

Bill 7 – Water Amendment Act, 2025

RMA Member Resource

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Bill 7 - Overview

[Bill 7: Water Amendment Act](#), 2025 introduces significant changes to Alberta's water governance and management framework. According to the Government of Alberta, the changes in Bill 7 are intended to modernize management, improve transparency, and enable use of alternative water sources. These amendments come at a time when Alberta faces mounting water challenges, prolonged droughts, population growth and increasing industrial demand from sectors such as energy, agriculture, and emerging initiatives like data centres.

Among the most notable changes that Bill 7 makes to the *Water Act* are the creation of definitions for "return flow" and "water for reuse," expansion of the Director's authority to impose monitoring and reporting requirements, and creation of a category for lower-risk inter-basin transfers that can be approved by ministerial order. It also consolidates the Peace-Athabasca and Slave River basins into a single major basin and introduces mandatory disclosure requirements for agreements related to water assignments, transfers, and reuse. Additional provisions allow regulations to set timelines for application reviews and limit requests for supplemental information.

While these changes aim to streamline and clarify administrative processes, they raise critical questions about rural water security, environmental protection, and equitable governance and decision-making on provincially-significant water management issues. This report provides an analysis of the most significant amendments, their implications for rural Alberta, and RMA's advocacy priorities moving forward.

How to Use This Document

This document provides an overview and RMA analysis of the most significant *Water Act* changes introduced in Bill 7. It does not include every amendment made by the bill. Members seeking clarity or analysis on a specific provision not included here are encouraged to contact RMA's Policy and Advocacy Department.

Each legislative change included in the document features an overview of the previous status, the amended status, and a summary and/or analysis. In some cases, the previous and amended status uses direct language from the applicable Act and Bill 7. In other cases, summary language is used for clarity. The summary/analysis section is based on interpretation of how the change will be implemented and its likely impact. Where impacts are uncertain or neutral, the section serves primarily as an explanation; where impacts are significant, analysis is provided.

Much of the analysis in this document aligns with [RMA's initial input](#) into the Government of Alberta's water availability engagement process in 2025, which informed the development of Bill 7.

Amendments and Analysis

Bill 7 introduces amendments to the *Water Act* that collectively reshape Alberta’s approach to water allocation, reuse, and governance. These changes reflect a growing emphasis on conservation and efficiency but also create new compliance obligations and potential risks for rural municipalities. Below is a summary of each amendment, including its previous status, amended status, and analysis of likely impacts.

New Definitions: “Return flow” and “Water for reuse”

Previous Status	Amended Status	Summary/Analysis
No definitions for “return flow” or “water for reuse.”	<p>s.1(1)(zz.1) adds “return flow”; s.1(1)(hhh.1) adds “water for reuse.”</p> <ul style="list-style-type: none">◆ Return flow: Refers to water that is diverted under a license and then returned to its source or the environment after use. This definition clarifies how water that re-enters the system is treated for regulatory purposes.◆ Water for reuse: Defines water-based liquids eligible for reuse under prescribed conditions. This includes water diverted under a license that is supplied to another user for reuse, provided it is not considered wastage.	<p>These new definitions introduce a legislative background for current and potential future action related to water reuse. It is currently unclear if the new definitions will support water conservation and efficiency or if they will result in ambiguity on eligibility for industrial reuse (e.g., hydraulic fracturing fluids and oil sands wastewater).</p> <p>If such uses are permissible under the definitions, contamination risks on rural water sources could increase. No safeguards for rural water security or mandatory consultation with municipalities is included in the bill. While the new definitions may be intended to promote water reuse and return to its source where appropriate, uncertainty related to protection of source water and overall usage remains.</p> <p>RMA is currently seeking further clarity on the intent and practical implications of the definitions.</p>

Expanded Director Authority

Previous Status	Amended Status	Summary/Analysis
Director had limited authority to amend license conditions.	<p>s.18(2.1) and s.54 allow Director to impose monitoring, reporting, and inspection requirements on deemed licenses and reuse arrangements.</p> <p>The amendments grant the Director explicit authority to add or amend monitoring, measurement, reporting, and inspection requirements for licenses, including deemed licenses and those involving water reuse.</p>	RMA appreciates adding monitoring, reporting, and inspection requirements, as these measures can improve oversight. However, the frequency of monitoring and the specific compliance requirements remain unclear. This uncertainty was reflected in RMA's water availability engagement submission, including increased Director authority in low-flow conditions, the need for downstream consultation, and the potential cumulative impacts of regulatory changes on municipal water users.

