DISCUSSION DOCUMENT

Enhancing Water Availability

Engagement on Proposed Amendments to the *Water Act* to Improve Water Availability

APRIL 2025

Classification: Public

Enhancing Water Availability -
Engagement on Proposed Amendments to the *Water Act* to Improve Water Availability | Environment and Protected Areas
 | Published: April 2025

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Overview and context

Water is a precious resource and must be managed to meet the province's growing needs. A resilient and efficient water management system is essential for safeguarding the health of Alberta's communities, environment and economy.

Alberta's growing population, economy, and climate variability are placing pressures on water availability, in terms of both the quantity of water available within river basins and the availability of licences for water use, limiting the potential for growth across sectors such as agriculture and industry as well as municipalities.

As part of the province's ongoing work to increase water availability, the government engaged Albertans in fall 2024 to early 2025 to hear ideas on how to strengthen the water management system to enhance availability for years to come. We thank Albertans for taking the time to share their thoughts. While the feedback was wide-ranging, it was clear that Alberta's water management system and the *Water Act* generally serve us well and should not be changed. *However, s*ome opportunities and barriers identified raised some limitations of the *Water Act* for supporting water availability.

With global pressures facing many water-dependent sectors, Albertans more than ever need a water management system that rewards conservation efforts, is open and available to new uses and users of water and does not prevent water users from achieving greater levels of water efficiency and productivity. Optimization of variable water supplies, including by coordinating releases from established water reservoirs, requires a modern approach based on reliable water use measurement and reporting. Enhanced information on water will also assist to monitor instream flows and secure existing water rights, including maintaining Alberta's prioritized system of water rights (based on the principle of first-in-time first-in-right, or "FITFIR"), and better utilizing Alberta's share of water as established under transboundary apportionment agreements.

This second phase of the water availability engagement focuses on proposed *Water Act* amendments and complementary policy to increase the availability of water licences to Alberta municipalities, businesses and agricultural producers, while continuing to protect the aquatic ecosystem. The engagement will be guided by the following objectives:

- support continued water conservation, efficiency, and productivity;
- free up and optimize use of available water; and
- improve access to existing water sources, including timely decision-making.

This second phase of engagement does not address all the opportunities put forward by Albertans to enhance water availability. It is focused on those ideas that would require a change to the *Water Act*, and some complementary policies.

Further engagement on regulatory, policy and program changes may take place as the government continues to improve water management to support availability.

The phase one engagement feedback also included ideas to improve physical water availability, including engineered and natural water storage. Water storage is not the focus of this engagement; however further engagement may take place as the government continues to invest and support storage solutions.

Purpose of this discussion document

This document provides information to support public, water-using sector, Indigenous community and others feedback to inform proposed *Water Act* amendments. This document includes:

- identification of areas where no changes to the water management system or act are planned;
- engagement approach and timing; and
- scope of the engagement where we seek feedback on proposed amendments to the act.

Maintaining foundations and elements of Alberta's current water management system

The feedback from the first phase of engagement noted that Alberta has a strong water management system, legislation, regulations, policies and programs.

The Government of Alberta remains committed to maintaining the following policies, approaches and principles. Any proposed changes to the *Water Act* or associated policies will not change the following:

- Alberta's priority system for licenced water allocation, based on principles of first-in-time, first-in-right, will remain.
- Existing water licence allocations will not be reduced.
- The Water for Life strategy and its goals and directions remain, where water is managed for community, economic and environmental needs, including traditional use needs and environmental objectives to support ecosystem health.
- Water allocation transfers will remain enabled in basins with approved water management plans (Milk, Battle, Bow, Oldman and South Saskatchewan River basins).
- Alberta will continue to manage water on a watershed basis, where any large or higher risk inter-basin transfer would continue to require approval by special act of the legislature (except, as established in the act, during a Cabinet-declared water emergency under section 107).
- No new royalties, bulk or volumetric pricing of water will be introduced.
- No new terms and conditions will be added to existing older licences regarding requirements to support water conservation objectives (WCOs).

Engagement approach

Engagement will occur through meetings with targeted audiences and an ability to submit written feedback. This discussion document provides context and proposed changes, to support parties in providing input.

