

# Staff Report



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To	City Council
Service Area	Infrastructure, Development and Environment
Date	Tuesday, November 4, 2025
Subject	<b>City of Guelph Source Protection Plan Proposed Amendments and Endorsement</b>

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## Recommendation

1. That Council endorse the draft water quantity policy amendments to the Grand River Source Protection Plan as per Section 34 of the Clean Water Act.
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## Executive Summary

### Purpose of Report

The source protection planning process began in 2006 following recommendations of the [Walkerton Inquiry](#), when the Ontario government passed the *Clean Water Act, 2006* to protect the sources of municipal drinking water throughout the province. In accordance with the Act this process is based on technical studies, collaborative policy development and extensive public consultation. The process to form and update the Source Protection Plan and Assessment Report for the [Grand River Watershed](#) has been guided by the Lake Erie Region Source Protection Committee, which is made up of representatives from municipalities, businesses, industries, farmers, landowners and other stakeholders.

Implementation of the Source Protection Plan policies is primarily the responsibility of municipalities and provincial ministries. Source Protection Plans are local, science-based plans designed to protect the water quality and quantity of the lakes, rivers and groundwater that supply municipal drinking water systems. The plans set out actions to eliminate, manage or reduce potential risks to drinking water sources.

On June 12, 2025 the [draft water quantity policies](#) were approved by the Lake Erie Region Source Protection Committee (presented by the Source Protection Authority) for pre-consultation with those organizations and provincial ministries who will be implementing the proposed policies. This was after a lengthy early engagement period which was initiated in 2022 and completed in May 2025.

*Section 34 of the Clean Water Act, 2006* requires the Source Protection Authority to obtain a municipal council resolution to endorse the amendments to the Source Protection plan affecting the City of Guelph prior to public consultation. The City of Guelph, through Clerks, received the notice of pre-consultation on September 8, 2025, from the Lake Erie Source Protection Region. City staff have reviewed the policies presented and support the endorsement of the changes to the City of Guelph chapter. Attachment 2 of this report outlines the comments to be submitted to the Source Protection Committee for consideration.

## Key Findings

- The Lake Erie Region Source Protection Committee has incorporated draft water quantity policies into the Grand River Source Protection Plan (the Source Protection Plan) and updated the Grand River Assessment Report. On June 12, 2025, they approved these amendments for pre-consultation with implementing bodies, which includes the City of Guelph.
- Water Quantity Policies in the Source Protection Plan include a variety of approaches to manage and prevent risks to municipal drinking water. The policies are designed to ensure the ongoing protection of the quantity of the City's municipal current and future water resources.
- A [Tier 3 Water Budget and Local Area Risk Assessment](#) process implemented by the Lake Erie Source Protection Committee was completed in 2017. The aim of this process was to determine the risk to water quantity in the Guelph and Guelph Eramosa Township (GGET) area. As a result of this work, the Wellhead Protection Area – Quantity (WHPA-Q) and Intake Protection Zone- Quantity (IPZ-Q) policy areas were developed and received a significant drinking water threat ranking (Attachment 1). This ranking means that all existing and new consumptive water takings and activities that reduce groundwater recharge in these defined areas are classified as significant drinking water threats and that water quantity policies could be developed to protect these drinking water supplies as defined by the Clean Water Act's technical rules.
- For the City of Guelph, only the WHPA-Q policies would apply as the IPZ-Q is located outside the municipal boundary and therefore subject to municipal management by Wellington Source Protection (Wellington County) in accordance with jurisdiction under the Clean Water Act.
- Staff representatives from all municipalities in the WHPA-Q and IPZ-Q (including the City of Guelph, Township of Puslinch, Guelph Eramosa Township, Regional municipality of Halton, Region of Waterloo and Wellington Source Protection (Wellington County)) and staff from the Grand River Source Protection Authority have drafted water quantity policies for their respective jurisdictions to be incorporated into the updated [Grand River Source Protection Plan](#).
- These policies have been developed over the past six years with various City staff and government agencies identified as implementing bodies through early engagement. Through a workshop, the policies were thoroughly vetted and reviewed by City of Guelph staff. Many of the proposed policies would provide the City with additional protection of water quantity resources and therefore protection of the City's current water supply.
- Pre-consultation provides municipalities, ministries, and other implementing bodies with a chance to review and comment on the proposed amendments.
- Once council resolutions have been received, pre-consultation comments, along with any necessary revisions, will be brought back to the Source Protection Committee for consideration at a future meeting. A summary of the City's suggested revisions is provided in Attachment 2 to this report. Once approved by the Source Protection Committee, the Source Protection Authority will release these policies for public engagement. This is anticipated for early 2026.
- Once public engagement is completed, any necessary revisions will be further made and approved by the Source Water Protection Committee before

submitting the updated Assessment Report and Source Protection Plan to the Ministry of Environment Conservation and Parks- Source Protection Branch for director's approval. This is anticipated to be completed by Q4 2026 or Q1 2027.

