

CORPORATE POLICY and PROCEDURE	 <p>WOOLWICH TOWNSHIP</p>	Policy No.: DEV-02 Pages: 11 Effective Date: June 23, 2026 Supersedes:
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SECTION: Development

SUBJECT: Water Allocation

PURPOSE

This **Policy** is intended to guide the prioritization and the process for the **Township** to issue **assigned water capacity** in accordance with this **Policy**, in consideration of the **Region's** policy: *Water Supply Capacity Allocation Policy for the Mannheim Service Area*.

To provide a clear and cohesive set of guidelines that will govern the equitable evaluation and **assigned water capacity** criteria to meet the evolving needs of the **Township** in the most beneficial manner possible.

To establish a prioritization framework for **assigned water capacity** in accordance with the **Township** of Woolwich's building permit application and development application approval processes, to support residential as well as industrial, commercial, and institutional (ICI) development that promotes sustainable growth and prosperity for the **Township**.

This **Policy** shall include a system for tracking the **assigned water capacity** to support Developments, and report back to the **Region**, as well as criteria to determine the circumstances for when:

- a) **assigned water capacity** is issued for a development, including any **Forward Facing Servicing Agreement(s)**,
- b) the terms and timing of how **assigned water capacity** may be revoked, and;
- c) the process for reissuing **assigned water capacity**.

DEFINITIONS

“Affordable Housing/Affordability/Affordable” means

- a) In the case of ownership housing, the least expensive of:
 - i) Housing for which the purchase price results in annual accommodation costs which do not exceed 30 percent of gross annual household income for low and moderate income households; or,
 - ii) Housing for which the purchase price is at least 10 percent below the average purchase price of a resale unit in the regional market area;

- b) In the case of rental housing, the least expensive of:
 - i) A unit for which the rent does not exceed 30 percent of the gross annual household income for low and moderate income households; or,
 - ii) A unit for which the rent is at or below the average market rent of a unit in the regional market area. For the purposes of this definition *low and moderate-income households* mean, in the case of ownership housing, households with income in the lowest 60 percent of the income distribution for the regional market area; or in the case of rental housing, households with incomes in the lowest 60 percent of the income distribution for renter households for the regional market area

“Allocated/Allocation” means the action of apportioning water capacity in the **Township**'s existing treatment plants, pumping stations, booster stations and other water infrastructure including cross boarder arrangements with the cities of Kitchener, Cambridge and Waterloo.

“Assigned Water Capacity” means the capacity that is issued, committed, or confirmed to a **Development** for a specified period in accordance with this **Policy**. This capacity is presented in units of litres per second and is subject to a **Water Allocation Confirmation Letter**.

“Council” means the municipal Council of the **Township** of Woolwich.

“Development” means the creation of a new lot, a change or intensification in use, and the construction of buildings, structures, and additions requiring approval under the Planning Act or Building Code Act **Development** also includes redevelopment, and for the purposes of this **Policy**, means all scenarios outlined in Section 3 of this **Policy** except where excluded in Section 4 of this **Policy**. **Development** shall also mean a single phase of a site plan, subdivision, or vacant land condominium.

“Qualified Professional Engineer” means a Professional Engineer licensed in the Province of Ontario qualified to calculate water capacity demands and legally authorized to take responsibility for engineering work.

“Region” means the Regional Municipality of Waterloo.

“Reserve Capacity” means the capacity that is determined through subtracting any committed water allocation, including through draft approved and registered plans and site plan approvals from the existing **assigned water capacity**. This capacity is presented in units of L/s.

“Township” means the Township of Woolwich.

“Water Allocation Confirmation Letter” means the official confirm from the **Township** of Woolwich that assigned water capacity has been allocated to a development, in accordance with Section 5 of this **Policy**.

“Water Allocation Policy/Policy” means this **Policy**, as adopted by **Township Council** to provide guidance, direction, and procedures to issue **assigned water capacity**.

“Water Capacity Application Form” means the application form filed by a Proponent to request **water supply capacity**. This form will be required to be submitted for any development as outlined in Section 5 of this **Policy**.

“Water Supply Capacity” means the amount of available unallocated water supply capacity that has been allocated by the **Region** and available for further allocation to Proponents within the **Township**.

Any other term that is not defined in this **Policy** shall be interpreted to have the same meaning prescribed to it in the **Township’s** Official Plan and/or Zoning By-law.

POLICY SCOPE

The **Township** of Woolwich serviced land.

