

Engagement summary

Water and Wastewater Servicing Allocation Policy

Phase 2 Engagement Summary of Feedback

This summary describes what we did, what we heard, and what we are going to do with the information we gathered from the community during the Phase 2 of Water and Wastewater Servicing Allocation Policy Engagement. The phase two activities included sharing a draft plain language Water and Wastewater Servicing Allocation Policy for community review and feedback. This Policy was informed by Phase 1 engagement feedback and requests for greater information on the proposed policy and the related processes requested from stakeholders through the Phase 2 engagement.

What we did

A Have Your Say engagement was launched on September 22nd which shared a draft version of the Water and Wastewater Servicing Allocation Policy for public review and comment over a 30-day period, which ended on October 22, 2025. This engagement utilized the Konveio tool on the Have Your Say platform which allowed interested parties to provide comments and questions withing the Policy document itself.

The Policy review was open to all members of the public and promoted in the September Have Your Say newsletter. It was also promoted by email to members of the development community who may be impacted by the policy.

What we heard

In total 3 written submissions were received by staff in response to the phase 2 of the engagement. As these submissions posed questions regarding specific parts of the Draft Policy, we have used a question and answer based reporting format to summarize the questions received and associated staff responses.

Question 1: Do capacity checks look to the allocation plant capacity only or does it also assess linear systems?

Response:

Formal and informal capacity checks will assess both plant capacity and local linear infrastructure servicing capacity to confirm that the defined servicing needs of the proposed project can be met.

It is required that suitable water plant, wastewater treatment capacity, and linear water and linear wastewater servicing assessments be confirmed by the capacity check to ensure required servicing is available for planning applications.

Question 2: If an application comes to lapse under the Policy, are lapsing agreements removed from title?

Response:

Site plan and subdivision agreements will include provisions on lapsing, and there would not be individual allocation agreements that would impact title. Previous reference to independent servicing agreements has been removed from the revised Policy.

Question 3: If an application comes to lapse under the Policy, are Letters of Credit (LCs) returned?**Response:**

No, Letters of Credit are not specifically provided for the purpose of capacity allocation. As such, securities would not be returned due to the lapsing of servicing allocation.

Question 4: Are new staff roles required to implement use it or lose it? What is the estimated impact?**Response:**

The need for new staff to administer the Policy and its processes are not anticipated. Much of system will be automated through updates to the City's current document management systems.

Question 5: Extension of Capacity Extension Requests lacks needed detail. What extenuating circumstances would be supported for Capacity Allocation Extension Requests?**Response:**

Criteria within the policy is meant to define the anticipated themes which may lead to the need for extension requests. It will be the proponent's responsibility to demonstrate the need for extension.

Question 6: What would the process be to appeal to Council should an extension request not be supported?

Based on further assessment of changes implemented to the Municipal Act under Bill 185, it is required that administration of the Policy must be assigned to an officer, employee or agent of the municipality. As such, the appeal process has been realigned under the Policy to direct appeals to the Deputy CAO of Infrastructure, Development and Enterprise and not City Council (who are not an officer, employee or agent of the municipality under the Act).

Information on the appeal process will be posted to the City's website following Council approval of the Water and Wastewater Servicing Allocation Policy and in advance of March 31, 2026.

Question 7: The Monitoring and Reporting requirement, noting that the notice of the GM of Planning and Building Services at 5% of unallocated capacity remaining is very low. Master Plans should be implementing capacity expansion well before this limit.

Response:

Water Services and Wastewater Services continue to implement capacity expansions in water supply and wastewater treatment in accordance with recommendations of the 2022 Water Supply Master Plan Update and 2022 Wastewater Treatment and Biosolids Management Master Plan and ongoing monitoring of community trends in water and wastewater demands.

The intent of the 5% threshold noting within the Policy is to ensure the General Manager and Council are aware that remaining unallocated capacity is limited (below or equal to 5%). The role of this threshold would not be the starting point to begin to expand water and wastewater servicing.

Acknowledging this comment, and other like comments through the engagement process, we have increased the notice threshold to provide notice to the General Manager and Council when remaining water and wastewater plant capacity is below or equal to 10% remaining .

Question 8: What are costs for capacity checks?**Response:**

In accordance with current process, linear servicing capacity checks are completed by external consultants using the City's Hydraulic Water and Wastewater Linear Models to confirm servicing needs for planned land development projects. Consultant costs are specific to the scope and efforts required for linear water and wastewater servicing modelling of the specific application and are presented to, approved by and billed to applicants on a cost recovery basis. Plant capacity tracking model checks are completed in-house by Environmental Services staff and are not subject to additional costs to proponents at this time.

Question 9: Is the City's plant capacity tracking tools public facing?**Response:**

No, this is an internal tool developed through ongoing monitoring of water supply and wastewater treatment trends, water billing based historical per capita water demand monitoring and existing planning capacity approvals.

Although the tool is not public, staff would report to Council annually through a public facing City of Guelph Growth Management Report which would share the state of unallocated capacity to inform Council in its decision making.

Question 10: This would appear to be a significant change in the way approvals are obtained and managed that could have considerable unintended consequences. Has a business case been developed to analyze the process change?**Response:**

The City is being proactive to ensure we have suitable capacity to 2051. Better tracking and accurate data will ensure the best information for decision making to ensure we have water and wastewater when the services are required.

