



Staff Report to Council

Report From: Don Giberson, Infrastructure & Development General
Manager

Meeting Date: September 15 2025

Report: ID- 09-2025
Housing Enabling Water System Fund Grant Program -
Intake II - "Amendment to Budget"

Recommendation

That South Huron Council receives Staff Report ID-09-2025 for Housing Enabling Water System Fund Grant Program - Intake II; and

That South Huron Council approves an "Amendment to the Budget" to add a capital budget for the London Road South Trunk Sanitary Sewer project in the amount of \$7,352,500; and

That South Huron Council waives the requirement of the Procurement of Goods and Services Policy for the engineering services; and

That South Huron Council authorize external borrowing to fund the municipal portion of London Road South Trunk Sanitary Sewer project in the amount of \$1,985,175.

Report Overview

Purpose of Report	For Budget Amendment
Council Priority Alignment	Infrastructure Investment/Asset Management Plan Community Safety and Well-Being
Consultations	Rebekah Msuya-Collison, Chief Administrative Officer/Deputy Clerk Erin Moore, Acting Financial Services Director/Treasurer Alyssa Keller, Environmental Services Manager Shane Timmermans, Transportation Services Manager
Attachment(s) to Report	None.

Report Highlights

- The Municipality was successful in receiving Provincial funding for the Housing Enabling Water System Fund Grant Program - Intake II for the London Road South Trunk Sewer in the amount of \$5,367,325.
- An amendment is required to the approved 2025 budget in order to move forward with retaining professional services to complete the design work within the funding agreement timelines.

Context and Background

At the September 3, 2024 Council Meeting, Council authorized the submission of an application to the Housing Enabling Water System Fund Grant Program - Intake II for the London Road South Trunk Sanitary Sewer project.

Our initial application was not successful but was later reconsidered as more funding became available. On August 12, 2025 correspondence was received from the Minister of Infrastructure confirming that our grant application for the Housing Enabling Water System Fund Grant Program - Intake II was successful. The Minister confirmed that the province will contribute a maximum of \$5,367,325 (73%) towards the total eligible costs. The Contribution Agreement has not yet been provided by the Ministry Staff; however, as noted in the correspondence from the Minister, all eligible costs incurred after April 1, 2023 are reimbursable after the contribution agreement has been signed.

Discussion and Staff Recommendation(s)

In order to meet the funding program timelines, it is necessary to move forward now with retaining professional services to complete the design work, including geotechnical investigations. Accordingly, approval of a 2025 budget amendment in the full amount of the estimated project cost is required in order to commence the project and meet the funding agreement timelines.

It is a requirement of this grant funding program to commence design work prior to September 30, 2025. This will require Council approval to waive the normal RFP procurement process and authorize Staff to retain the required professional engineering services by the quotation process.

Impact Analysis

Financial Impact:

The Housing Enabling Water System Fund Grant Program - Intake II application submission package estimated the grant eligible costs for the London Road South Trunk Sanitary Sewer at approximately \$7,352,500. This project involves the completion of the London Road South Trunk Sanitary Sewer from Mary & Waterloo Street to the Snider Crescent Sewage Pumping Station, including restoration of the associated roadways, curbs, sidewalks, storm sewers, watermains, engineering and non-recoverable HST. This project is eligible for grant funding of 73% of the total estimated eligible costs, up to the Ministry's maximum of \$5,367,325.

As noted in the October 21, 2024 Council Report, staff recommend that the balance of the project costs be funded from external borrowing (ie. long term debenture from Infrastructure Ontario).

Based on the Housing Enabling Water System Fund Grant Program - Intake II application grant eligible cost of \$5,367,325 plus \$1,985,175 of non-eligible South Huron costs, the total project cost is estimated at approximately \$7,352,500.

The anticipated expenditure in 2025 is \$150,000 for engineering design and geotechnical work. The expected expenditure in 2026 is \$6,467,250 for construction costs, including engineering costs for tendering, contract administration and site inspection. The anticipated expenditure for 2027 is \$735,250 to complete the final restoration, including surface asphalt and associated contract administration and site inspection.

Legal Impact:

There are no legal implications for the Corporation resulting from the proposed recommendation.

Operational Impact:

After completion of the project, repair and maintenance costs will reduce as this section of roadway and associated infrastructure will be completely renewed.

Community Impact:

This type of construction is invasive and will be very disruptive to residents in the immediate area. Traffic will be impacted due to traffic congestion and delays from construction activities. The project will be planned to minimize the construction impacts; and staff will use all communication tools available to keep the public informed.

By carrying out full street reconstruction as part of the trunk sewer project, will ensure that the impacted streets will not be disturbed again for many years. Completion of this project will open up a large area at the south end of Exeter for development (ie. potentially 2,100 homes) and will significantly enhance the future of the community.

Linkages

- [South Huron Water & Wastewater Master Plan \(2025\)](#)
 - [South Huron Asset Management Plan](#)
 - [State of the Roads Infrastructure Study](#)
 - [Minister of Infrastructure – London Road South Trunk Sanitary Sewer](#)
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Respectfully submitted,

Don Giberson, Infrastructure & Development General Manager

Report Approval Details

Document Title:	ID09-2025 (Housing Enabling Water System Fund Grant Program - Intake II) - Budget Amendment.docx
Attachments:	None.
Final Approval Date:	Sep 10, 2025

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

Erin Moore - Sep 10, 2025 - 9:55 AM

Rebekah Msuya-Collison - Sep 10, 2025 - 4:36 PM