



INFRASTRUCTURE SERVICES

Staff Report

REPORT NO: IS-2025-19

TO: Council

SUBMITTED BY: Jeff Molenhuis, P.Eng., Director of Infrastructure Services

PREPARED BY: Ken VanderWal, P.Eng. Manager of Engineering

REVIEWED BY: Harold O’Krafka, Acting Chief Administrative Officer

DATE: 2025-06-02

SUBJECT: Petersburg Drinking Water System Upgrades - Municipal Housing Infrastructure Program Health and Safety Water Stream Application

RECOMMENDATION:

THAT Report IS-2025-19 Petersburg Drinking Water System Upgrades – Municipal Housing Infrastructure Program Healthy and Safety Water Stream Application be received for information; and,

THAT Council endorse Petersburg Drinking Water System Upgrades as the project put forward for the Municipal Housing Infrastructure Program: Health and Safety Water Stream Application.

SUMMARY:

The Province of Ontario recently released a grant opportunity through the Municipal Housing Infrastructure Program: Health and Safety Water Stream (MHIP-HSWS) to protect communities by addressing aging water, flood and erosion infrastructure. Applications are limited to one project per municipality.

This funding opportunity is geared towards investments to support aging water systems to help preserve the provinces current housing stock and increase options for Ontario residents looking for a home by promoting climate resiliency and adaption across communities. Township staff have reviewed current and planned infrastructure projects and identified the Petersburg Water System as an appropriate project for this funding application.

BACKGROUND:

On January 15, 2024, the Ministry of the Environment, Conservation and Parks ordered the Region of Waterloo and the Township of Wilmot to assume responsibility for the Knipfel Private Drinking Water System in Petersburg. Operations responsibility was transferred to the Township as of May 13, 2024, and full ownership will be transferred to the Township over time. The system consists of treatment and supply from the upgraded pump-house as managed and overseen by the Region of Waterloo, and distribution through the watermain network which is the responsibility of the Township of Wilmot. This grant will be to seek funding of the distribution watermain (Township) upgrades and possible system expansion only, through the existing serviced area and expansion of the system through the settlement area.

In 2024, cost-estimates were provided to the Township by MTE Consultants after reviewing the options for the watermain rehabilitation. The recommendation of this letter was new 150mm watermain network, along with new curb-stops for all properties to be located at property line. The cost estimate as presented at the Open House in October 2024 was \$3,079,590.00 to service the existing properties.

Estimated Costs (Including 20% contingency):

General Requirements:	<ul style="list-style-type: none"> • Mobilization, traffic control, bonds, insurance, and site management • Total: \$225,800
Removals:	<ul style="list-style-type: none"> • Asphalt, concrete, and curb removal for construction • Total: \$128,000
Watermain:	<ul style="list-style-type: none"> • Installation of 150mm watermain, gate valves, hydrants, and house service connections • Total: \$1,455,500
Restoration:	<ul style="list-style-type: none"> • Excavation, base, surface works repair • Total: \$757,025
Total Estimated Replacement Cost: \$3,079,590.00	

REPORT:

As per the Health and Safety Water Stream (MHIP-HSWS) the Township has the opportunity to apply for a grant from the Province of Ontario to cover 73% of the costs for a project that will support aging water systems to help preserve the provinces current housing stock. Funding of stormwater infrastructure is also eligible under this program. Staff are recommending that the

Petersburg Water System upgrade be submitted to the Province for consideration for this grant opportunity.

Township Engineering Staff have been working on the detailed design of this system and are in the preliminary stages of the design per Council's direction during the budget process. For the work proposed, the existing serviced area engineering design, watermain replacement, semi-urbanization and storm system upgrades, with the addition of a contingency, the total application amount for this section of work would be in the \$5.3million range.

With the application, it would be reasonable to consider expansion of municipal drinking water servicing to the remainder of the settlement area under the same application. It would be expected that this would be limited to watermain works only on Cecil Kennedy, Snyder's Road East (west of Notre Dame), Notre Dame (south of Snyder's Road East), and Reinhart Place. This portion would be in the range of \$2.1million.

All prices include a 25% contingency as per the requirements of the Grant Application. Throughout the design process Township Staff will work to ensure value is provided to the residents of the Township. It is estimated that the additional costs for semi-urbanization would be approximately \$1.15million. Through the detailed design process, should semi-urbanization not be desired, the scope and budget for the project would be adjusted to and the remaining scope would still fall within the funding program eligibility.

Per the terms of the Provincial funding, all construction is to be completed by March of 2029. Based on this timeframe, construction in the community of Petersburg would be expected to commence in spring of 2026 and run through December of 2028.

ALIGNMENT WITH THE TOWNSHIP OF WILMOT STRATEGIC PLAN:

Financial Stability

FINANCIAL CONSIDERATIONS:

Based on the above, the following is of consideration for Council:

Project Area	Total Capital	Funding (73%)	Township (27%)
Petersburg Water System Area (watermain, storm, semi-urbanization)	\$5,300,000	\$3,869,000	\$1,431,000
Expanded Community Area (watermain for Snyder's, Notre Dame, Cecil Kennedy, Reinhart Place)	\$2,100,000	\$1,533,000	\$567,000

TOTAL	\$7,400,000	\$5,402,000	\$1,998,000

By endorsing the above, the Township will be committed to funding 27% of the project through Township resources, which could include special levy. Similar to what was contemplated and approved previously by Council for the existing serviced area project, this funding arrangement can be considered at a later time.

ATTACHMENTS:

None.