POLICY STATEMENT

The **Township** is currently facing servicing challenges due to the **Region water supply capacity** constraints. Water supply to be allocated for growth is currently limited due to the ongoing constraint. In response to these challenges, the **Township** must develop a water allocation policy related to the allocation of servicing capacity that balances the risks for the development community and the **Township** as well as the **Region** as water service providers.

In alignment with these objectives, this **Water Allocation Policy**, (the “**Policy**”) has been prepared to address the escalating pressures on water infrastructure and to ensure the prioritization of projects while considering:

- community benefit, **affordable housing** and sustainability;
- complete communities and planning in the public interest;
- supporting the growth of the community’s population and economy; and,
- development that has proceeded through the approval process and is imminent (i.e. Development Readiness)

This **Policy** serves as a strategic guide for the **Township** to facilitate accountable and prudent decision-making in the face of increasing and competing development pressures and available capacity. The **Policy** framework serves as a transparent tool to assess and evaluate development applications consistently.

By implementing this **Policy**, the **Township** aims to strike a delicate balance between accommodating competing developments within existing infrastructure constraints or planned project capacities and safeguarding the **Township**’s long-term provision of water, while advancing and considering community objectives. This proactive approach is not only complementary to the existing development controls but also promotes transparency and fairness in the decision-making process for development applications.

Moreover, the allocation framework outlined in this **Policy** is designed to consider various factors, such as:

- community and housing needs;
- infrastructure capacity; and
- economic development.

By incorporating these considerations into the evaluation process, the **Township** endeavors to make informed decisions that prioritize responsible and sustainable growth.

On June 6, 2024, Bill 185, Cutting Red Tape to Build More Homes Act, 2024, received Royal Assent. This Act introduced an amendment (86.1) to the Municipal Act which enables municipalities to adopt policies that allow for a system for tracking the water supply available to support approved developments, through the establishment of allocation criteria. This **Policy** conforms to the Municipal Act, as amended.

POLICY REQUIREMENTS

1. Delegated Authority

Township Council has decision-making authority over the **Township** of Woolwich water and capacity allocation.

Council has delegated the authority to the Director of Development Services Department (Director) to administer this **Policy**, issue **assigned water capacity**, issue **Water Allocation Confirmation Letters** (including any extensions), revoke **assigned water capacity** and execute Forward Facing Servicing Agreements.

Should the Proponent disagree with a decision of the Director under this **Policy**, the Proponent may submit a written appeal to the **Township** of Woolwich Senior Management Team for consideration.

2. Determining the Allocation Capacity

The **Region** shall be responsible for identifying and providing new water capacity available for allocation by the **Township** which may be staged over an undefined period of time. Water Capacities are to be based on design flows as calculated per the respective service area characteristics.

The **Township** may request, at the sole cost of the applicant/proponent, a report from a **Qualified Professional Engineer** confirming the average and maximum demand for site-specific residential, mixed-use, industrial, commercial, and institutional proposals and will require a report from a **Qualified Professional Engineer** for heavy water users which require more than 1 liter per second allocation capacity

3. Development Applications

This **Policy** applies to the following **Developments** throughout the whole of the **Township**:

- a) Any development where an extension, upgrade, and/or provision of new main line water supply is required (i.e. excludes simple service connections where development application does not represent an increase to water demand;
- b) The creation of any number of new lots or units through a Plan of Subdivision or Vacant Land Condominium Description; or Consent/Severance;
- c) Any building permit for any use except where excluded below in Section 4 of this **Policy**; and
- d) All lands subject to existing Draft Approved Plans of Subdivision, Consents, Site Plans or Vacant Land Condominium, but have not been subject to a **Region** servicing agreement confirming water servicing (registered unbuilt Regional inventory); prior to the implementation of this **Policy**, will be subject to the requirements in this **Policy**.

4. Development Exclusions

This **Policy** does not apply to the following:

- a) Changes from one permitted use to another permitted use provided the applicable zoning requirements are met and, provided that a new water service or increase to an existing water service is not required;
- b) The construction of a patio, deck, porch, accessory building or structure with no water connection to the **Township** system, temporary building, or structure, or interior or exterior renovation to an existing building or structure;
- c) The repair, re-build or restoration of a legally existing building or structure, or part thereof, provided that the building or structure continues to be used for the same purpose and, provided that a new water service or increase to an existing water service is not required;
- d) Minor adjustments to site plan agreements and subdivision/condominium/site plan amendments that do not meet the criteria of Section 3
- e) The development of existing vacant lots where no approval under the Planning Act is required and provided that a new water service or increase to an existing water service is not required;
- f) Any school, day care facility, and place of worship;
- g) A proposed **Development** of land that does not require a Planning Act application to proceed (not including minor variance) and does not result in new demand on the water supply. These are considered to be included in the **Region's** existing demand calculations;

- h) Any **Development** or lot or block in a registered plan of subdivision that has a signed servicing agreement with the **Region** and included in the regional **reserve capacity** (registered unbuilt Regional inventory);
- i) Any Development on private wells not connected to municipal services; and,
- j) A like-for-like replacement that doesn't result in an increase in water use/demand.