Parties invited to in-person multi stakeholder sessions include associations for the major water using sectors as well as Indigenous communities.

Written feedback must be submitted using the online survey.

Scope of engagement

The scope of this second phase of engagement on water availability is focused on advancing ideas and actions to address barriers and support opportunities to enhancing water availability that were identified from feedback received from this first phase of engagement.

As outlined in this discussion document, the review will focus on proposed changes to the *Water Act*. This includes:

1. Streamlining decision making for water licensing and transfers;
2. Enhancing water use information to support effective and transparent management of water by all users, including licencing and licence transfers;
3. Enabling lower risk inter-basin transfers; and,
4. Enabling the use of alternative water sources (e.g., rainwater, stormwater, wastewater).

Wherever possible, specific references to sections or provisions in the *Water Act* are provided in this discussion document as they relate to the current state or proposed changes. Should policy changes proceed, additional consequential amendments to other sections and provisions in the act, and associated regulations or policies may be required to implement the desired policy intent.

1. Streamlining decision making for water licensing and transfers

Feedback from the first phase of engagement noted that current rules prevent water licensees from making relatively minor changes to where they use water and where water is diverted. Currently, changes in location require a new licence to be issued or a licence transfer, even if the change makes no discernable difference to other water users or the aquatic environment.

Rules preventing alterations of point of use or point of diversion may strictly maintain licence priorities (FITFIR) and water management on a watershed basis, but can be overly administrative and costly to licensees, especially for those seeking to increase water efficiency and productivity. Modernizing our water management system to enhance availability requires giving water users the freedom to adapt and improve how water is used without restrictive rules that lock-in old practices linked to when a licence was originally granted.

In addition, there are opportunities to streamline and define Environment and Protected Area's (EPA's) administrative service standards for correcting licensing errors, providing notice to appropriate parties, limiting requests for supplemental information, and the timeliness of application decisions.

1.1 Point of use

- **Current state:** Under section 54(1)(b), a licensee applying to change or add points of use on an existing licence must be within the land specified in the licence or the plan attached to the licence. Changes or additions to the point of use outside of the licensed specifications requires a new licence, or a licensee to apply for a transfer to themselves, for the expanded scope.

  A typical scenario is a user wants to add pivot at point of use outside of the licence boundary, where other factors including the point of diversion, volume of water, and timing of withdrawal remain the same. From an environmental perspective, where it is used is unlikely to be important, especially if return flow is to the same basin.

- **Seeking feedback on:** Changing section 54 to allow licence amendments of licences to be able to add points of use, areas or boundaries outside the original point of use specified in the licence.

1.2 Point of diversion

- **Current state:** Under section 54(1)(b), a licensee applying to move or add a point of diversion for an existing licence must be within the same land specified in the licence or the plan attached to the licence. A proposed change in point of diversion must not adversely affect the water rights of others (household users, other licensees, or traditional agriculture users), nor the ability to conserve or manage a water body.
- **Seeking feedback on:** Changing section 54 to allow licence amendments to add or change a point of diversion outside the original land specified in the licence or plan attached to the licence, provided there is no adverse effect on the water rights of others nor on the ability to conserve or manage a water body.

1.3 Director-initiated amendments that correct certain errors to benefit of licensee

Along the South Saskatchewan River, many licences contain instream objectives that were based on apportionment assumptions that no longer apply due to changes in water management (specifically the addition of the Oldman and Dickson dams). Correction of the outdated apportionment assumptions would enable licensees to gain access to water during lower flow conditions. Due to *Water Act* rules (section 54), Directors are unable to take initiative to correct the error to maximize water availability for licensees.

- **Current state:** If there is a potential correction or amendment that benefits the licensee, the Director cannot easily implement the change. In this case, under the *Water Act* (section 54) the Director can only correct a clerical error, or a licensee can apply for an amendment, which is administratively inefficient (particularly if the same amendment is required across multiple licences) and means licensees will often not seek or receive the benefit they are entitled to.
- **Seeking feedback on:** Ability for the Director to initiate corrections or amendments to licences where the amendment results in an ability to access water in lower flow conditions.