To date the City has not had a formal Servicing Allocation Policy which creates a process risk to proponents and to the City. Furthermore, with lack of definition of how capacity is allocated there exists no guideline defining when or by what means servicing capacity is best managed/allocated should available capacity become more limited and finite in the future. Staff feel this level of process transparency is required to ensure understanding by all interest holders.

Compounding this risk includes increased development pressures. The City is facing applicant initiated increased densities and well as servicing management for 3 or 4 units on a property as a right. The City needs to monitor remaining capacity as a result of capacity changes which are occurring because of added density.

In accordance with housing objectives in the City's strategic plan, a "Use it or Lose it" Policy was directed to be developed by Council to support capacity allocation to shovel ready developments and encourage the timely construction of new housing projects.

A number of Ontario municipalities are working to develop like Policies at this time coming from changes to the Municipal Act introduced by Bill 185. Staff have initiated discussions with other municipalities and other levels of government, and we anticipate general alignment in the policies as they work through their respective local processes to develop and implement them.

Question 11: Following a "capacity check", it is not entirely clear how the capacity would be held in reserve for an application and whether this would mean that other applicants' proposals would be placed in the queue or informed that no capacity exists;

Response:

In accordance with the proposed Policy, holding of capacity begins with formal capacity checks during planning applications. Upon the execution of formal capacity checks by the proponent for active planning applications, a hold for capacity needs specific to the project will be defined in the City's plant capacity tracking model for a period of 4 years (48 months) while the applicant continues to develop their planning application. Following completion of a formal capacity the applicant will receive a report including a plant capacity check which will note the capacity held and terms of the lapsing period.

Once a planning application reaches approval, formal allocation of capacity to the project is then defined as part of development agreements. Upon completion of the planning application and the execution of the final site plan agreement or subdivision agreement, allocation of servicing capacity to the project will be completed and noted within the respective agreement, including a 3 year (36 month) lapsing period for the capacity allocation.

While it is not the City's intention to ever hold up development, it is equally important that the City does not approve development where adequate water and wastewater

servicing is not present to support the application. Should suitable servicing capacity not exist for a planning or building application, then this would be noted through the formal capacity check and a supporting report would be shared with the proponent. In such circumstances, these and future applications received would be subject to a holding provision until the time of new and adequate servicing capacity is available to support project servicing needs.

Question 12: A “use it or lose it” policy where allocation lapses if substantial performance of services is not achieved after three years, provides for a very narrow window of time, particularly for larger, more complex, or phased projects. In addition, since the lapsing is automatic (i.e., “shall” and “will”) after three years, the policy would prevent the exercise of discretion in determining whether lapsing is appropriate under the particular circumstances of an individual project;

Response:

A key driver for the policy is to expedite new housing construction. Should particular circumstances of an individual project not allow for completion of the lapsing period the policy provides the ability for proponents to request an extension of the lapsing period based on these circumstances. In best managing capacity, proponents are encouraged to frame their projects with a reasonable phasing plan to ensure the allocation does not lapse (i.e. ability to achieve substantial performance of site servicing in 3year period).

Question 13: In our submission, the Capacity Allocation Extension Request criteria are too general to enable applicants to determine if their project would meet the criteria, thus injecting substantial uncertainty into the extension request process. We suggest that the criteria should be expanded to include considerations such as: location including prioritizing lands within Strategic Growth Areas, including community mixed use nodes, where the Province and City intend to focus new development to meet long term needs; larger sites where higher numbers of dwelling units are approved and where phased/staged build out may take several years; and/or where market /economic conditions are not supportive of going ahead within the thirty-six (36) months expiry of Capacity Allocation;

Response:

The purpose of policy is to allocate servicing capacity to those ready to build when they are ready to build. The criteria within the policy is meant to define anticipated themes which may lead to the need for extension requests. Through extension requests it will be the proponents responsibility to demonstrate the need for extension.

What we are doing

Feedback attained through the Phase 2 engagement will be used to further refine the draft policy in preparation for submission of the Policy to Guelph City Council for approval in February 2026.

Next Steps

Next steps for the Water and Wastewater Servicing Allocation Policy Project include final amendments to the Policy using the feedback received and development of a staff report and enacting bylaw which will come before Council for deliberation and approval at the February 3, 2026 Committee of a Whole meeting.

In advance of the Policy coming before Council, staff will be meeting with Grand Highlands Homebuilders Association on January 9th to discuss association comments, staff responses and share the draft final Policy document. Similarly, a secondary consultation concerning the Policy will be held with the City's Planning, Environment and Water Advisory Committee and Economic Development and Tourism Advisory Committee at their planned meetings during the second week of January 2026.

Interested stakeholders have the ability to delegate or provide written submissions to Council as part presentation of Water and Wastewater Capacity Allocation Policy Report at the February 3, 2026 Committee of a Whole Meeting. Further information on how to register to speak or provide written comments to Council can be found on the City's website at <https://guelph.ca/city-hall/mayor-and-council/city-council/agendas-and-minutes/delegations-and-comments/>

To continue to receive updates related to this project please ensure you are following this project within Have Your Say.

For questions concerning this engagement phase 2 summary, please contact:

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