5. Procedures & Criteria

1. A proponent is required to complete a **Water Capacity Application Form** and submit electronically to planning@woolwich.ca. The **Township** will direct the form to the appropriate division, depending on the applicable building permit or development applications.
2. Issuance of **assigned water capacity** shall be in accordance with the Township staging policies in the Township Official Plan and determined based on the **Township** of Woolwich Prioritization Framework attached to this **Policy** as (Schedule A).
3. On a quarterly basis, or more frequently as applicable where the **Region** has provided new water capacity available for allocation by the **Township**, the **Township** will review all **Water Capacity Application Forms** and issue a **Water Allocation Confirmation Letter** and/or a Forward Facing Servicing Agreement in accordance with this **Policy**. Decisions will be made at the discretion of the Director or designate.
4. A proponent will receive and review the **Water Allocation Confirmation Letter** and return a signed copy to the **Township**, thereby agreeing to any terms contained therein.
5. The Director of Development Services or designate will sign the returned **Water Allocation Confirmation Letter**, confirming the final decision for a **Development**.

The following apply to the applicable **Development** applications:

- a) Based on available water capacity, those development applications that meet the prioritization framework may receive **assigned water capacity**.
- b) If two or more **Developments** are equal, the **Township** may request supplemental information from applicants to further inform the **Township's** decision in determining the Development that better aligns with the **Township's** prioritization framework.
- c) If a **Development** is not granted allocation, the **Township** will notify the applicant and outline the reasons for the decision to support resubmission in the next intake period.
- d) Staff will evaluate each **Development** in conjunction with the relevant and submitted materials and applicable reports provided in the **Water Capacity Application Form**. The **Township** may retain at the sole cost to the applicant/proponent, an independent consultant to assist in the review of development applications and supporting studies using Schedule A.

6. Issuance of **Assigned Water Capacity**

The following processes will apply to the applicable development applications:

- a) Building Permit Application/Plumbing Permit
The **Township** will assign water allocation prior to the issuance of a building permit or conditional building permit where no Forward Facing Servicing Agreement has been executed.
- b) Plan of Subdivision and Residential Vacant Land Condominium Applications
Where a valid agreement for servicing with the Region does not exist the proponent shall:
 - i) obtain an **assigned water allocation** for the **Development** and the **Township** will issue a **Water Allocation Confirmation Letter** prior to servicing for a **Development**, or
 - ii) enter into a Forward Facing Servicing Agreement with the **Township**.
- c) Site Plan Application
The **Township** will assign water allocation and may execute a Forward Facing Servicing Agreement prior to the issuance of final site plan approval for a **Development** where construction and occupancy is expected to take twelve or more months from the issuance of final site plan approval.
For **Developments** subject to site plan approval where construction and occupancy is expected to take less than twelve months from the issuance of final site plan approval, **assigned water capacity** will be determined through the building permit process.
- d) Consent/Severance/Creation of a New Lot
The **Township** will require provisional approval, including a condition requiring the Proponent to provide written confirmation from the Director of Development Services that sufficient water supply capacity is available to service the proposed development, in accordance with this **Policy**

Where water allocation capacity is issued by the **Township**, the Owner will be responsible to sign a **Water Allocation Confirmation Letter** with the **Township** which will outline:

- a) The total amount of **assigned water capacity** issued by the **Township**,
- b) The details of the development including the number of residential units, and/or floor area of non-residential uses,
- c) The date of the **assigned water capacity** decision,

- d) The date where the **assigned water capacity** may be subject to expiry as per Section 8 of this **Policy**, and
- e) Detailed calculations of the total water demand generated by a development if requested by the **Township**.
- f) restrictions and/or prohibitions on the transfer of the **assigned water capacity** to any person or entity other than the proponent and/or any other **development**.

A **Water Allocation Confirmation Letter** may be amended, but where additional water allocation is required, the review process may restart for the additional water capacity, at the sole and unfettered discretion of the Director.

