



Staff Report

Operations – Water & Wastewater Services

Report To: Council Meeting
Meeting Date: May 11, 2026
Report Number: OPS.26.031
Title: Provincial Health and Safety Water Stream Funding Application
Prepared by: Allison Kershaw, Manager of Water & Wastewater Services

A. Recommendations

THAT Council receive Staff Report OPS.26.031, entitled “Provincial Health and Safety Water Stream Funding Application” for their information;

B. Overview

This report provides Council with a copy of the Health and Safety Water Stream Funding Application, as submitted by staff in accordance with the resolution from the April 20th, 2026, Council meeting.

C. Background

Staff applied for the Health and Safety Water Stream Funding in third quarter of 2025. The Municipal Housing Infrastructure Program - Health and Safety Water Stream will help communities build, expand or rehabilitate aging water, wastewater, stormwater, flood and erosion infrastructure.

Eligible Asset Types:

- Drinking water assets (i.e. treatment plants, reservoirs, local pipes including distribution system watermain, and the applicant’s portion of service lines, pump stations)
- Wastewater assets (i.e. lagoon systems, pump stations, lift station, linear assets, treatment plants, storage tanks and collection systems)
- Stormwater assets (i.e. management facilities, linear assets including conveyance piping/ditches/culverts)
- Water management, flood and erosion infrastructure including shoreline protection works (i.e. dams, dykes, channel conveyance improvements, riverine non-structural and structural erosion management shoreline works)

To be eligible for funding, projects must:

- Include a capital component and may also include pre-construction planning and design work. Planning and design work are not eligible as stand-alone projects.
- Protect or maintain housing units that are otherwise compromised by health and safety risks.
- Should demonstrate that they will create climate resiliency and adaptation.
- Be new construction, rehabilitation or expansion.
- Have not started construction.
- Start no later than June 30, 2026, and must be completed by March 31, 2029.
- Be in the process of, or completed, the design and planning phase.

D. Analysis

[Staff Report CFS.25.034](#) outlines the review of two Town capital projects to determine which would be most eligible for funding. The projects considered were the Water and Wastewater Servicing of Clarksburg and the Craigleith Wastewater Treatment Plant upgrades. Following this review, Council endorsed the Craigleith Wastewater Treatment Plant upgrades as the preferred project for the funding application.

The completed grant application can be found in attachment #1. This also includes the supporting documentation that was submitted along with the application. These documents include the following:

- Craigleith Water Pollution Control Plant Optimization Study Report
- The Craigleith Sewage Treatment Plant Class Environmental Assessment, 2009
- The Long Point Road Sanitary Sewer and Craigleith Wastewater Treatment Plant Municipal Class Environmental Assessment, and all associated appendices
- Report regarding the events of the Sewage Backup of September 22, 2021

These can all be found in attachment #1.

The Council motion of April 21, 2026, directed staff to present a report on June 29, 2026, including 30% design estimates for all seven scopes of work included in the Craigleith Wastewater Treatment Plant Upgrades Project. This timeline is not achievable, as the design reports will not be completed in time to meet the deadline. Staff will instead deliver the report to the Committee of the Whole on August 25, 2026.

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

The Craigeith WWTP is critical Town owned wastewater infrastructure, and to protect human health and the environment the required assets must be replaced at end of life. Additionally, providing full communal water and wastewater services to new developments supports growth in the community.

G. Financial Impacts

Securing grant funding for water and wastewater projects helps reduce the financial burden on the Town's reserve funds, preserving these limited resources for future needs. By offsetting capital costs through external funding, the Town can mitigate upward pressure on user rates, supporting greater affordability for residents and ensuring long-term sustainability of the systems.

The engineering budget of \$1,550,000 was included in the approved 2025 Budget. The engineering assignment has been awarded. The 2026 Approved Town Budget includes \$45,000,000 request for the construction of the CWWTP upgrades. This will be financed through the Wastewater Asset Replacement Reserves and the Wastewater Development Charges Reserves.

The Health and Safety Water Stream Program maximum funding per project is up to \$30 million in Provincial funding. This funding may be applied to a maximum of 73% of eligible project costs, and the Town must cover at least 27%.

Item	Amount (\$)	% Contribution
Total Eligible Cost (incl. contingency)	47,908,617.75	100%
Provincial Funding	29,942,886.09	62.50%
Town Contribution	17,965,731.66	37.50%
Total Funding	47,908,617.75	100%

H. In Consultation With

Amy Moore, Acting Director of Corporate and IT Services / Treasurer

Brenna Agnew, Accounting Analyst

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, any comments regarding this report should be submitted to Allison Kershaw, Manager of Water & Wastewater Services managerwww@thebluemountains.ca.

J. Attached

1. Attachment 1 – Health and Safety Water Stream Funding Application
2. Attachment 2 – Long Point EA Final
3. Attachment 3 – Craigeith Wastewater Treatment Plant Optimization Study EPS Inc 2022-01-12
4. Attachment 4 – EA Appendix A
5. Attachment 5 – EA Appendix B
6. Attachment 6 – EA Appendix C
7. Attachment 7 – EA Appendix D
8. Attachment 8 – EA Appendix E
9. Attachment 9 – EA Appendix F
10. Attachment 10 – EA Appendix G
11. Attachment 11 – EA Appendix H
12. Attachment 12 – EA Appendix I
13. Attachment 13 – EA Appendix J
14. Attachment 14 – EA Appendix K
15. Attachment 15 – EA Appendix L
16. Attachment 16 – EA Appendix M
17. Attachment 17 – EA Appendix N
18. Attachment 18 – EA Appendix O
19. Attachment 19 – The Events of the Sewage Backup of September 22

Respectfully submitted,

Allison Kershaw,
Manager of Water & Wastewater Services

Alan Pacheco
Director of Operations

For more information, please contact:
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Report Approval Details

Document Title:	OPS.26.031 Provincial Health and Safety Water Stream Funding Application.docx
Attachments:	<ul style="list-style-type: none">- Attachment 1 - Health and Safety Water Stream Funding Application Redacted.pdf- Attachment 2 - Long Point_EA_Final.pdf- Attachment 3 - Craigeith Wastewater Treatment Plant Optimization Study EPS Inc 2022-01-12.pdf- Attachment 4 - EA Appendix A.pdf- Attachment 5 - EA Appendix B.pdf- Attachment 6 - EA Appendix C.pdf- Attachment 7 - EA Appendix D.pdf- Attachment 8 - EA Appendix E.pdf- Attachment 9 - EA Appendix F.pdf- Attachment 10 - EA Appendix G.pdf- Attachment 11 - EA Appendix H.pdf- Attachment 12 - EA Appendix I.pdf- Attachment 13 - EA Appendix J.pdf- Attachment 14 - EA Appendix K.pdf- Attachment 15 - EA Appendix L.pdf- Attachment 16 - EA Appendix M.pdf- Attachment 17 - EA Appendix N.pdf- Attachment 18 - Appendix O.pdf- Attachment 19 - The Events of the Sewage Backup of September 22.pdf
Final Approval Date:	May 1, 2026

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

Allison Kershaw - May 1, 2026 - 2:20 PM

No Signature - Task assigned to Alan Pacheco was completed by delegate Jeff Fletcher

Alan Pacheco - May 1, 2026 - 2:48 PM