

# City Council Report

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**REPORT NUMBER** 104-2026-Infrastructure & Operations-Environment

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**DATE**

**PREPARED**

February 11, 2026

**FILE**

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**CITY COUNCIL  
MEETING DATE**

March 10, 2026

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**SUBJECT**

Financial Assistance Program for Lead Service Replacement  
Annual Update

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## **RECOMMENDATION TO CITY COUNCIL**

For information only.

## **EXECUTIVE SUMMARY**

This report provides an update on the Financial Assistance Program for Private Lead Water Service connections. In 2025, thirteen (13) loan applications were approved, and thirteen (13) interest-free loans were issued. The program continues to make a positive impact of reducing lead exposure for property owners with lead service connections by reducing financial barriers and promoting the elimination of lead in drinking water at the tap. Since program inception, the City has issued approximately \$447,000 in loans. The City's loan envelope is still sufficient with a remaining balance of \$903,000.

## **DISCUSSION**

A number of municipalities have implemented financial assistance programs to assist with the cost of private lead service replacement, with other municipal programs currently in development. Cities such as Brantford, Guelph, Hamilton, London, Ottawa, Welland, Greater Sudbury and Orillia currently offer either a loan, grant, or combination of both as part of their lead replacement programs.

Prior to the mid-1950s, many water service connections were made of lead. When water sits stagnant in lead water pipes, the lead leaches into the drinking water, which can pose a health risk if too much enters the body. To reduce lead exposure, these lead pipes need to be replaced.

For publicly owned lead service connections, the pipe from the water main to the property line is replaced through planned capital infrastructure projects, emergency repairs and

through the Priority Lead Service Replacement program. For privately owned lead service connections, the pipe from the property line to the water meter is the responsibility of the property owner and is replaced at the property owner's discretion. Although property owners are encouraged to replace their lead service connections when the public portions are being renewed, private lead services are often not replaced.

In June 2020, the Private Lead Water Service Replacement Loan program was launched to assist property owners with the removal of privately owned lead service connections with a grant program added in 2022. A loan envelope of up to \$1,350,000 to support the Private Lead Water Service Replacement program was approved and Administration was directed to report back annually thereafter on the program and provide recommendations on the status of loans issued along with any demand not met by the existing loan envelope.

As of the end of 2025, one hundred and thirty-four (134) applications have been approved since the program launched in June 2020. From those applications, ninety-four (94) 5-year interest-free term loans and eight (8) 10-year interest-free term loans have been issued. The City's loan envelope is still sufficient with a remaining balance of \$903,000. As for the grant portion of the program, three (3) grants have been issued since the program was implemented in early 2022.

The loan and grant programs are advertised to property owners with lead service connections through individual letters, on the City's website, in newsprint and social media. Loan application packages have also been provided to the Thunder Bay 55 Plus Centers for easy access for seniors. A fillable pdf application can be found on-line, while a digital service application is still in development. Applicants can also call the City at 807-684-2433 to speak with the Program Administrator who can assist them with the process.

A reminder of the program is given to residents with lead service connections who have upcoming City watermain work occurring on their street.

### ***FINANCIAL IMPLICATION***

The loan envelope established in 2021 has a remaining balance of \$903,000 and the \$20,000 budgeted for grants is sufficient to maintain the current program at this time.

### ***BACKGROUND***

During the 2023 Budget process, Council approved an increase to the grant amounts from \$1000 to \$1500 for property owners requiring additional financial assistance as part of the Waterworks budget.

During the 2022 Budget process, Council approved twenty (20) \$1,000 grants for property owners requiring additional financial assistance as part of the Waterworks budget.

On December 6, 2021, the Environment Division presented Report No. R162.2021 to Committee of the Whole. To increase uptake for property owners requiring additional financial assistance, Council approved an individual grant amount of \$1,000 towards eligible costs as part of the program for property owners that qualify under the Tax and Water Credit Program for Low-Income Seniors and Low-Income Persons with Disabilities or the Tax and Water Credit Program for Low-Income Persons as part of the program. Council also approved the maximum loan amount to be increased from \$3,000 to \$5,000 of eligible costs.

On January 11, 2021, the Central Support Division presented a memorandum dated November 26, 2020 to Committee of the Whole regarding a Private Lead Water Service Replacement Program loan envelope to support the Private Lead Water Service Replacement program, consistent with the motion approved as a result of Report No. 55/2020. A loan envelope of up to \$1,350,000 to support the Private Lead Water Service Replacement program was approved and Administration was directed to report back in the fall of 2021 and annually thereafter on the program and provide recommendations on the status of loans issued along with any demand not met by the existing loan envelope.

On June 22, 2020, the Environment Division presented Report No. R55/2020 to Committee of the Whole. Council approved an interest free loan program to allow eligible property owners to borrow funds from the City to assist them in the replacement of their privately owned lead water service connection. A maximum loan amount of \$3,000 of eligible costs was approved and set up to be repaid over a five (5) or ten (10)-year period through monthly interest free payments. In addition to supporting the interest free loan program, Council passed an amendment directing Administration to increase the support from \$50,000 to \$100,000 from the Stabilization Reserve Fund for 2020 and stated that the increase be included in the 2021 Budget for Council's consideration.

On February 10, 2020, ref. CC/51 with respect to Report No. 1/2020, Council approved \$50,000 to be funded from the Tax Stabilization Reserve Fund for 2020 to be used for a program to assist property owners with lead service pipe replacement. Administration was to report back to Council on or before July 20, 2020 with further information, data from other municipalities and a recommended program framework for Council's review and approval.

Since 2010, the City of Thunder Bay has followed its approved Corrosion Control Plan in accordance with Drinking Water Systems Regulation O. Reg. 170/3 to reduce lead levels at the tap. Part of the plan is the removal of lead water service connections attached to the City's drinking water system. According to City records, there are 7,750 privately owned and 5,507 publicly owned lead water service connections in the City. Since 2007, the City has removed over 2,100 publicly owned service connections.

### ***REFERENCE MATERIAL ATTACHED***

None

***REPORT PREPARED BY***

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***REPORT SIGNED AND VERIFIED BY***

Kayla Dixon, Commissioner – Infrastructure & Operations

March 2, 2026