1.4 Notice to appropriate parties

- **Current state:** There are numerous provisions within the *Water Act* where there is a requirement to provide notice. Notice requirements are intended for significant stages of an application or decision. Requirements to provide notice may fall to the applicant, the holder of the authorization, delegated actors, the Director, etc. In some cases where the holder of the authorization is not the one submitting an application (e.g., a consultant is applying on their behalf), notice may only be issued to the applicant, and not the holder of the authorization.
- **Seeking feedback on:** Amending notice provisions (e.g., section 37(1)) to require notice to be issued, not only to the applicant, but also to the holder of the authorization.

1.5 Time limits on issuance of authorizations

- **Current state:** Part 4, Division 1 (Approvals) and Division 2 (Licences) of the *Water Act* describe the form and manner for applications and the Director's ability to render decisions about them. The Water (Ministerial) Regulation states that an application review shall not start unless and until the application is complete. Authorizations under the *Water Act* are issued following a full course of review by the decision-maker under the act, and may include potential requests for additional information. This may result in widely varying timeframes depending on the complexity of the application and the potential impacts that must be assessed and mitigated.
- **Seeking feedback on:** Introducing designated time periods in the *Water Act* or its Water (Ministerial) Regulation for specific stages of an application or decision for reviewing and issuing new or amended authorizations.

1.6 Limit supplemental information requests

- **Current state:** A supplemental information request is not defined in the *Water Act* or in regulation. Both approval (s.37) and licence (s.50) application sections allow the Director to require the applicant to submit any additional information within any period specified. The decision considerations (must and may) for the Director are outlined in sections 38 (approvals) and 51 (licences), and the Director can ask for as much information as needed to make, and then to defend if appealed, the decision. Scope varies widely between simple and complex decision types that are difficult to pre-specify.

- **Seeking feedback on:** Limiting the number or scope of requests for information to complete the application by amending sections 37 and 50. For example, one supplemental information request, with any follow-up limited to clarifying the content of the supplemental information provided.

1.7 New and expanded exemptions (not an act change)

In addition to the proposed *Water Act* changes listed above to streamline decision making, feedback from the first phase of engagement identified opportunities for new or amended exemptions from requiring a water licence or approval.

Seeking feedback on: Changes to exemptions listed in the Water (Ministerial) Regulation (Schedule 3) proposed to include:

- increased allowable quantities and/or size of some existing categories, including dugouts, stormwater ponds, and wetland replacement projects; and
- new exemptions for:
  - emergency preparedness, including for fire prevention, fire training, spill response training;
  - bridge and sign washing;
  - dust control;
  - green area borrow pits;
  - rainwater collection; and
  - riparian vegetation restoration.

2. Enhancing water use information to support effective and transparent management of water by all users, including licencing and licence transfers

Optimizing Alberta's variable water supplies requires reliable water use data to support informed and timely water management decisions by all water users. Improved measuring, reporting and data will enhance coordination of reservoir operations, strengthen instream flow monitoring, and help clarify how water is being used across the province. This is particularly important given the expressed concerns about over-delivery to Saskatchewan under the apportionment agreement–concerns that can be addressed through accurate, transparent data.

These efforts will fully maintain Alberta's first-in-time, first-in-right (FITFIR) principle, with no intent to introduce fees or pricing nor reduce allocations. Better data will also support increased water availability by identifying unused volumes, supporting water transfers, and streamlining issuance of new licences to help growth across sectors, while continue to protect aquatic ecosystem health.

Environment and Protected Areas is continuing efforts to modernize its data and reporting systems to support users in making informed water management decisions. For instance, the department is in the process of digitizing *Water Act* records, including water license records, approvals and registrations. This will provide Albertans with ability to query the records.

Water licences can also now be viewed by geographic location on a public viewer (https://geospatial.alberta.ca/erv/), providing better functionality and access to licensee and licence information.

Reporting also plays a critical role in supporting compliance assurance by providing both transparent information on current water use as well as adherence to licensing terms and conditions. Regular, consistent, and accurate reporting supports water managers in making timely decisions and helps identify potential risks, gaps, or non-compliance issues, ensuring that corrective actions can be taken promptly. Enhancing consistency, frequency, and transparency of reporting supports licence holders and water managers in demonstrating accountability and building public trust.

