CITY OF Thunder Bay
Superior by Nature

Infrastructure & Operations Department **Memorandum**

TO:	Krista Power, Director – Legislative Services & City Clerk	**FILE:**	
FROM:	Kayla Dixon, Commissioner Infrastructure & Operations		
DATE:	01/15/2026		
SUBJECT:	Approval for Municipal Housing Infrastructure Program Funding for Feeder Watermain Projects		
MEETING & DATE:	City Council 02/03/2026		

The City of Thunder Bay's application for the Municipal Housing Infrastructure Program - Health and Safety Water Stream (HSWS) has been approved by the Ministry of Infrastructure. To proceed with the execution of the Transfer Payment Agreement (TPA), a resolution by City Council authorizing the City to enter into the Agreement with the Province is required.

The application was for inspection and rehabilitation of critical watermains that supply water, directly and indirectly, to the entire City. The inspection project includes an in-service leak detection and condition assessment for all 8 km of the City's 900 mm diameter watermain from the Bare Point Water Treatment Plant (WTP), originally installed in the 1980s. The rehabilitation project includes the renewal of twin 600 mm diameter watermains from the Bare Point WTP to Hodder Avenue, installed around 1910, which are approximately 4 km. The Engineering Division is undergoing a feasibility review and cost analysis to determine the most cost-effective approach for renewal which could include relining, replacement or other methods. The project completion deadline is March 31, 2029.

The province will contribute 73% of total eligible costs, up to a maximum of $9,353,125 for this project. The City will be responsible for a municipal contribution of $3,459,375, as well as any additional costs that may arise during the project. Renewal of these watermains is of importance not only to maximize capacity and accommodate growth, but also as critical elements in our existing water distribution system. The 2025 capital budget included funds to complete the inspection work on the 900 mm watermain and the 2026/2027 and future capital budgets include replacement of the twin 600 mm

watermains. The success of this funding program application can take pressure off the City's linear water capital budget over the next several years, which may allow additional asset renewal or expansion that will be identified by the ongoing Water System Master Plan and to support growth.

The in-service leak detection and condition assessment for the City's 900 mm diameter watermain was completed in the 2025 fiscal year. As outlined in the HSWS program guidelines, these expenditures are still eligible project costs under the program. The design for the replacement of the twin 600 mm watermains will be undertaken in early 2026, for work to begin in the 2026 construction season. Administration had identified these critical watermains for replacement prior to the completion of the HSWS funding program application, and therefore the first phases have been included in the 2026 and future capital budgets. The funding will allow these projects to be accelerated.

No additional resources are expected to be required to support the completion of this project. "In kind" contributions using internal resources will be funded out of the municipal capital contribution towards this project for the duration of the project and will not affect the Operating budget.

WITH RESPECT to the memorandum from Kayla Dixon, Commissioner of Infrastructure & Operations dated January 15, 2026, we recommend that the execution of the Transfer Payment Agreement (TPA) for the Health and Safety Water Stream (HSWS) fund between the Ministry of Infrastructure and the Corporation of The City of Thunder Bay be approved;

AND THAT the Commissioner of Infrastructure & Operations be authorized to execute any necessary agreements;

AND THAT any necessary by-laws be presented to City Council.

cc: ELT
Laurie Fors, Supervisor - Budgets & Capital Programs
Matthew Miedema, Director – Engineering & Operations
Michelle Warywoda, Director - Environment
Aaron Ward, Manager – Engineering
Joshua Daniels, Water & Wastewater Engineer - Environment