- Once approved by the MECP, policies will be considered in effect and must be implemented as required. This would then trigger the need for any financial implications to begin.

### **Strategic Plan Alignment**

Endorsement of these policies would align with Goal 10.3 of Council's 2024 to 2027 strategic plan, "Conserve and protect Guelph's drinking water".

The City is one of the largest communities in Canada reliant on groundwater for its water supply. This is a finite resource. The proposed WHPA-Q policies would provide the City with greater ability to protect our current and potential future sources of drinking water.

### **Future Guelph Theme**

Environment

### **Future Guelph Objectives**

Environment: Empower the community to help create a sustainable city

### **Financial Implications**

In review of the draft policies there will be both short and long-term financial impacts of implementation. All budgetary requests will be presented for Council approvals through annual and multi-year budget processes. It is anticipated that any new potential impacts would occur first in 2027, once the updated Source Protection Plan has been approved by the MECP and based on work planning.

The City of Guelph has submitted funding requests through the development of these policies to the MECP for ongoing source protection administrative requirements and groundwater model technical and other required updates.

A Source Water Protection Collaboration agreement was formed in 2023 with Wellington County municipalities, which oversee the Clean Water Act administration processes for City Wellhead Protection Areas and Intake Prevention Zones in their respective jurisdiction, which supports policy implementation beyond City boundaries. In 2025 total City costs under this agreement represented \$190k per year. These costs are expected to rise in 2027 due to increased development reviews related to the approval of these policy amendments.

However, future-facing policies may reduce long-term water supply costs by promoting sustainable use of limited groundwater resources, potentially delaying the need for new water sources as outlined in the City's 2051+ scenarios in the 2022 Water Supply Master Plan.

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## **Report**

The source protection planning process is directed and administration is funded by the Ontario Ministry of the Environment, Conservation and Parks in conjunction with municipalities. Local conservation authorities provide technical, communications

and administrative support for the source protection planning process. For the City of Guelph, the Grand River Conservation Authority has been designated as the Source Protection Authority.

Currently, the City is implementing the approved Grand River Source Protection Plan and Assessment Report which outlines policies to protect future and existing drinking water supplies focused on the protection of water quality. This program of work has existed since the implementation of the Clean Water Act in 2006 following the Walkerton Inquiry.

Section 34 of the Clean Water Act, 2006 allows amendments of the Grand River Assessment Report and Source Protection Plan. This is a prescriptive process with extensive consultation and a requirement for council endorsement from affected municipalities. The proposed Section 34 amendment includes the Guelph and Guelph/Eramosa Township Tier 3 Water Budget and water quantity policies. A summary of past milestones on the project is available in report [SPC-25-03-08](#). The Guelph and Guelph/Eramosa Township Tier 3 Water Budget and Local Area Risk Assessment were presented to the Source Protection Committee in April 2017, and Lake Erie Source Protection Region staff were directed to incorporate the information into the Grand River Assessment Report (see report [SPC-17-04-04](#)). The Wellhead Protection Area (WHPA)- Quantity and Intake Protection Zone-Quantity are presented in Attachment 1.

As part of the Tier 3 technical work, a significant risk level was assigned to the City of Guelph and Guelph/Eramosa Township water supply systems, creating WHPA-Q and IPZ-Q policy areas. As a result of this risk level, all existing and new consumptive water takings (threat #19) and activities that reduce groundwater recharge (threat #20) are classified as Significant Drinking Water Threats within the WHPA-Q and IPZ-Q. Significant water quantity threats have been enumerated as part of this amendment and include:

1. Municipal permitted water takings
2. Non-municipal permitted water takings
3. Non-municipal, non-permitted water taking (e.g., domestic takings)
4. Recharge reduction activities
5. A new chapter (Chapter 24) will be included in the [Grand River Source Protection Assessment Report](#) which will outline this technical work.

Under the Clean Water Act, 2006, source protection plan policies are required for areas where activities are identified as significant threats. Policies must protect current and future drinking water supplies so that the identified significant drinking water threat ceases to be a significant threat, and future activities never become a significant drinking water threat.