2.1 Standardizing measurement and reporting

Most medium to large licences in Alberta, which account for most of the water allocated in the province, have mandatory reporting requirements. Water use reporting by licensee is varied and inconsistent, which hampers the ability to optimize water availability.

Some measurement and reporting currently occurs in different forms that licence requirements, such as irrigation districts providing daily or weekly use and demand estimates to Alberta Agriculture and Irrigation to support district and water reservoir operations, and also providing annual water diversions to inform annual provincial irrigation reports.

2.1.1 Authority for introducing new measurement and reporting conditions

- **Current state:** Section 54 of the *Water Act* only allows the Director to amend existing measuring and reporting conditions on a licence. If no such conditions exist, the Director cannot add them unless the licensee requests it. This limits the ability to require consistent and standardized measuring and reporting across all licences and creates gaps in water use data.
- **Seeking feedback on:** Amending section 54 of the *Water Act* to give the Director the authority to add, remove and amend the measuring, reporting, and inspection conditions on all licences, regardless of whether such conditions currently exist. This change would enable consistent water use reporting across all licence types, supporting better data, planning and management.

2.1.2 Applying measurement and reporting conditions to deemed licences

- **Current state:** Under section 18, any authorizations and licences prior to 1999 are considered deemed licences under the *Water Act*. The terms and conditions of the deemed licences prevail over any conflicting provisions in the act, including those related to measuring and reporting. As such, the Director cannot introduce new measurement or reporting requirements to these licences—only amend existing ones, if present.
- **Seeking feedback on:** Amending section 18 to introduce authority for the Director to establish new, or amend existing, measuring and reporting conditions for deemed licences without affecting other existing terms and conditions. All other terms and conditions related to a deemed licence would continue to prevail, ensuring legal standing and priority rights remain unchanged.

2.1.3 Standardizing measurement and reporting conditions

- **Current state:** The *Water Act* does not expressly authorize regulations to define what parameters must be measured, how often reporting must occur, or to apply requirements differently based on licence type, size, or location. Most requirements are embedded within individual licence conditions, leading to inconsistent enforcement and limiting ability to implement standardized or evolving conditions.
- **Seeking feedback on:** Amending section 169 of the act to include regulation-making authority for standardized measuring and reporting requirements. This would enable clear definitions of parameters, frequency, and reporting methods; allow flexibility to tailor

requirements by region or licence type (e.g., not requiring specific metering equipment); adapt to new technologies or drought and environmental pressures; and reduce administrative burdens through streamlined, automated systems.

2.1.4 Amalgamation of licences while preserving priority of original allocations

- **Current state:** Some licensees have obtained multiple water licences over time (in some cases, up to 20 or more) for water that is diverted through the same infrastructure. If the licensee requests amalgamation of their licences, and other conditions are met (section 56(1)), the Director must assign the highest priority number among the water allocations that are amalgamated (section 56(2)). In practice, this rule prevents licensees from amalgamating their licences, and in turn creates barriers to measuring and reporting as licensees must go through the complicated process of reporting water use against different licences.
- **Seeking feedback on:** Repealing section 56(2) of the *Water Act* to retain the original priorities of individual water allocations within an amalgamated water licence. This would simplify and support accurate reporting as licensees could report the total water used within EPA's Digital Regulatory Assurance System without risking a false exceedance of their allocated volumes by reporting water use against the wrong licence.

2.2 Defining licences in good standing

- **Current state:** The *Water Act* does not define what constitutes a licence being "in good standing," but the term is referenced in regulatory processes such as licence renewals and transfers. Currently, failure to comply with measuring and reporting conditions does not formally affect the good standing of a licence, which limits the ability to use non-compliance as a basis for administrative action. Confusion on good standing criteria may also be a barrier to licence holders that may have water that could be made available to transfer to another user. While the term isn't explicitly defined with in the act, the Administrative Guideline for Transfer of Water Allocations (2014) provides criteria for determining a licence not in good standing.
- **Seeking feedback on:** Defining criteria for good standing in the *Water Act* or policy could serve to both support compliance with measuring and reporting requirements, and ensure that licence holders have confidence in freeing up water for potential transfers. This would create a practical compliance tool that helps promote accountability by linking timely reporting to eligibility for renewals, transfers, or other administrative actions.

