

Water and Wastewater Servicing Allocation Policy

Committee of the Whole Meeting

February 3, 2026

Background



Bill 185 launched by Province of Ontario in 2024, which introduced changes to the Municipal Act allowing municipalities to create servicing allocation policies/bylaws including “Use it or Lose it” provisions.



Use it or Lose it Provisions would allow municipalities with approved servicing bylaws to reclaim servicing capacity approvals from planning projects which come to lapse and reallocate available capacity to more shovel ready projects in expanding Ontario housing.



Changes brought forward through Bill 185 consistent and complementary to Municipal Services and Infrastructure direction of City Official Plan (sections 6.1, 6.14, 6.15)

Growth Management



Recent regulatory changes promoting intensification, i.e. allowing 3 to 4 units as a right, has brought additional pressures to management of available servicing capacity.



Proactive approach to tracking of available servicing capacity and growth servicing commitments essential in best managing capacity and defining timing of new capacity infrastructure investments.



Aged approvals over 10 years as of YE 2024: Registered Plan of Subdivision (176 units), Approved Zoning Changes (751 units) and Draft Plan of Subdivision (1158 units).

Growth Servicing



City of Guelph Water and Wastewater plant based unallocated servicing capacity finite - Water: 16,474 m³/day and Wastewater: 4,805 m³/day as of YE 2024.



Detailed water and wastewater plant capacity tracking model developed by ES and Planning implemented into planning application servicing capacity check process in July 2025.



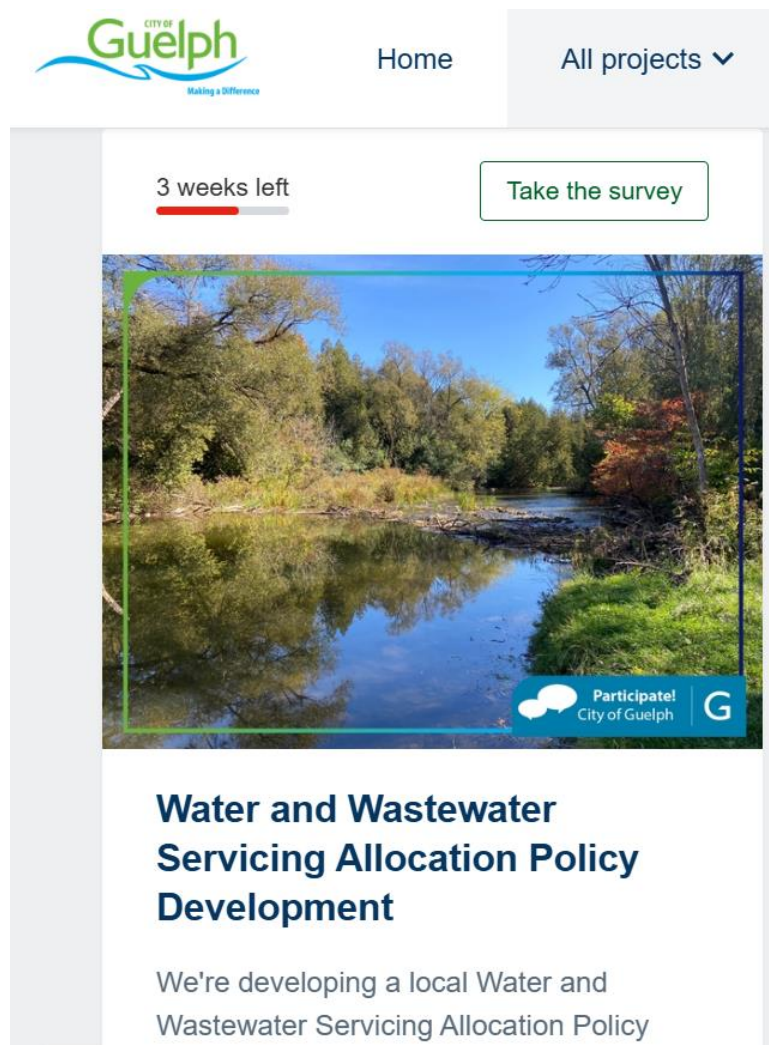
City teams working to expand Water Supply and Wastewater Treatment Capacity, and supporting linear systems, in accordance with Council approved Master Plans.

Risks in Absence of Policy

- Currently, there is no Water and Wastewater Allocation Servicing Policy to direct the allocation process
- **Proponent Risks:**
 - Uncertainty of project servicing commitment until after substantial investment, creating potential risks to project execution
- **City Risk:**
 - Over allocation which would halt allocation approvals and introduce level of service impacts to existing customers
 - Infrastructure investments and construction timing to continue to advance new servicing capacity in coordination with the pace of local growth