As outlined in the Clean Water Act, before pre-consultation can occur, early engagement with the Ministry of the Environment, Conservation and Parks (MECP) and Ministry of Natural Resources (MNR) was required. Final comments on draft policy text were received from Provincial ministries on May 9, 2025. The affected municipalities, which included City of Guelph, have considered these comments in finalizing draft policy text presented. It is anticipated that policies may be further refined following consultation, as appropriate, based on municipal priorities regarding drinking water protection.

City of Guelph staff reviewed the draft policies presented in the pre-consultation package from the Grand River Source Protection Authority. A summary of the suggested amendments can be found in Attachment 2.

City of Guelph staff also reviewed the policies presented by Dufferin County (Townships of Amarantha and East Garafraxa), County of Wellington, Halton Region and Region of Waterloo as these policies also protect the City's groundwater supplies.

Anticipated policy timelines following the pre-consultation process include the following:

- Q1 2026 - Water Quantity policies are released for public consultation
- Q3 2026 - Revised policies submitted to the MECP for Director approval
- Q2 2027- Approval by the MECP and policy implementation

Water Services staff will share additional updates with City Council and opportunities for feedback with local stakeholders through future implementation of the above noted consultation process.

### **Financial Implications**

In review of the draft policies there will be both short and long-term financial impacts of implementation. All budgetary requests will be presented for Council approvals through annual and multi-year budget processes. At this time, it is anticipated that any new potential impacts would first occur in 2027, once the updated Source Protection Plan has been approved by the MECP and based on work planning.

The following is a summary of the anticipated impacts:

- a) Education and Outreach Programming- minimal financial impacts may occur to produce and distribute materials related to water conservation and efficiency. These costs and suggested rebate programs are currently integrated into the current and future Groundwater Protection Capital budget and are being reviewed as part of the City's One Water Strategy- The Blueprint. (Policy CG-CW-42.2; CG-CW-42.14; CG-CW-42.23; CG-CW-42.25)
- b) Optimization of the City's Water supply to maximize water takings was an important piece of work highlighted by the MECP for the City (Water Services) to complete. This project is currently scheduled to begin in 2026 and is included in the City's 2026 non-tax capital budget for approval. (Policy CG-CW-42.2)
- c) Increase in surface water and groundwater monitoring programs to ensure long term sustainability of the water supply (Policy CG-CW-42.9; CG-CW-42.16; CG-CW-42.24). Implementation will be at the discretion of the City and will be based on funding approvals through budget requests.
- d) Funding to update and maintain the Guelph Groundwater Model to inform decision making with respect to future water takings (Policy CW-42-12).

A Source Water Protection Collaboration agreement was formed in 2023 with Wellington County municipalities, which oversees the Clean Water Act administration processes for City Wellhead Protection Areas and Intake Prevention Zones in their respective jurisdiction, supports policy implementation beyond City boundaries. In 2025 total City costs under this agreement represented \$190k per

year. These costs are expected to rise in 2027 due to increased development reviews related to the approval of these policy amendments.

It is noted that any reduction and better management of water takings within the WHPA-Q could have a positive fiscal impact for the City. This is due to the potential to delay larger capital-based project with respect to new water supply, like those outlined in the 2051+ scenarios in the 2022 Water Supply Master Plan. Better management and protection against future water takings may provide additional local servicing capacity to be released back to the environment should underutilized permits to take water in the WHPA-Q be rescinded or right sized by the MECP.

The City of Guelph has submitted funding requests through the development of these policies to the Ministry of the Environment, Conservation and Parks for ongoing source protection administrative requirements and groundwater model technical updates.

### **Consultations and Engagement**

Internal Consultations were completed with the following City of Guelph departments:

1. Planning and Building Services- Administration
2. Planning and Building Services- Policy Planning
3. Engineering and Transportation Services- Development and Environmental Engineering
4. Environmental Services- Water Services
5. Environmental Services- Compliance and Performance
6. Facilities and Energy Management- Energy and Climate Change

### **Attachments**

Attachment-1 Guelph, Guelph Eramosa Township Wellhead Protection Area, and Intake Protection Zone- Quantity

Attachment-2 City of Guelph's suggested Policy Revisions

### **Departmental Approval**

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# Attachment-1 Guelph, Guelph Eramosa Township Wellhead Protection Area- Quantity

