



Staff Report

Operations

Report To: COW-Operations_Planning_and_Development_Services
Meeting Date: October 29, 2024
Report Number: CSOPS.24.078
Title: Housing-Enabling Water Systems Funding
Prepared by: Alan Pacheco, Director of Operations

A. Recommendations

THAT Council receive the Staff Report titled "Housing-Enabling Water Systems Funding";

AND THAT Council authorize the Mayor and Clerk to execute necessary agreements with the Ontario Ministry of Infrastructure to receive \$25,397,523.99 through the Housing-Enabling Water Systems Funding grant for the Craigleith Main Sewage Lift Station, Mill Street Pumping Station and Bay Street Forcemain.

B. Overview

The Town of The Blue Mountains has been successful in receiving a \$25,397,523.99 grant from the Ontario Ministry of Infrastructure's through the Housing-Enabling Water Systems Fund (HEWSF) for the "Craigleith Main Sewage Lift Station, Mill Street Sewage Pumping Station and Bay Street Forcemain" project. This grant is the largest Provincial grant that the Town has ever received to support important infrastructure investment in the community.

C. Background

The Housing-Enabling Water System Fund (HEWSF) is a Provincial funding program offered to help municipalities develop, repair, rehabilitate and expand critical drinking water, wastewater and stormwater infrastructure.

As detailed on the Provincial website, projects funded through the program will aim to:

- Unlock more housing opportunities
- Support the Province's growing population
- Protect communities
- Enhance economic growth.

The Town's successful grant application is specific to the "Craigleith Main Sewage Lift Station, Mill Street Sewage Pumping Station and Bay Street Forcemain" project which includes the following scope of work:

- Upgrades to increase capacity at the Mill Street Sewage Pumping Station
- Upgrades to increase capacity at the Craigleith Main Sewage Lift Station
- Installation of the sanitary forcemain along Bay Street and Grey Street
- Replacement of watermain and sanitary sewers on Bay Street
- Addition of stormwater sewers on Bay Street
- Elimination of the Elgin Street Sewage Pumping Station
- Reconstruction of Bay Street and Grey Street.

The Town's successful grant application was announced by MPP Brian Saunderson on Monday, September 23, 2024 through a special announcement that was live streamed on the Town's website.

The scope of the project that was the focus of the grant application was originally approved by Council in May 2022 through Staff Report [CSOPS.22.041](#) . In August 2023, the project scope was expanded to include engineering and contract administration for the full reconstruction of Bay Street and Grey Street between the Mill Street Sewage Pumping Station and the Thornbury Wastewater Treatment Plant through Staff Report [CSOPS.23.044](#) .

Based on the approved project direction, staff identified an opportunity to apply for Provincial funding based on the aligned goals and objectives between the approved project and the HEWSF grant opportunity. Staff began preparing the grant application in February 2024 to meet the HEWSF submission deadline of April 19, 2024.

The funding for the Craigleith Main Sewage Lift Station, Mill Street Pumping Station and Bay Street Forcemain was approved as part of the 2024 Budget process.

D. Analysis

The following section of the report provides additional background information to Council related to the grant application process and scope of work included in the project.

Application Process:

Staff became aware of the funding opportunity and attended a webinar in January 2024 and began preparing the grant application in February of 2024 to meet the submission deadline of April 19, 2024. At the time of the application, the project had been approved by Council in August 2023 through reports CSOPS.22.041 and CSOPS.23.044.

Conditions of the Funding:

The HEWSF funding will be paid to the Town through the successful completion of project milestones, with the formal Ministry requirement that all work must be completed by March 31, 2027 to remain eligible to receive the funding. Failure to meet the requirements of the HEWSF will result in the project funding falling back to Reserve Funds and Development Charges.

In addition, the Town has been informed that if there are any changes to the scope of the project outlined in the Town's application – including the relocation of the forcemain from the alignment identified in the grant application – the Province would be required to review and reassess whether eligibility for funding would be maintained.

Infrastructure Need

The HEWSF funding will be directed towards comprehensive upgrades to the Town's wastewater system, which is currently operating near capacity.

The Town's Asset Management Plan indicates that the underground infrastructure on Bay Street in this location is in poor to very poor condition and is approaching the end of its useful life. The existing sanitary sewer and watermain are both made of asbestos cement, and both experience significant leakage issues.

