



Regional Water and Wastewater Off-Site Levy Bylaw

Electoral Division: All

File: 1007-700

Date:	January 7, 2025
Presenter:	Jeannette Lee, Manager
Department:	Capital & Engineering Services

REPORT SUMMARY

This report is for Council's for consideration of the proposed amendments and second and third reading to Regional Water and Wastewater Off-Site Levy Bylaw C-8548-2024. The first reading of the Regional Water and Wastewater Off-Site Levy Bylaw C-8548-2024 took place at the July 23, 2024, Council Meeting. Since first reading, Administration has undergone a consultation process with the relevant stakeholders and legal review for compliance with the Municipal Government Act and the Off-Site Levies Regulation. In addition to the summary of the consultation process provided in Attachment 'B', the bylaw also includes clerical wording changes to improve clarity

Bylaw C-8548-2024 – Regional Water and Wastewater Off-Site Levy was approved by Council in June of 2020. The Regional Water and Wastewater Off-Site Levy Bylaw provides for the fair and equitable allocation of Off-Site levies related to Water and Wastewater Infrastructure in accordance with the Municipal Government Act. This report outlines updates to the bylaw, including an adjustment of the capacity committed to date and a recalculation of the rates for the water and wastewater system.

The County's Water and Wastewater Off-Site Levy Bylaw update was prepared following a comprehensive review of the County's Water and Wastewater systems and financials to the end of 2022. The purpose of this report is to request Council's approval for the second and third readings of the amended bylaw. Administration recommends setting April 30, 2025, as the bylaw's effective date to allow sufficient time for transitioning files currently in the queue and implementing procedural updates.

ADMINISTRATION'S RECOMMENDATION

THAT Bylaw C-8548-2024 be amended in accordance with Attachment A.

THAT Bylaw C-8548-2024 be given second reading, as amended.

THAT Bylaw C-8548-2024 be given third and final reading, as amended.

BACKGROUND

The Regional Water and Wastewater Off-Site Levy Bylaw establishes a framework that aligns with the Council's Strategic Plan, thoughtfully managing growth and ensuring the County's financial prosperity. Growth resulting from new development creates opportunities for residents and businesses by fostering a vibrant and diverse economy and generating additional tax revenues to support County services. Growth also affects the costs of operating and maintaining the County's Infrastructure. Balancing the benefits and costs of growth is a key focus of the County's Strategic Plan, and the levy structure is a critical tool to help achieve that. It ensures that new development pays a proportionate share of the costs needed for the addition, expansion, and long-term sustainability of the County's Water and Wastewater network resulting from that growth.

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Key systems such as the East Rocky View Regional System, Cochrane Lake System, and Bragg Creek System are highlighted, each playing a crucial role in water supply and wastewater treatment for their respective areas. Recent acquisitions and planned expansions underscore the County's commitment to meeting the demands of a growing population while ensuring the long-term sustainability of its infrastructure and financial resources.

ANALYSIS

Council's Strategic Plan emphasizes managing growth and ensuring financial prosperity. New development brings opportunities and challenges, impacting both the economy and infrastructure costs. The levy structure, crucial for balancing these dynamics, ensures new development contributes proportionately to infrastructure needs.

In recent years, the expansion of the East Rocky View Regional System across Highway 2 has enabled servicing within the lands identified as West Balzac, situated west of Highway 2 and north of Highway 566. Therefore, a new schedule titled "West Balzac" has been added to this bylaw to capture the network expansion. This is because they either have cost contribution and connection agreements in place, or no growth is anticipated, which would necessitate significant upgrades to support development. Future developments within these areas will continue to pay the appropriate connection fees under the current Master Rates Bylaw.

COMMUNICATIONS / ENGAGEMENT

In accordance with the *Municipal Government Act*, municipalities establishing an Off-Site levy must consult in good faith with stakeholders. A "stakeholder" is defined to be any person that will be required to pay the levy when the bylaw is passed, or any other person the municipality considers is affected. This includes developers, landowners, residents, and lobbyists that have an interest in, or may be affected by, the proposed levy.

Following the first reading of the proposed bylaw on July 23rd, 2024, additional engagement was completed. This included:

- Engaging industry representatives and stakeholders on updates and changes
- Advertising in Rocky View Weekly and Social Media
- Holding two in-person information sessions with stakeholders at County Hall
- Holding an online public information session webinar
- Providing supporting information on the County website
- Direct emailing information through the County Connection e-newsletter

Engagement primarily took place over 2024 and focused on two main objectives:

- Consulting with interested and affected members of the public and development community on the Regional Off-Site Levy Bylaw Updates, and
- Sharing transparent and accurate information about the proposed Regional Off-Site Levy Bylaw Updates, including details on how levy updates were developed and the anticipated impact on residents, developments, and businesses.