Figure 1: Map of Guelph/Eramosa Wellhead Protection Area - Quantity

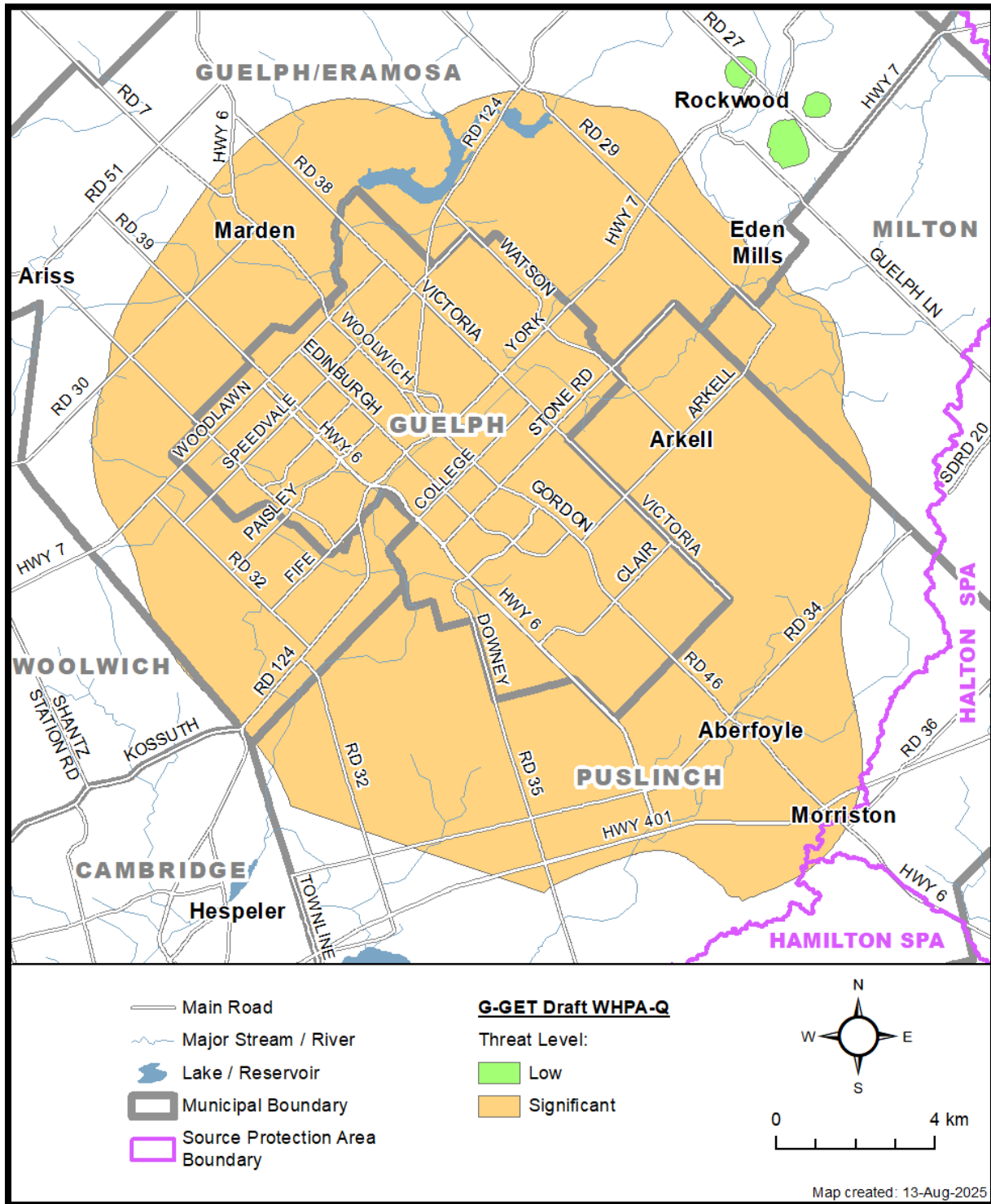
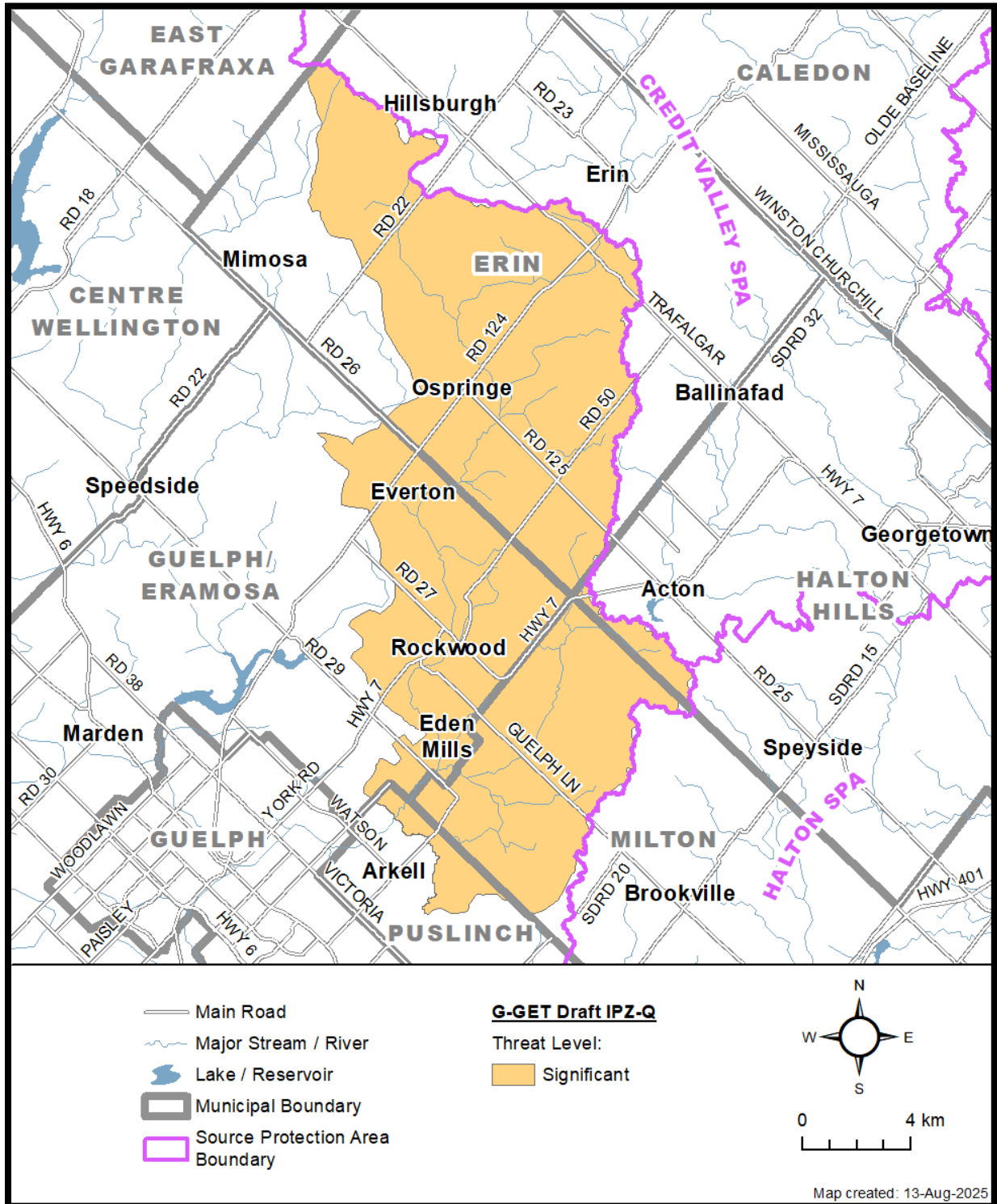


