

**Region of Waterloo**  
**Engineering and Environmental Services**  
**Water and Wastewater Infrastructure Management**

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**To:** Regional Council  
**Meeting Date:** January 28, 2026  
**Report Title:** Preliminary Water Capacity Constraint and Associated Resource Needs

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**1. Recommendation**

That the Regional Municipality of Waterloo approve the addition of up to nine (9) full time equivalent (FTE) permanent positions to address increased workload related to the Mannheim Service Area water capacity constraint, with current year costs funded by the Water Stabilization Reserve in the approximate amount of \$1.2 million.

**2. Purpose / Issue:**

This report provides for information a preliminary list of solutions/initiatives to address the Mannheim Service Area water capacity constraint, and a separate project list showing capital budget implications.

It seeks approval for additional staffing resources that are required to address the increased workload to move these solutions and infrastructure projects forward expeditiously.

**3. Strategic Plan:**

This report supports the priority areas of Climate-Aligned Growth and Homes For All.

**4. Report Highlights:**

- A preliminary list of projects and initiatives (Appendix B) was compiled to inform action being taken on the water capacity constraint. It is a high level, consolidated list of short term and mid-to-long term initiatives, that include upgrades and repairs to existing infrastructure, new infrastructure, expanding existing well supply, and piloting new modular technology. Given the timeline-to-delivery, all of these initiatives and solutions need to be advanced concurrently.
- In order to deliver these projects and initiatives, staff are recommending the

addition of seven (7) new permanent FTE's to assist with the additional water capacity constraint workload and future maintenance. This includes four (4) Senior Engineers (Water), two (2) Instrumentation and Control Technicians (Water Ops and Maintenance) and one (1) Water Resources Technologist. Finance and Communications are recommending the addition of one (1) new FTE each to support the water portfolio, for a total of nine (9) FTE's.

- Appendix A outlines the FTE Financial implications of these new resources which are estimated to be \$1.2 million in 2026 and will be funded from the Water Stabilization Reserve. These 2026 in-year FTE requests will support immediate workload needs with respect to the water capacity constraint.
- As more clarity emerges on next steps, future budget years will include resource requirement recommendations to address the development, operation and maintenance of future water facilities.
- Appendix B – outlines the preliminary list of initiatives/options that have been identified to address the water capacity constraint.
- Appendix C – builds off the information outlined in Appendix B, with additional capital budget considerations/information included.

## **5. Background:**

- Through on-going work and updates to the Water Supply Strategy, Regional staff have identified a water capacity constraint within the Mannheim Service Area, which supplies water to Kitchener, Waterloo, and parts of Cambridge, Woolwich, and Wilmot.
- As a result, significant infrastructure projects and investment are required to be prioritized and expedited to support future growth needs.
- Staff have created a preliminary draft list of initiatives/solutions that are broken down into short term and mid/long term time frames. Some of these options will help regain lost operational resiliency while others will add net new capacity to the system (Appendix B). These include upgrades and repairs to existing infrastructure, adding new infrastructure, expanding existing well supply, and piloting new modular technology. Given the timeline-to-delivery, all of these initiatives and solutions need to be advanced concurrently.
- The Region is engaging industry experts and municipal partners in the evaluation of these options. Initial workshops have been scheduled for late January and early February. An external consultant has been retained by the Region to facilitate this technical focused working group and to bring on additional technical resources, as needed to assist with individual project coordination and

progression.

- During the January 13, 2026, SID Committee meeting, a motion was put forward that stated

*“...that the timeline for a preliminary list of the short, medium and long-term plans for the necessary infrastructure repairs be made publicly available before the end of January 2026, rather than in late Q1 2026.”*

- It is extremely important to note that the information contained within Appendix B and Appendix C (including potential capacity gains or estimated timelines) is not yet verified, is subject to change, and is yet to be vetted by the technical sub task force/ industry experts. It should not be relied upon for planning/growth purposes until formally vetted. The list is not in priority order and there are some items that have not undergone a full risk-based analysis. There is also the possibility that new alternatives/opportunities will come to light during the upcoming technical workshops.
- During the January 13, 2026, SID Committee meeting, a motion was put forward that stated:

*“That Region of Waterloo staff make available to area municipalities, no later than end of January, all raw data that informed and encompasses the Agile Water Supply Peer Review and Assessment Report, and also report to Council by January 28 about also making that data available to industry and other community partners thereafter.*

*Further that in sharing the data and existing information, details also be provided of all budget approved and other planned infrastructure works, along with their respective capacity gains, and associated timing to be brought online for capacity purposes”*

- The raw data that informed and encompasses the Agile Water Supply Peer Review and Assessment Report will be sent in a package to Area Municipal staff via email, no later than the end of January 2026, as directed.
- Appendix C builds on the information in Appendix B by providing additional capital budget considerations to address the motion outlined above.

