

# Alberta's water priority system

## Tools for Water Licence Holders

Alberta's water priority system is based on licence seniority and provisions in the *Water Act*. Each licence is given a priority number that corresponds with the date that a complete application was received. A licence with an earlier priority number is a more senior licence than one with a later priority number (considered a 'junior licence'). This approach for assigning priority is known as first in time, first in right (FITFIR), and has been a key principle of approving and managing water use in Alberta since 1894.

A water licence will typically include:

- Licence number, file number, and priority number
- Maximum annual water volume licensed for use (total allocation)
- Maximum diversion rate
- Source and location of water withdrawal, water use, and if applicable, water return
- Purpose for use
- Any licence conditions intended to prevent adverse impact to the aquatic environment and other water users

It is the responsibility of the water licensee to understand and follow the terms and conditions of their licence. The priority system does not apply to certain specified types of water uses that are exempt from licensing. Defined household use, which does not need a licence, is given the highest priority of any uses under the *Water Act*.

### Priority calls

A water licence is not a guarantee of water supply, and the priority number tells licensees their "place in line" when there is not enough water for all users. If a licensee cannot take water because of other water users, they may contact the Government of Alberta (GOA) and "call priority" or "call seniority" on other more junior licensees under Section 30 of the *Water Act*. This means that during water short periods a licensee with a more senior licence has the right to divert its full allocation, subject to its licence terms and conditions, before a more junior licensee can access that water.

To administer a priority call, the GOA may issue a water management order to restrict water access by junior licensees. Regional approvals and compliance staff with the GOA monitor compliance with water management orders. The restrictions will remain in place until the senior licensee's water needs have been met and the order is lifted.

Because calling priority may lead to severe outcomes for junior licensees, senior licensees can volunteer to divert less water so more is available for other users in the system without anyone being left with no water (see the section below on voluntary water agreements).

### Tools for lower priority licences to gain access to water

If a licensee doesn't have sufficient licence priority, there are other tools to gain access and/or share water including an assignment or a transfer, or voluntary agreements with other water users. Regardless, if a priority call is made by a senior licensee, it remains an overriding consideration of any of these tools.

#### Water Assignment – Section 33 of the Water Act

A written agreement to assign water allows a water licensee or registered traditional agriculture user to temporarily distribute all or part of their water allocation and priority to another licensee or traditional agriculture user. A copy of the assignment agreement should be provided to the GOA so the water administrators are aware of the assignment. Water assignments are most useful to junior water licensees who are not able to access water due to priority calls. Limitations on water assignments include:

- The person must be able to access the assigned water by natural flow (i.e., the water cannot be piped or manually delivered to a different location).
- Water already diverted prior to the agreement cannot be assigned to another person.
- The licensee who is receiving the water through a water assignment must still follow their own licence conditions. That includes the amount of water they are allowed to divert, timing of diversion, and their terms and conditions, such as restricting water use if below a water management threshold such as an instream objective.

If a licensee is limited by a condition in their licence or wants to divert more water than their licence is allocated for then an assignment is not practical and they may consider pursuing a water transfer, or, to meet a short-term need (one year or less) they could seek out an alternative source and apply for a temporary diversion licence, if water is available.

Licensees should carefully consider the consequences of assigning all or a portion of their allocation and priority.

## Water Transfer – Section 81 of the Water Act

A water transfer is a temporary or permanent transfer of all or part of an allocation of water to another licensee or new water user. Transfers can help licensees manage the risk of water shortage by acquiring a licence with a more senior priority.

Transfers are the primary method to enable a new project or water user in a river basin that has been closed to new surface water licences, such as in the Bow, Oldman, and South Saskatchewan River sub-basins. Licence transfers can only be authorized where there is an applicable approved water management plan or by an order of the Lieutenant Governor in Council.

A transfer will result in issuing a new licence with the same priority number as the licence the allocation was transferred from. The new licence will be subject to any terms and conditions necessary to implement requirements of an approved water management plan and to mitigate impact to other water users. The department may hold back up to 10 per cent of the transferred quantity for the purposes of protecting the aquatic environment or to implement a water conservation objective.

For those considering water transfers, they should start the process as early as feasible since there are specific regulatory requirements to meet before a transfer may be issued (including public notice of application, input from those who may be directly affected, and ability for persons to appeal the transfer decision).

## Voluntary Water Sharing Agreements

Water users may wish to enter voluntary water sharing agreements with one another during periods of water shortage. Sharing agreements have typically been made in local or smaller river basins to enable all licensees in that area to have access to some water. These agreements help avoid situations where some users end up with no water. Sharing agreements work through cooperation where all users agree to share the impacts of shortage and take a lesser quantity – usually based on a percentage reduction. This strategy leaves more water in the river for all users so that priority calls and other instream (minimum flow) cutoffs are hopefully avoided, and all users can continue to take water. However, if an upstream priority call is made, the GOA would be compelled to consider the priority of all licensees to administer the call, even where parties are in a voluntary sharing agreement.

## More Information

It is important for water licensees to be aware of their licence conditions, as well as priority. If you require support finding or reviewing your water licence, please contact the Outreach Services team to be connected with local approvals staff:

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310-3773