair pay level established based on median pay level and capturing 2x to 2.5x multiple of Board Member pay.
Board Member Meeting Fee (per meeting)	Up to eight meetings per year: \$0 For every meeting after eight per year: \$1,000	Up to eight meetings per year: \$0 For every meeting after eight per year: \$1,000	We suggest a streamlined pay program, with the flexibility to capture a higher workload in the first years of the WUOB. Note for governance: board meetings are typically considered between one half-day to two full days.
Committee compensation	Not applicable	Not applicable	We assume there will be no sub-committees of the WUOB
Total Compensation*	\$50,000 to \$70,000 plus meeting fees as applicable	\$20,000 to \$30,000 plus meeting fees as applicable	We note there is market precedence paying both above and below these levels among the public sector sample and suggest adjustments, as needed, to attract qualified candidates.

*Total Director Compensation = annual retainer + meeting fees for eight board meetings

**Total Board Chair Compensation = annual retainer + meeting fees for eight board meetings

Appendices

- I. Methodology
- II. Peer Group

Appendix I - Methodology

- Our review covers:
 - Annual Board and Chairperson cash retainer
 - Stock-based compensation, as applicable (includes the annualized expected value stock-based pay)
 - Board meeting fees
 - Committee-based compensation is excluded
- Our analysis is based on compensation information obtained from 2026 public disclosures, reflecting 2025 compensation levels. Where 2026 disclosures are unavailable, 2025 disclosures are used
- In estimating total compensation, we use consistent assumptions to reflect pay for a comparable workload
- Following guidance from the City of Calgary, the assumed time commitment of a 'typical' WUOB Director includes attendance at 8 board meetings (board meetings assumed to require one-half day up to two days)

Appendix II

Peer Group

Public-Sector Organizations

Ownership: Crown Corporations and Municipally-Owned organizations

Industry: Water and other utilities

Size: no size restriction

Geography: Canada

Primary Reference: Public Sector

Organizations (n=14)

Municipally Owned Utilities (n=6)

Alectra Inc.
ENMAX Corporation
EPCOR Utilities Inc.
Halifax Water
Hydro Ottawa Holding Inc.
Toronto Hydro Corporation

Crown Corporations (n=8)

Alberta Electric System Operator
British Columbia Hydro and Power Authority
Manitoba Hydro-Electric Board
New Brunswick Power Corporation
Ontario Clean Water Agency
Ontario Power Generation Inc.
Saskatchewan Power Corporation
Saskatchewan Water Corporation

Percentile Statistics – Revenue (in millions \$CAD) *

25th Percentile	\$1,090
50th Percentile	\$3,066
75th Percentile	\$4,301

Private-Sector Organizations

Ownership: Private sector publicly-traded and privately-held

Industry: Water, other utilities and independent power producers

Size: no size restriction

Geography: Canada

Secondary Reference: Public Sector

Organizations (n=12)

Publicly-Traded Companies (n=6)

ATCO Ltd.
Borex Inc.
Northland Power Inc.
SECURE Waste Infrastructure Corp.
Superior Plus Corp.
TransAlta Corporation

Privately-Held Companies (n=6)

AltaLink, L.P.
FortisBC Holdings, Inc.
FortisAlberta Inc.
Nexus Water Group, Inc.
Nova Scotia Power Inc.
TriSummit Utilities Inc.

Percentile Statistics – Revenue (in millions \$CAD) *

25th Percentile	\$1,058
50th Percentile	\$1,874
75th Percentile	\$2,445

* FY2025 revenue data is used where available, otherwise, FY2024 data is used for reference