Throughout August to October of 2024, a series of public and targeted engagement activities were undertaken to gather insight and feedback on updates and changes to its off-site levy bylaws. These included:

- Correspondence in August 2024 with development associations like BILD Calgary Region and Rocky View Forward to provide updates and gather feedback.

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- Two in-house information sessions were held on October 17 and 31, 2024. These sessions at County Hall had 22 attendees who reviewed proposed changes and provided input. Attendees had the opportunity to review the proposed changes, ask questions, and provide feedback which is summarized in Attachment 'C' of this report titled '*Regional Off-Site Levy Bylaw Updates - What We Heard Report*'.
- A public webinar on October 23, 2024, promoted via e-newsletters, social media, and newspapers, attracted strong interest and participation.
- Updates on the County website from August 15, 2024, provided links to bylaw changes, contact information for feedback, and resources like session presentations and webinar recordings.
- Additional feedback was received through seven emails and two stakeholder letters.

Details and feedback summaries are available in the '*Regional Off-Site Levy Bylaw Updates – What We Heard Report*'. The greatest items of concern gathered through stakeholder engagement included:

1. The effective date of the Off-site Levy Bylaw will significantly impact the current projects, as most are planned years in advance. Implementing changes too quickly could disrupt established parameters for the project's performance.
2. The levy rate increases affect their previous development budgeting.
3. Requesting a phasing or deferring of the levy rate increases.

IMPLICATIONS

Financial

The establishment of these levies for water and wastewater will create a new funding source for future Water and Wastewater Utility Facility capital investments. Funds collected from each levy schedule per the bylaw will require management within a separate reserve. Usage of these funds can only be applied for the future facility infrastructure as itemized against the schedule within the bylaw. The County is required to provide annual reporting of collecting versus used funds for each levy schedule per MGA legislation. In addition, as development occurs across the County, Administration may be required to review and update levy rates to ensure the rates remain appropriate given facility funding requirements, community servicing demands, and input from the development community.

Economic Competitiveness

Each municipality tailors its levy structure based on unique factors such as local infrastructure needs, anticipated rate of development, and the characteristics of each jurisdiction for consideration. While this adjustment is necessary to ensure the sustainability and effectiveness of our water and wastewater utility infrastructure, Administration also recognizes the importance of maintaining economic competitiveness.

Municipality	Effective Date	\$/acre
Calgary	2024	\$28,362
Airdrie	2022	\$27,148
Cochrane	2021	\$8,681
Chestermere	2024	\$39,293
Strathcona County	2019	\$9,134
Leduc County	2024	\$4,386
Sturgeon County	2021	\$13,335

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STRATEGIC ALIGNMENT

Key Performance Indicators		Strategic Alignment
Effective Service Delivery	SD2: Services are resourced and delivered to specific groups as intended, and citizens are satisfied with the outcomes	SD2.1: Citizens satisfied with the range of County services available/delivered
Financial Prosperity	FP2: Ensuring County remains financially sustainable for future generations	FP2.1: Assets that are incorporated in an Asset Management Plan
		The bylaw's purpose is to continue the collection of funding to support a broader range of required services to residents in new developments.
		The levy will assist with future financial sustainability as it will provide a source of funding for new infrastructure as the County continues to grow.

ALTERNATE DIRECTION

Alternate Direction 1

THAT Bylaw C-8548-2024 be amended in accordance with Attachment A.

THAT Bylaw C-8548-2024 be further amended to change the effective date of the bylaw in Section 26(2) and 29 from April 30, 2025 to January 31, 2026.

THAT Bylaw C-8548-2024 be given second reading, as amended.

THAT Bylaw C-8548-2024 be given third and final reading, as amended.

Benefits

Deferring the payment of the amended levy rate over a period of time will allow developers and stakeholders additional time to budget for the levy rate increases and reduce impact to development.

Disadvantages

Deferring the payment of the amended levy rate over a period of time will reduce and delay funds available that can be applied towards water and wastewater infrastructure.

ATTACHMENTS

Attachment A: Draft Bylaw C-8548-2024 – Regional Off-Site Levy Bylaw

Attachment B: Regional Off-Site Levy Bylaw Updates - What We Heard Report

Attachment C: Public Submission

APPROVALS

Manager:	Jeannette Lee, Manager Capital & Engineering Services
Executive Director/Director:	Byron Riemann, Chief Operating Officer
Chief Administrative Officer:	Byron Riemann, Acting Chief Administrative Officer