## **Resourcing Needs**

- Water Services is recommending adding seven (7) new permanent FTE's to assist with the additional water capacity constraint workload. This includes four (4) Senior Engineers (Water), two (2) Instrumentation and Control Technicians (Water Ops and Maintenance) and one (1) Water Resources Technologist. Finance and Communications is recommending the addition of one (1) new FTE each to support the water portfolio, for a total of nine (9) FTE's. Finance and Communications is recommending the addition of one (1) new

FTE each to support the water portfolio, for a total of nine (9) FTE's.

- Appendix A outlines the FTE Financial implications of these new resources which are estimated to be \$1.2 million in 2026 and will be funded from the Water Stabilization Reserve.
- These 2026 in-year FTE requests will support immediate and long-term workload needs with respect to the Water Capacity constraint.
- The following outlines what work the additional FTE's will be carrying out, if approved:
  - The Senior Engineers will help scope and plan capital renewal projects and capital program delivery, to undertake additional recommended Water Supply Strategy Update projects, and support additional work requirements as current consultant support ends, and we transition the work back in house.
  - The Instrument and Control Technicians will take on existing/new well and treatment plant equipment commissioning and support level monitoring.
  - The Water Resources Technologist will provide hydrogeological technical support on source protection projects and conduct risk assessments in accordance with the Clean Water Act. They will administer the down-hole monitoring equipment inventory.
  - Staff are proposing the addition of one (1) new permanent FTE Financial Analyst to strengthen financial support for the water portfolio. This request reflects the increased scope, complexity, and pace of work required to build out water capacity and advance major capital planning in this area. The Financial Analyst will provide dedicated, timely, and accurate analysis to support decision-making across the full lifecycle of new and expanded water facilities. This includes developing and maintaining cost models, tracking project and program expenditures, forecasting multi-year financial impacts, and strengthening water rate and long-range rate modeling to understand affordability and sustainability implications.
  - One new FTE is being proposed for Communications on a 2-year contract to support public engagement and communication around this capacity issue, supporting the team to ensure timely, accurate updates to key stakeholders, media, and members of the public. This request reflects increased demand, complexity, and importance of this issue.
- Financial implications of these new resources are estimated to be \$1.2 million in 2026 to be funded from the Water stabilization reserve. Ongoing costs will be

incorporated into the base operating budget in future years.

- As more clarity emerges on next steps needed, future budget years will include resource requirement recommendations that will be needed to address the development and maintenance of future water facilities.

## 6. Communication and Engagement with Area Municipalities and the Public

### Area Municipalities:

- The Region continues to work with Area Municipal partners on the Mannheim Service Area water capacity constraint and to provide updates as they become available, including through regular technical briefings.
- A technical working group, which includes industry experts and technical staff from the Area Municipalities, commenced in January to evaluate the short-, medium- and long-term solutions/projects being proposed. The list outlined in Appendix B was shared with the technical working group at a workshop held on January 23, 2026.
- Senior Regional Growth and Development Services staff and Area Municipal Planning Heads also meet regularly to assess the impact on development and to respond to the concerns of the development industry.

### Public:

- Providing a safe, sustainable water supply to the community is the Region of Waterloo's top priority.
- After identifying the Mannheim Service Area water capacity constraint, the Region issued a [media release](#) and conducted media outreach to help inform the public.
- The media release highlighted that this is strictly a quantity challenge within the Mannheim Service Area and does not have any impact on drinking water quality. It highlighted that there are no immediate capacity impacts on residents, and no current need to change water consumption habits.
- The Region continues to work with media partners to ensure that timely, transparent information is shared with residents.
- The Region has established a webpage dedicated to [Water Capacity](#) ([regionofwaterloo.ca/watercapacity](http://regionofwaterloo.ca/watercapacity)). This page continues to be updated with the latest information and is shared through the regional channels.
- The Region of Waterloo continues to inform specific interest holders, including the development community, on updates regarding this issue as information

becomes available. Technical staff from the development community will be invited to participate in sub-task force sessions where opportunities and solutions will be evaluated and discussed. The list outlined in Appendix B was shared with development contacts at a briefing held on January 27, 2026.