2.3 Transparency to support water licence transfers

As outlined in the section of this document on "Maintaining the foundations and elements of Alberta's current water management system", water allocation transfers will remain enabled and no new volumetric pricing of water is being considered.

Feedback from the first phase of engagement on enhancing water availability indicated that publicly available information could support additional transfers and operators' water management planning, including transparency on the price paid for transferred water (which can be reported in board or committee meeting records). Readily available information on water transfers could support economic development and investment in regional areas, by assisting investors such as food processors to assess water availability in areas where they are seeking to develop.

2.3.1 Collecting information on details such as prices paid for water licence transfers

- **Current state:** Section 81 of the *Water Act* requires that a transfer must contain or be accompanied with any information required by the Director. Any money exchanged is not currently something that government requests as part of a water transfer application, receives as information, nor factors into its decision-making. Any private arrangements for costs associated with securing a transfer between parties involved are not typically shared with the public by those parties.
- **Seeking feedback on:** Introducing new requirements for parties involved in a transfer to disclose additional information on details of transfer (including prices paid).

2.3.2 Publishing information to support water licence transfers

- **Current state:** There is no public platform for accessing key water licence information to support transfers. Private brokers currently help facilitate transfers, but users lack easy access to data such as licence details, historical use, and availability. This limits transparency, informed decision-making, and broader participation in the transfer system.
- **Seeking feedback on:** Creating a public platform to publish information on water licences, use, and transfers. This would support transparency, reduce reliance on intermediaries, and improve access to information for those seeking to understand and engage in water transfer opportunities.

3. Enabling lower risk inter-basin transfers

Under the *Water Act*, all inter-basin transfers require approval by special act of the legislature for a water licence can be issued–even for small-scale, lower risk projects – with the exception of during a declared water emergency. Environment and Protected Areas works closely with applicants to assess whether legislative approval is likely before advancing a licence application. These applications must meet all the standard regulatory requirements, including environmental review and public notice.

Including in the *Water Act* the requirement for special act of the legislature for an inter-basin transfer was a result of concerns related to bulk water transfers. And feedback from the first phase of engagement on ideas to enhance water availability included concerns about moving significant volumes of water from northern Alberta basins to southern basins, without adequate consideration, controls and oversight. No changes are proposed for higher risk forms of inter-basin transfers.

The requirement of a special act of the legislature for lower-risk forms of inter-basin transfers can be an impediment to ensuring safe drinking water supplies, and in some cases may unnecessarily increase costs (such as for regional wastewater treatment systems) or be a barrier to reducing environmental impacts (particularly for oil and gas operations). For example, an alternative water source to freshwater may be located nearby to an oil and gas operation that crosses two major river basins. If the alternative water source is located in another major river basin from where it is used, the oil and gas operator would first need to seek approval to use the alternative source via a special act of the legislature.

Agricultural farms and other entities such as municipalities may also happen to span the border of two major river basins. In such cases, any movement of water across a major river basin divide – however small in volume – would require a special act of the legislature.

Also, groundwater management across surface water-based watersheds might also be considered lower risk, especially if hydrogeological flow does not mirror hydrological boundaries.

If the *Water Act* or its regulations were amended to allow lower risk inter-basin transfers without a special act, licences and transfer assessment processes would still be required. Full regulatory review–including environmental assessment, opportunity for public notice and appeal–would continue to ensure impacts to water users and aquatic environment are carefully managed.

3.1 Establish new criteria for lower risk inter-basin transfers

- **Current state:** Any licence transfer that crosses a major river basin boundary must be authorized by a special act of the legislature. The *Water Act* does not provide for any flexibility in the size, purpose, surface or groundwater source, or details of the transfer. The only exception is during a declared water-related emergency, where section 107 gives the Lieutenant Governor in Council authority to approve an inter-basin transfer within the areas and time period of the declared emergency.
- **Seeking feedback on:** Identifying circumstances that would be defined in regulation as lower risk inter-basin transfers. These could include transfers for:
  - Municipal water supply applications, for example regional water lines/systems.
    - Drinking water is high quality and poses little risk to people or the environment, particularly when piped between municipalities.
  - Groundwater applications.
    - Aquifers typically yield much less water than surface water sources.
    - The act could also consider hydrogeology, including aquifer properties as well as base of groundwater protection.
  - Where a project or operation is located on both sides of a major river basin boundary, and the overall impacts would be lower if water is sourced from an adjacent major river basin compared to where water is used.
    - If the project were located anywhere else, the licence would be relatively straightforward.
  - Treated wastewater applications.
    - Reusing treated wastewater can avoid taking new water from a natural water body, reducing net environmental impact and could provide a net benefit even in an inter-basin transfer context.
  - Applications that fall below a specified volume threshold, where the potential for adverse impacts is considered unlikely or is no greater than typical smaller *Water Act* licensing applications.
    - Amounts could be tailored to reflect the differences in major basin sizes and supply.