A **Water Allocation Confirmation Letter** may be extended for one (1) additional year, which can be granted at the sole and unfettered discretion of the Director based on the following criteria:

- a) Unforeseen circumstances that were not under control of the owner/proponent which have caused delays in carrying out the works; and/or,
- b) New legislation, regulations, policies and/or by-laws have not precluded construction of the approved works and would not significantly impact the development's viability.

Where reallocation of water capacity for those developments that have had their allocation withdrawn will be subject to the requirements of this **Policy**, and the review process may restart for new water capacity allocation consideration.

Issued **Assigned Water Capacity** as outlined in a **Water Allocation Confirmation Letter** will be issued for the **Development** outlined in the **Water Capacity Application Form** and is not transferrable and not assignable to another property, owner, or **Development** or another Development owned by the applicant. Any attempt to do will result in the immediate revocation of the **Assigned Water Capacity**.

7. Forward Facing Servicing Agreements

At its sole discretion, the **Township** may enter into a Forward Facing Service Agreement (FFSA) in accordance with Section 6 above. The **Township** will require a signed and executed FFSA which will outline indented water allocation capacity that the **Township** will reserve for a development, when future water capacity may be provided to the **Township** from the **Region**. FFSA will be prepared by the **Township** legal counsel with the legal costs payable by the applicant/proponent.

There is an inherent shared risk to a FFSA. A FFSA requires certain milestones to be met by **Region** in accordance with their Interim Risk Management Framework identifying and providing new water capacity available for allocation by the **Township**. The **Township** will make all best efforts to ensure that **assigned water capacity** as outlined in a FFSA will be reserved for the **Development**.

A FFSA represents a commitment by the **Township** to reserve future **assigned water capacity** in accordance with the timelines outlined in the FFSA. The **Township** cannot guarantee that the terms of the FFSA can be met if the **Region** does not identify and provide new water capacity available for allocation to the **Township** in accordance with their Interim Risk Management Framework.

8. Expiry of **Assigned Water Capacity** (Use It or Lose It Provision)

If capacity is allocated, at its sole and unfettered discretion, the **Township** may revoke **assigned water capacity** where development does not meet the following milestones and diligently proceeds:

a) Building Permit

If, after six months after its issuance, the construction in respect of which the building permit was issued has not, in the opinion of the Chief Building Official, been seriously commenced.

b) Plan of Subdivision and Residential Vacant Land Condominium Applications

If, after twelve months after draft approval, the site or phase of **development** has not proceeded to servicing and the site has not proceeded to registration or building permit or site plan application within twenty-four months of draft approval.

c) Site Plan Application

If after six months after final site plan approval, construction has not, in the opinion of the Chief Building Official, seriously commenced.

9. Reserve Capacity

The **Township** reserves the right to reserve water capacity provided by the **Region**, and it not obligated to issue **assigned water allocation** for all capacity on a quarterly basis.

10. Review Cycle

The **Township** will track **assigned water capacity** and provide regularly occurring updates to the **Region**. Through ongoing monitoring and assessment, potential adjustments to this **Policy** will be evaluated in the best interest of the **Township** and the public.

If **Council** deems that necessary amendments are required, excluding clerical or technical changes, based on monitoring outcomes, these modifications will be undertaken in consultation with both the Region, development community and the public. A thorough review of this **Policy** will be conducted within two years of **Council** approval to ensure its continued effectiveness.

Schedule A
Water Allocation Prioritization Framework
For **Development** aligned with the staging policies in the **Township** Official Plan

Priority 1 – Essential Projects

Housing

- **Affordable housing** being advanced by, or in partnership with, the **Township** of Woolwich
- Housing projects with committed funding through the Housing Accelerator Fund or other **Regional**, Provincial or Federal funding
- Long-term care homes with confirmed funding or in principle support from the province of Ontario

Public Uses

- Emergency services
- Public services or projects in the broader public interest
- Health facilities
- Development that will provide community benefit or significant **Township** infrastructure

Economic Development

- Provincially significant employment uses

Priority 2 – Priority Projects

Housing

- **Affordable housing** being advanced by, or in partnership with, a Not-For-Profit organization or housing provider or in partnership with the **Region**
- Market residential housing with an **affordable housing** component (at least 5% of the units are **affordable**)
- Independent supportive living (ex. seniors housing)
- Housing that advances housing objectives in the Woolwich Official Plan and Woolwich Housing Needs Assessment, which is amended from time to time, including missing middle housing, purpose-built rental housing, attainable housing and intensification
- Existing Draft Approved plans which have significant infrastructure investment

Economic Development

- Employment uses expected to generate considerable employment opportunities and/or other long-term economic benefits to the ***Township***

Priority 3 – Development Readiness