Policy Engagement Process

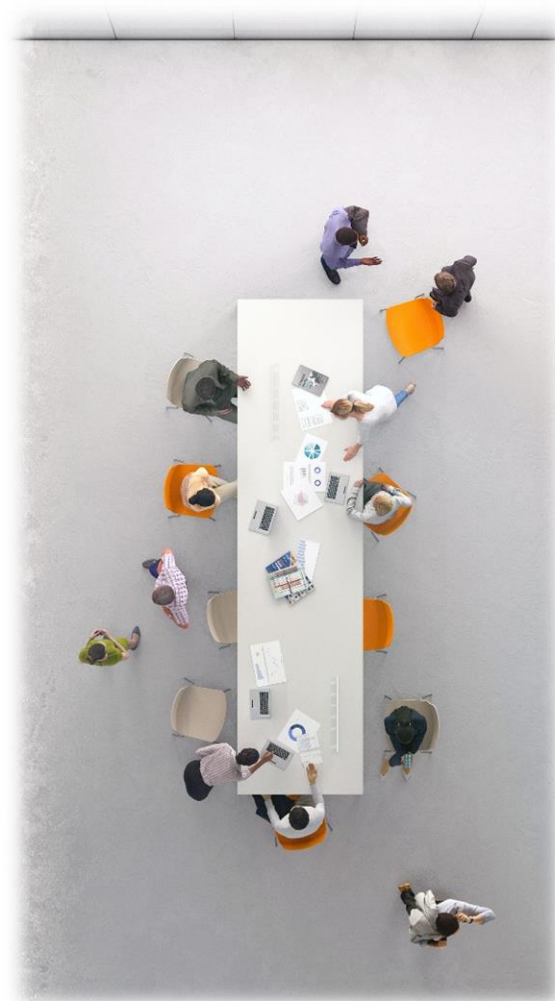
- Council Water and Wastewater Servicing Capacity Workshop – May 2025
- Phase 1 Community Engagement Survey – May to June 2025
- Phase 2 Plain Language Servicing Allocation Policy 30 Day Review Period – September to October 2025
- Phase 1 and 2 engagement reports available via the Have Your Say platform
- Meeting with Grand Highlands Home Builder Association on Phase 2 comments – January 2026
- Presentation of draft final Policy to PEWAC and EDTAC for receipt and endorsement – January 2026



The screenshot shows the 'Have Your Say' platform interface. At the top, there is the City of Guelph logo and navigation links for 'Home' and 'All projects'. A progress indicator shows '3 weeks left' with a red bar. A prominent button says 'Take the survey'. Below this is a large image of a river flowing through a wooded area. In the bottom right corner of the image, there is a 'Participate! City of Guelph' logo with a 'G' icon. Below the image, the title reads 'Water and Wastewater Servicing Allocation Policy Development'. The text below the title states: 'We're developing a local Water and Wastewater Servicing Allocation Policy'.

Engagement: What We Heard

- Clarification of capacity check scope and costs of capacity check?
- Are independent servicing agreements required?
- Lapsing period lengths?
- Clarity requested on allocation process milestones – from project application to project approval
- Extension criteria considerations
- Extension process instruction to proponents
- Capacity availability and narrative



Key Terms of Proposed Policy

- **Early consultation** with proponents to understand servicing requirements of planning application.
- **Formal capacity check** completed during pre-consultation with proponent would **hold capacity against planning application for period of 48 months.**
- Capacity checks subject to proponent costs.
- Servicing checks completed in support of **Community Economic Development Investment Proposals** shall be held until the business investment is secured to a maximum term of 12 months to the date of capacity check completion.
- As part of **approval of site plan or subdivision agreement or building permit issuance capacity formally allocated and 36 month lapsing term defined.**

Key Terms of Proposed Policy (continued)

- Proponents have the **ability to request extensions** for planning applications and development agreements which are subject to lapsing.
- Servicing capacity could be reclaimed in circumstances where:
 - Planning application hold term reached without seeking an extension or receiving application approval.
 - Project surpass lapsing term without seeking an extension or reaching substantial completion,
- **Ability of proponent to appeal capacity loss;** to Deputy CAO Infrastructure, Development and Environment.
- Annual reporting to Guelph City Council on status of unallocated Water and Wastewater Plant Servicing Capacity.

Policy Next Steps

- Approval of Policy enacting By-law
- Notice to approved applications over 10 years in age to advise of new lapsing period and use it or lose it.
- Development of public facing instruction for parties pursuing Extensions and Appeals processes.
- Reporting to Council on unallocated capacity as part of March Growth Management Report.

Development Process Continuous Improvement

- ✓ Engaging Customers early on project servicing and confirmation in ability to meet project needs.
- ✓ Increasing rigor in servicing capacity management and project commitment tracking.
- ✓ Consistent process in servicing allocation administration and process transparency for stakeholders.
- ✓ Ensuring servicing capacity for system resiliency maintained through allocation processes.
- ✓ Ability to reclaim and reallocate aged and inactive capacity approvals to advance shovel ready projects.

Resolutions for Council Approval

- That Guelph City Council approve the Water and Wastewater Servicing Allocation Policy attached as Attachment-1 to this report.
- That Guelph City Council delegate authority for the administration of the Water and Wastewater Servicing Allocation Policy to the Deputy CAO of Infrastructure Development and Environment.
- That Guelph City Council approve the Water and Wastewater Servicing Allocation Bylaw provided as Attachment-2 to this report and give effect to the delegation of authority.

Thank You!

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