**7. Financial Implications:**

	<b>Current Year</b>	<b>Future Year(s)</b>
<b>Budget Impact? Resourcing</b>	Yes-1.2 million	0.2 million additional – Annualized into operating budget
<b>Capital Plan Impact? Initiatives</b>	Yes- 2.0 million (estimate)	Yes -\$81 million (rough estimate)

**Appendix A: FTE Business Rationale**

- The current year estimated cost of the requested FTEs of \$1.2 million will be fully funded by the Water Stabilization Reserve. This reserve has a forecasted year end balance in 2025 of \$9,122,000. Additional detail on the requested FTEs, including descriptions and associated financial impacts, is provided in Appendix A: FTE Business Rationale. Ongoing costs will be incorporated into the base operating budget in future years. During the budget process, all roles will be reviewed again to ensure work matches resources funded. As the water capacity constraint infrastructure work advances, additional FTE requirements are anticipated to support new facilities through commissioning, and ongoing operations. These requirements will be refined over time and brought forward through future council reports and the annual budget processes.

**Appendix B: Preliminary Summary of Initiatives - Water Capacity Constraint**

Appendix B is provided to summarize the list of short, mid/long term initiatives that are under consideration to address the water supply capacity constraint in the Mannheim Service Area. The Wilmot supply reallocation and the water conservation policy study are listed in this chart and not Appendix C as they will be funded through the operating budget and therefore no capital impacts are anticipated.

**Appendix C: Preliminary Summary of Initiatives - Water Capacity Constraint - with Capital Implications**

- Many of the projects outlined in Appendix C are already identified in the approved 2026–2035 capital budget but may need to be brought forward with respect to

timing. The exceptions are the Mannheim Pilot, the Well K32 Side treatment and the Grand WS project that are not currently reflected in the capital budget.

- For capital items, the timing and scope of these projects are currently being reviewed. These changes represent in-year adjustments to projects which will be brought forward through the quarterly financial reporting and approved through that process. Near-term expenditures primarily relate to planning, engineering, and design work, with construction occurring as projects advance through subsequent phases of delivery. It should be noted that accelerating these projects may increase the cost.
- In addition, this report identifies new projects that are not currently included in the approved capital budget. The scope, timing, and delivery approach for these initiatives have not yet been finalized. As a result, only preliminary, high-level cost estimate ranges are provided. These estimates are subject to change as further technical analysis and design advancement occurs.
- Funding for new unbudgeted projects will be investigated. Confirmed funding requirements, refined cost estimates, and project phasing will be brought forward for Council consideration as available and through the regular annual budget and planning process.

### **Conclusion / Next Steps:**

Council approval of the new resources outlined in this report will be crucial for Water Services staff to move key water infrastructure projects forward in an expeditious manner. If they are not approved, this will result in an excessive and unsustainable workload for existing staff who are also tasked with the daily operation and maintenance of the existing drinking water system and may result in delays in the solution timelines for addressing the water capacity constraint.

In parallel, the Region's water capital plan will be updated as additional information becomes available. Regional staff will undertake risk-based reviews and assessments of the preliminary initiatives identified to address the water capacity constraint in the Mannheim Service Area through a series of technical workshops and consultations. As part of this process, new opportunities and initiatives may be identified and incorporated as appropriate. Project costs and timelines will be further refined following meetings with the Ministry of the Environment, Conservation and Parks, industry leaders, consultants and suppliers with a summary of budget implications to be reported back to Council for information in Q2 of 2026.

### **Attachments:**

**Appendix A: FTE Business Rationale**

**Appendix B:** Preliminary Summary of Initiatives- Water Capacity Constraint

**Appendix C:** Preliminary Summary of Initiatives Water Capacity Constraint with Capital Implications

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