We are also seeking feedback on situations or issues where special Act of the legislature would remain warranted.

3.2 Introduce alternative approval process for lower risk inter-basin transfers

- **Current state:** Section 47 of the *Water Act* requires that any inter-basin transfer, regardless of volume, purpose, surface water or groundwater source, or risk, must be authorized by a special act of the legislature, except during a declared water emergency under section 107, where Cabinet may authorize a temporary transfer for urgent public needs.

- **Seeking feedback on:** Amending section 47 to introduce two categories of inter-basin transfers:
  - Higher risk or large-scale transfers, which would continue to require a special Act, and
  - Lower risk transfers, which could proceed through the standard licensing process without requiring a special Act.

  Enabling regulations would also require added authority under section 169.

  Authority to authorize a lower risk transfer between basins could be shifted from a special Act of the Legislature to either:
  - Cabinet, by a Lieutenant Governor Order in Council, similar to how these transfers can be authorized under section 107 during a water-related emergency; or
  - Minister, if the inter-basin transfer meets the lower risk criteria set out in regulation.

3.3 Adjusting definitions of major river basins

Licence transfers that cross a major river basin boundary must be authorized by a special act of the legislature, whereas transfers that move water across individual catchments within a major river basin do not. The definitions of major river basins are inconsistent in the *Water Act*, and it is questionable whether a special act of the legislature for inter-basin transfers should be required in cases where basins converge within Alberta.

- **Current state:** The Water Act lists seven major river basins:
  - Peace/Slave River Basin
  - Athabasca River Basin
  - North Saskatchewan River Basin
  - South Saskatchewan River Basin
  - Milk River Basin
  - Beaver River Basin, and
  - Hay River Basin.

  Some of the major river basins converge within Alberta, whereas others do not. Further, individual catchments within some major river basins converge outside of Alberta.

- **Seeking feedback on:** Consolidating the list of major river basins, including combining the Peace/Slave and Athabasca River basins that converge within Alberta to form the Peace-Athabasca-Slave River Basin.

4. Enabling the use of alternative water sources

Alternative water sources have the potential to supplement the use of freshwater sources, providing environmental and economic benefits. The *Water Act* does not separately define and describe access to alternative water sources, raising uncertainty for use of these alternatives. Defining and clarifying the use of alternative water sources, including wastewater, rainwater, stormwater, and return flows, will provide regulatory certainty and support future, more detailed policy development for those seeking to invest in these alternatives, that will in turn help advance water conservation, efficiency and productivity.

Defining alternative water sources in the *Water Act* is anticipated to be paired with certain exemptions from requiring a water licence, for example clarify that rooftop rainwater collection would not require a licence.

For context, the *Water Act* defines water as “all water on or under the surface of the ground, whether in liquid or solid state”.

4.1 Wastewater reuse

- **Current state:** Existing regulations restrict wastewater reuse, and sharing between operators is not contemplated in the *Water Act*.The Water Conservation Policy for Upstream Oil and Gas Operations drives the use of alternatives to non-saline water (i.e., fresh water) for activities such as fracking. However, there is insufficient flexibility or guidance in current policies to allow operators to reuse wastewater for various applications or to allow wastewater from different sources, such as pulp mills or municipalities, to be considered potential alternative water sources (that is, wastewater that is reused in some circumstances can be classified as a waste and not eligible for alternative uses).
- **Seeking feedback on:** Creating a mechanism to authorize reuse of wastewater by an entity other than the producer. This may include defining responsibilities of wastewater producers, users, and regulator(s) related to alternative water sources in the act, regulation or policy.