Figure 2: Map of Guelph/Eramosa Township Intake Protection Zone - Quantity



## **Attachment-2 City of Guelph Staff Comments**

### **City of Guelph comments for Chapter 8 of the Grand River Source Protection Plan**

The following provides a high-level summary of amendments made to the Grand River Source Protection Plan under Section 34 of the Clean Water Act, 2006 for the City of Guelph. The City of Guelph's policies are in Chapter 8 of this plan.

Section 8.1 – Definitions updated

Section 8.3 – New policies: CG-CW-42.1; CG-CW-42.2; CG-NB-42.3; CG-NB-42.4; CG-CW-42.5; CG-MC-42.6; CG-NB-42.7; CG-CW-42.8; CG-CW-42.9; CG-NB-42.10; 42 CG-NB-42.11; CG-CW-42.12; CG-NB-42.13; CG-CW-42.14; CG-NB42.15; CG-CW-42.16; CG-CW-42.17; CG-NB-42.18; CG-CW-42.19; CGCW-42.20; CG-CW-42.21; CG-NB-42.22; CG-CW-42.23; CG-CW-42.24; CG-CW-42.25; CG-NB-42.26; CG-MC-42.27; CG-MC-42.28; CG-MC42.29; CG-MC-42.30; CG-MC-42.31; CG-MC-42.32; CG-MC-42.33; CGMC-42.34; CG-MC-42.35; CG-MC-42.36; CG-MC-42.37; CG-NB-42.38; CG-NB- 42.39; CG-NB-42.40; CG-NB-42.41; CG-MC-42.42

Removed Schedules – all map Schedules have been removed.

