



February 20, 2026

City of Guelph  
1 Carden St.  
Guelph ON N1H 3A1  
ATTN: Mayor Guthrie and Council

**Re: City of Guelph Draft Water and Wastewater Service Allocation Policy and Bylaw;  
Report 2026-61;  
Agenda Item 6.3 for February 24, 2026 Regular Council Meeting;**

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We are writing on behalf of our client, Armel Corporation (“Armel”), to highlight concerns regarding the proposed Water and Wastewater Servicing Allocation Policy (the “Policy”) and implementing By-law in advance of the Council meeting on February 24, 2026.

As outlined below our client’s concerns are grounded in the current state of available servicing data, contractually committed servicing allotments as well as in the capacity and timing considerations associated with the procedures contemplated under the Policy.

The necessity of a servicing allocation framework has not been established, while at the same time, reporting suggests that the City’s water and wastewater infrastructure continues to function within its established capacity and resiliency thresholds. With additional data on these operating metrics expected in upcoming reports, our clients remain concerned that a significant policy change is being proposed without sufficient supporting evidence.

Our client’s concerns also relate to timing. If servicing allocation lapses when substantial performance under the *Construction Act* is not achieved within three years, complex or phased developments may not have sufficient time to meet this requirement, and the absence of discretion for project-specific circumstances remains unaddressed. Further, if the Policy does not clarify how allocation can be phased or how lapsing applies to phased site plan approvals following a subdivision agreement, applicants face additional uncertainty in planning and delivery. As the current uncertainty in these areas introduces risk to our client’s projects, we encourage the City to establish clearer timelines and to provide an *objective* mechanism for extension requests.

In addition, Armel has existing servicing capacity allotments, which have been contractually promised through previously draft plan of subdivision approvals. Commitments should be honoured even if ‘use it or lose it’ provisions are introduced on a go-forward basis. Existing capacity allocations should be grandfathered if a servicing allocation policy is implemented.

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We respectfully request that Council defer adoption of the policy to allow for refinements based on updated capacity data and the realities faced by complex, phased development projects. Council should also direct staff to draft a phased implementation approach and build in exemptions that allow current contractual obligations to be grandfathered with only new projects being subject to any capacity allocation policies.

We hope these comments are helpful as Council determines next steps and would be pleased to provide further detail on this submission as needed.

Yours Very Truly,

**SMITHVALERIOTE LAW FIRM LLP**



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