Transparency: Mandatory Disclosure

Previous Status	Amended Status	Summary/Analysis
Disclosure requirements for water transfers, including temporary assignments, were minimal.	<p>New sections (s.33.1, s.50.1, s.62.1, s.81.1) require submission of agreements for:</p> <ul style="list-style-type: none"> ◆ Temporary water assignments ◆ Transfers of water allocations ◆ Arrangements for supplying water for reuse <p>These agreements must be provided to the Director before water is diverted and may be made public, subject to regulations.</p>	<p>Previously, disclosure rules were minimal, limiting oversight. Bill 7 now requires agreements for water assignments, transfers, and reuse to be submitted before diversion.</p> <p>While RMA supports stronger transparency and sees public reporting as a positive step that can increase accountability particularly for industrial water users, the practical implications for municipalities remain unclear. Municipalities need clarity on what information must be disclosed, how often they report, and how privacy or commercial-sensitivity issues will be managed. RMA will continue to advocate for clear, workable guidance so municipalities can meet the requirements.</p>

Inter-Basin Transfers: “Lower-Risk Transfer” Category

Previous Status	Amended Status	Summary/Analysis
<p>Transfers between major basins require a special Act.</p>	<p>s. 47 creates “lower-risk transfer” category; These transfers can be authorized by ministerial order without requiring a special Act of the Legislature.</p> <p>Criteria for lower-risk transfers include:</p> <ul style="list-style-type: none"> ◆ No invasive species risk. ◆ Diversion limits based on source basin (e.g., 0.1 m³/s for Milk/Beaver River, 1.0 m³/s for Hay River, 4.0 m³/s for others). ◆ Compliance with additional conditions set by regulation. 	<p>This represents a significant policy shift from the previous requirement for legislative approval of inter-basin transfers. While intended to streamline processes, the details of how “lower-risk” will be assessed beyond invasive species provisions is unclear. Regulations may provide the details, however, the legislation does not require regulations to be created, nor does it ensure that regulations address specific elements of concern.</p> <p>RMA is seeking engagement on the creation of associated regulations. Additionally, RMA is seeking protections in legislation, as legislative protection provides a greater degree of certainty. Without legislative safeguards, it is unclear if inter-basin transfers will continue to be treated as a last resort</p> <p>RMA’s concerns align with Resolution 8-25S, which calls for formal public and municipal consultation on inter-basin transfers. Allowing ministerial approval without legislative oversight reduces transparency, limits opportunities for rural input, and increases risks that industrial or urban demands will be prioritized over rural water security during drought. While RMA opposes the changes to inter-basin transfer approvals, if they are to move forward under the new process, clear requirements for defining “lower-risk” using factors such as cumulative-effects assessment, invasive species management, impacts on other water users, and public review are necessary to safeguard rural communities.</p>

Major Basin Consolidation

Previous Status	Amended Status	Summary/Analysis
Peace-Athabasca and Slave basins were managed separately.	s.1(1)(ff) combines the Peace–Athabasca and Slave basins into one major basin.	<p>In Alberta, river basins form the geographic area used for making water management decisions. This includes the creation of water management plans, which are statutory plans that provide direction for specified basins when license and approval decisions are made. Not all basins have water management plans; neither the former Peace-Athabasca nor the Slave basin were previously subject to a water management plan.</p> <p>It is not clear to RMA if and to what extent merging the basins will impact decision-making in areas such as water monitoring stations, funding allocations, or staff capacity to manage water allocation and usage.</p> <p>Related to the previous item, combining the river basins could enable large-scale water transfers across the northern part of the province without scrutiny. This change brings major implications for northern Alberta’s water governance as significant areas of land are combined into a single policy zone.</p> <p>RMA is seeking clarity on the impacts of this change for local and regional management of water resources in northern Alberta.</p>

Timelines & Red Tape Reduction

Previous Status	Amended Status	Summary/Analysis
No timelines or limits on supplemental information requests.	s.169(2)(i.1), (i.2) enables regulations imposing decision timelines and restricting supplemental info requests.	<p>This change is intended to streamline processes, but introduces a risk of rushed reviews for complex situations, such as those related to industrial reuse or inter-basin transfers. Key elements of the Bill 7 changes in this area include:</p> <ul style="list-style-type: none"> ◆ Establishing timeframes for the Director to review applications and make decisions. ◆ Limiting the scope and frequency of additional information requests. It is not clear which additional information requests are viewed as an impediment to the process. <p>The details of implementation such as what constitutes “reasonable timelines” and how exceptions will be handled remain subject to regulation.</p> <p>RMA is seeking clarity on how these changes will properly balance streamlining approvals while ensuring complex or high-risk applications can be reviewed based on a full suite of information.</p>

Next Steps for RMA

- ◆ **Advocate for Regulatory Clarity:** RMA will seek clarification from the minister on:
 - ◇ The implications and rationale for the merger of the Peace-Athabasca and Slave river basins
 - ◇ What criteria will be used to evaluate “lower-risk” inter-basin transfers
 - ◇ How the new definitions will impact the re-use of industrial wastewater
- ◆ **Monitor Implementation:** RMA will monitor the regulation development process, including seeking opportunities to participate in the development process. RMA will also monitor the impacts of the implementation and evaluate future advocacy direction.