

REPORT TO COUNTY COUNCIL

Ontario Transfer Payment Agreement Housing-Enabling Water System Fund

To: Warden and Members of County Council

From: Director of Public Works

RECOMMENDATION

1. That County Council authorize the Chief Administrative Officer and Director of Public Works to execute a Transfer Payment Agreement with the Province of Ontario for the approved funding under the Housing-Enabling Water Systems Fund for the Well 7A Upgrades Project in the Town of Tillsonburg.

REPORT HIGHLIGHTS

- The execution of the agreement will enable the County to receive funding to support the necessary water treatment upgrades for Well 7A in the Town of Tillsonburg under the Province of Ontario Housing-Enabling Water Systems Fund (HEWSF).
- The Province will fund up to 73% of the Total Eligible Costs, amounting to a maximum of \$2,010,270.
- By securing HEWSF funding, the County can demonstrate its commitment to supporting provincial housing priorities and promoting sustainable growth.

IMPLEMENTATION POINTS

Upon approval by County Council, the Ontario Transfer Payment Agreement will be executed with the Province of Ontario. Staff will adhere to the established project milestones to maintain the agreement's validity and secure the requested funding. It is important to note that County staff have already engaged a consulting engineering firm in 2024, in accordance with the County of Oxford's Purchasing Policy, to complete the detailed design work.

Further, County staff will communicate the project timelines and milestones to stakeholders, including Tillsonburg residents and provide regular updates to Council on project progress.

Financial Impact

Approval of the recommendation in this report will have no financial impact beyond what has been approved in the current year's budget.

Receipt of the HEWSF funding allows existing funds within the Water – Tillsonburg reserve to be re-directed towards other asset lifecycle needs, helping to reduce the funding deficit noted in the 2024 Asset Management Plan (AMP). This will further mitigate rate increases required to achieve proposed levels of service identified through the 2025 AMP.

Communications

Ongoing communication with the Province will be crucial to maintaining the validity of this agreement, and providing timely reports and communicating key project milestones will be an essential part of the process.




County staff will adhere to all requirements outlined in the Ontario Transfer Payment Agreement, including compliance with the Reporting Requirements and Communications Protocol (i.e. includes the installation of appropriate project signage). Although Indigenous consultation is not currently required, staff will undertake the necessary consultation if requested by the Province.

2023-2026 STRATEGIC PLAN

Oxford County Council approved the [2023-2026 Strategic Plan](#) on September 13, 2023. The Plan outlines 39 goals across three strategic pillars that advance Council's vision of "Working together for a healthy, vibrant, and sustainable future." These pillars are: (1) *Promoting community vitality*, (2) *Enhancing environmental sustainability*, and (3) *Fostering progressive government*.

The recommendation in this report supports the following strategic goals.

Strategic Plan Pillars and Goals

PILLAR 1	PILLAR 2	PILLAR 3
		
Promoting community vitality	Enhancing environmental sustainability	Fostering progressive government
<p>Goal 1.2 – Sustainable infrastructure and development</p> <p>Goal 1.3 – Community health, safety and well-being</p>		<p>Goal 3.1 – Continuous improvement and results-driven solutions</p> <p>Goal 3.2 – Collaborate with our partners and communities</p>

See: [Oxford County 2023-2026 Strategic Plan](#)

DISCUSSION

Background

The HEWSF is a funding initiative established by the Province to support municipalities in addressing critical water and wastewater infrastructure needs that directly enable housing development. The fund is part of government efforts to tackle housing supply challenges by ensuring that essential infrastructure is in place to support residential development.

Eligible projects typically include upgrades, expansions, or the construction of new water treatment, wastewater treatment, or distribution infrastructure. To qualify, projects must align with provincial policies, including housing targets and growth management strategies. The fund provides financial assistance to municipalities for the planning, design, and construction of water-related infrastructure, helping to offset a portion of capital costs and reduce the financial burden on municipal budgets. A key focus of the fund is to prioritize projects in areas with housing demand or those identified as growth areas. It emphasizes alignment with affordable housing objectives and the development of sustainable infrastructure to support long-term community growth.

On July 31, 2024, County staff received notification from the Province that this project had been approved for funding. As a result, staff are requesting Council to authorize the Chief Administrative Officer and the Director of Public Works to execute the Ontario Transfer Payment Agreement.

Comments

The County can benefit significantly from this fund in the following ways:

- The HEWSF can offset capital costs for the Well 7A project, enabling the County to redirect savings in the Water – Tillsonburg reserve toward other capital improvements within the Tillsonburg water supply system;
- This funding will provide financial assistance in removing a potential infrastructure bottleneck (Well 7A reliance on blending water) in the Tillsonburg water supply system;
- By securing HEWSF funding, the County can demonstrate our commitment to supporting provincial housing priorities while ensuring sustainable growth; and
- HEWSF funding will provide much-welcomed financial assistance by maintaining momentum of this ongoing project.

CONCLUSIONS

County staff recommend that County Council authorize the Chief Administrative Officer and Director of Public Works to execute the Ontario Transfer Payment Agreement, which will provide financial assistance for the Tillsonburg Well 7A upgrade project.

SIGNATURES

Report author:

Original signed by

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Departmental approval:

Original signed by

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