4.2 Rainwater use

Feedback from phase one of water availability engagement included questions on rainwater use, including defining rainwater in the *Water Act*, and specifying how much rainwater can be taken. Rainwater and rainwater use refers to rainwater that is intercepted and captured before it hits the ground, whereas stormwater refers to water that is captured or managed after it hits the ground in the form of runoff.

- **Current state:** The *Water Act* does not specify rainwater or precipitation in the definition of water and therefore whether it is subject to (or exempt from) licensing requirements. This creates uncertainty for potential rainwater projects that could benefit businesses as well as everyday Albertans. Without clarity, it could be interpreted that any volume of rainwater could be harvested, stored and used without a licence or oversight, even if there are impacts on other existing water users.
- **Seeking feedback on:** Amending the definition of “water” to clarify that water includes rainwater captured before it hits the ground.

4.3 Stormwater use

- **Current state:** Existing regulations and policies restrict the use of stormwater.As stormwater is surface runoff, a licence is required to use stormwater regardless of the volume or purpose for using it. An exemption from a water licence for up to 6,250 cubic metres per year applies to storm drainage storage facilities under the Water (Ministerial) Regulation. In southern Alberta, where most sub-basins of the South Saskatchewan River Basin are closed for the purposes of receiving applications for new water licences, a licence transfer from an existing licensee is needed to use stormwater in quantities above the exemption limit.
- **Seeking feedback on:** Defining and enabling use of stormwater in the *Water Act* as a foundational measure that may support stormwater use as an alternative water source. We are seeking feedback on enabling stormwater diversion, at volumes up to the net difference in runoff between pre- and post-development, and whether stormwater supply and use by third parties should be controlled or regulated.

4.4 Return flow

Return flow is the portion of a water allocation that is returned to the water source, usually in the form of treated wastewater. Return flow obligations may be specified in licences including licences issued to municipalities. Return flows may be relied on to achieve water management objectives and transboundary obligations.

Licences are issued presuming any water not consumed or lost in fulfilling the licensed purpose is returned to the environment. Other uses or secondary users are not permitted unless expressly authorized.

- **Current state:** Return flows are a fundamental component of the water management system in Alberta, but the term "return flow" is not defined in the *Water Act* or its regulations. When a licence is issued for an allocation, the allocation volume is the gross diversion of water, which has three components: consumption, loss, and return flow.
- **Seeking feedback on:** Amending the *Water Act* to clarify:
  - return flows are returns to a surface water body and are subject to licensing requirements; and
  - whether gross diversion remains the basis for all licences issued, and what portion should be eligible for licence transfers (e.g., consumptive versus non-consumptive considerations).

We are seeking feedback on considerations for defining limited circumstances when the concept of return flow credit or net diversion could be used to support water availability. Net diversion could be used to offer flexibility for licensees to adjust the volumes or rates of their operational diversions, provided a commitment is made to return a defined volume and rate of flow to the surface water body and they do not exceed their total annual licensed allocation. This may include considerations of acceptable quality of return flows.

Additional feedback

As noted earlier, wherever possible, specific references to sections or provisions in the *Water Act* are provided in this discussion document as they relate to the current state or proposed changes. Should policy changes proceed, additional consequential amendments to other sections and provisions in the act, and associated regulations or policies may be required to implement the desired policy intent.

Feedback on related and consequential amendments is welcome.

If there are other *Water Act* amendments to consider that enhance availability, please provide specific proposal and rationale.

Next steps

Collecting many perspectives to inform the Government of Alberta's proposed changes to the *Water Act* will ensure Alberta is able to meet the needs of Alberta's communities, economy, and environment.

Participants who wish to provide written feedback, please submit feedback using the online survey on the water availability engagement page.

The Government of Alberta will consider all feedback received as it contemplates legislative changes. Information on changes will continue to be communicated to impacted Albertans.

In addition to proposed *Water Act* amendments, the Government of Alberta heard other policy and program change opportunities to enhance water availability in the province. Assessment and advance of these opportunities, including but not limited to natural and engineered water storage, water infrastructure, and water conservation, efficiency and productivity technology, are expected to occur in the future.


Alberta