Drinking water system and vulnerable area mapping are contained in the Assessment Report

City of Guelph Staff reviewed the above noted changes in a workshop on September 4, 2025. The following comments are recommended to be provided to the Lake Erie Region Source Protection Authority for consideration before releasing the policies for public consultation. Note, only policies with comments have been provided in this attachment.

#### **Policy Addition for consideration:**

*Comment/ Rationale:* City of Guelph staff would like consideration for the addition of a policy to address permanent dewatering systems (i.e., foundation drainage) under the consumptive water use significant drinking water threat. This would apply where the groundwater taking is less than 50K litres per day; and/or does not have an Environmental Compliance Approval or other provincial approvals; and the water is being re-directed, in whole or in part, directly or indirectly, to a Municipal Sewage Collection System, a Municipal Stormwater Management System, or another area that is hydraulically separated from the original source. It is requested that this "gap" be reviewed and a policy included under Section 58 of the Clean Water Act, requiring the development of a Risk Management Plan to manage this activity.

#### **Major Policy edits for consideration:**

*Policy Number:* CG-MC-42.6

*Pre-Consultation Policy:* To ensure that any Future Consumptive Water Taking in a WHPA-Q never becomes a significant drinking water threat, where this activity would be, a significant drinking water threat, the City of Guelph shall consider the use of a holding zone provision, a community planning permit, or a condition on a *Planning Act, 1990* approval in order to ensure that a PTTW, if required, is in place

prior to the commencement of any development activity or issuance of a building permit.

*Comment/ Rationale:* City of Guelph staff are requesting the removal of this proposed policy. The proposed policy with respect to the City's current Official Plan and Zoning By-law, as well as current limitations and requirements under the Planning Act, cannot be implemented. City staff will explore future opportunities to incorporate the intent of this policy in current/ future practices and updates.

**Minor edits are requested to the following policies and explanatory document:**

*Policy Number:* CG-CW-42.2

*Edit:* Clarify intent by adding additional text to the Explanatory Document that this policy does not apply to temporary water takings such as those used for construction dewatering.

*Policy Number:* CG-CW-42.9 and CG-CW-42.24

*Edit:* Clarify intent by adding additional text to the Explanatory Document that this policy should be applied when completing sub watershed planning.

*Policy Number:* CG-CW-42.24

*Edit:* Add in the wording "and/or offset drinking water demand with" to the last sentence after the word infiltrate to provide additional intent. Further text should be added to the Explanatory Document to provide rationale.

**City of Guelph Comments on the Grand River Source Protection Plan Chapters**

City of Guelph- Water Services staff reviewed the remainder of the changes to the Grand River Source Protection Plan. The following comments are recommended to be provided to the Lake Erie Region Source Protection Authority for consideration before releasing the policies for public consultation. Note, only policies with comments have been provided in this attachment.

**Policy Additions for consideration:**

*Policy Number:* similar to City of Guelph Policy CG-NB-42.4

*Pre-Consultation Policy: City of Guelph Policy:* To ensure that any Future Consumptive Water Taking in a WHPA-Q never becomes a significant drinking water threat, where this activity would be a significant drinking water threat, the Ministry of Municipal Affairs and Housing should ensure that assessment and determination of population and employment targets include consideration of the Tier 3 Study results and sustainable water quantities for current and future municipal water supplies to support growth targets. The Ministry of Municipal Affairs and Housing should have meaningful consultation with the City of Guelph as part of this review and give due regard to comments provided.

*Comment/ Rationale:* City of Guelph staff request that additional policies be included in the municipal chapters to reflect considerations of the Tier 3 Water Budget study results for growth target setting by MMAH. This will help to ensure sustainable management of the water supply and support growth in this water stressed area. The Wellington County chapter does include policies WC-MC-22.7 and WC-MC-22.8 which direct this type of review to themselves, which is

appreciated, however, staff feel it is important to have this directed to the MMAH as well.