The full scope of the project includes:

- Replacement of underground infrastructure on Bay Street that is at the end of its life;
- Upgrades and asset replacement of existing equipments at Craighleith Main Sewage Lift Station, which will increase its servicing capacity from 5,170 units to 8,168 units;
- Upgrades and asset replacement of existing equipments at Mill Street Sewage Pumping Station, which will increase its servicing capacity from 2,693 units to 4,942 units;
- Installation of a secondary sanitary sewer forcemain on Bay Street East and Grey Street between the Mill Street Sewage Pumping Station and the Thornbury Wastewater Treatment Plant, along with the installation of a new stormwater management system and upgrading existing watermain.

It is important to note that the full capacity increase of the Mill Street Sewage Pumping Station is also contingent on the installation of the new secondary sanitary sewer forcemain. The completion of this work will ensure that the watermain, sewers and stormwater systems are adequate for the next 50 – 75 years. Addressing leaking watermains and sewers reduces the burden on both the water and wastewater systems, freeing up needed capacity and allowing more connections to current infrastructure.

Annual Funding Breakdown:

As part of the grant application, staff have included the percentage of annual cost breakdown for the project to match with Provincial fiscal years (April 1- March 31). The table below shows the projected annual cost along with the funding.

Year (April 1-March 31)	Percentage Completion (%)	Provincial Funding	Project Costs
2023-24	1	\$253,975	\$222,165
2024-25	9	\$2,285,777	\$3,256,948
2025-26	45	\$11,428,886	\$15,656,008
2026-27	45	\$11,428,886	\$15,656,008
Total	100%	\$25,397,524	\$34,791,129

Recommendations:

Staff are looking for Council to authorize the Mayor and Clerk to execute the necessary agreements with the Ontario Ministry of Infrastructure to receive the grant for the Craigleith Main Sewage Lift Station, Mill Street Pumping Station and Bay Street Forcemain.

E. Strategic Priorities

1. Communication and Engagement

We will enhance communications and engagement between Town Staff, Town residents and stakeholders

2. Organizational Excellence

We will continually seek out ways to improve the internal organization of Town Staff and the management of Town assets.

3. Community

We will protect and enhance the community feel and the character of the Town, while ensuring the responsible use of resources and restoration of nature.

4. Quality of Life

We will foster a high quality of life for full-time and part-time residents of all ages and stages, while welcoming visitors.

F. Environmental Impacts

Reconstructing Bay Street while installing the forcemain enables the replacement of the aging water and sewer systems, which have reached the end of their useful life. Proceeding with only the installation of the forcemain and then reconstructing over the trench, despite knowing that the existing road is nearing the end of its lifespan, would lead to unnecessary and repeated construction in a sensitive shoreline area.

Additionally, this comprehensive approach helps maintain the safety and security of the Town's drinking water, ensuring public health protection.

G. Financial Impacts

The total estimated cost for the Wastewater System Upgrades and Rehabilitation project is \$34,791,128.75. The \$25,397,523.99 grant provided through the Housing-Enabling Water Systems Fund will cover approximately 73% of the total project cost. The remaining 27% will be funded through the Parks and Recreation Development Charges, Wastewater Asset Replacement Reserve Fund, and Wastewater Development Charges.

If the project is not funded through the HEWSF grant, the project funding will revert back to Reserve Funds and Development Charges.

H. In Consultation With

Monica Quinlan, Director of Corporate and Financial Services

Ryan Gibbons, Director of Community Services

Tim Hendry, Manager of Communications and Economic Development

Allison Kershaw, Manager of Water and Wastewater Services

Pruthvi Desai, Manager of Capital Projects.

I. Public Engagement

The topic of this Staff Report has not been the subject of a Public Meeting and/or a Public Information Centre as neither a Public Meeting nor a Public Information Centre are required. However, information on the funding has been shared on the project. Any comments regarding this report should be submitted to Alan Pacheco, Director of Operations directorops@thebluemountains.ca.

J. Attached

None

Respectfully submitted,

Alan Pacheco
Director of Operations

For more information, please contact:
Alan Pacheco, Director of Operations
directorops@thebluemountains.ca
519-599-3131 extension 238

Report Approval Details

Document Title:	CSOPS.24.078 Housing-Enabling Water Systems Funding.docx
Attachments:	
Final Approval Date:	Oct 17, 2024

This report and all of its attachments were approved and signed as outlined below:

Alan Pacheco - Oct 17, 2024 - 4:24 PM