MUNICIPAL HOUSING INFRASTRUCTURE PROGRAM - HEALTH AND SAFETY WATER STREAM

Program Guidelines – April 2025

Contents

1. Program Overview

The Municipal Housing Infrastructure Program – Health and Safety Water Stream (MHIP-HSWS) is an application-based program. Projects funded through the program will aim to protect communities by investing in the development, rehabilitation and expansion of core water, wastewater, stormwater, and water management, flood, and erosion infrastructure projects to address critical health and safety issues while maintaining the current housing stock.

The following guidelines provide an overview of program details and requirements and act as a reference for applicants.

2. Objectives

Eligible projects must meet the following project outcomes:

- Support aging water infrastructure to improve critical health and safety issues in Ontario;
- Preserve the province's current housing stock to increase options for Ontario residents looking for a home; and
- Promote resiliency and adaptation across communities in Ontario.

This funding intake is a competitive process. Funding approval is not guaranteed.

3. Applicant Eligibility

3.1 Overview

Eligible applicants include:

- Municipalities in Ontario defined under the *Municipal Act, 2001*
- Indigenous communities in Ontario, defined as Band Councils under the *Indian Act* (i.e., Indian Act Band Councils)

For any questions on the program or eligibility, please contact MHIP@ontario.ca.

3.2 Joint Applications

Joint projects between multiple eligible applicants are encouraged. As part of the application assessment, additional consideration will be given to joint projects. Joint projects are those where each **co-applicant contributes financially** to the project. All applicants and co-applicants must meet the applicant eligibility criteria.

Each municipality and each First Nation is allowed to submit only one application. Municipalities and First Nations may apply for individual or joint applications. Should a municipality or a First Nation choose to submit a joint application with another eligible applicant, that submission would be counted as their sole application. In summary, **a municipality or a First Nation cannot submit a joint application in addition to a stand-alone application.**

Joint applications must have a primary applicant submitting the application. The primary applicant may own or have care of all or part of the water asset and must confirm all co-applicants funding that is secured to support the project (see Section 4.2 (4) Other Requirements for more details on asset ownership). If successful, the primary applicant will be required to sign a Transfer Payment Agreement (TPA) with the Province. The primary applicant is responsible for entering into a partnership agreement with the other eligible co-applicant(s) that will be contributing to the project. Funds will only be made available to the primary applicant who signs the TPA with the Province. The primary applicant will be responsible for the financial management of the project, ensuring all requirements in the TPA are satisfied, including regular reporting requirements. The primary applicant will be the main contact for the project for the Province.

For joint applications, an increased funding threshold will be available (see 8.2 Funding Maximum).

4. Project Conditions

4.1 Overview

The provision of the MHIP-HSWS is governed by the Government of Ontario/Ministry of Infrastructure (Province/Ministry). Transfer Payment Agreements (TPAs) will set out the terms and conditions under which the Ministry agrees to provide funds to applicants, and will provide additional details on payment schedules, milestones, reporting, and audit requirements. The Province will fund a maximum of 73% (up to $30 million) with the recipient required to fund all remaining eligible project costs (minimum of 27%). TPAs will only be entered into with primary applicants whose projects are approved by the provincial government.

4.2 Project Eligibility

(1) Eligible Project Types:

- A project must include a capital component and may also include pre-construction planning and design work.
- A project must protect/maintain housing units that are otherwise compromised by health and safety risk(s).
- A project should demonstrate that it will create climate resiliency and adaptation.
- A project can be any of the following project types: new construction; rehabilitation/repair; or expansion.
- Projects must have a clear start and end point.
- Projects can be stand-alone or a component of a larger project.
- Projects must be in the process of or completed the design and planning phase.
- Projects must meet all relevant and applicable provincial regulatory requirements.
- The application must include a clearly defined scope of work to enable a comprehensive assessment of the project (financial, technical, risk, etc.). For example, an application must clearly define how it will address existing health and safety issues and/or risks and the construction activities that will be undertaken to address the issue(s).

(2) Eligible Asset Type:

- **Drinking water assets** (e.g., treatment plants, reservoirs, local pipes including the distribution system watermain and the recipient's portion of service lines, pump stations).
- **Wastewater assets** (e.g., lagoon systems, pump stations, lift station, linear assets, treatment plants, storage tanks and collection systems).
- **Stormwater assets** (e.g., management facilities, linear assets including conveyance piping/ditches/culverts, rain gardens, permeable pavements, green roofs, constructed wetlands, infiltration trenches, swales with check dams, living shorelines, micro-catchments, dry wells, planting native and perennial crops facilitating absorption of runoff).
- **Water management** (e.g., dams*), **flood** (e.g., dykes*, conveyance improvements) **and erosion infrastructure** (e.g., riverine non-structural and structural erosion management, including vegetated mesh and grids, natural channel design, live fascines, vegetated crib walls, rip-rap), **including shoreline protection works** (vegetation and bioengineering, flexible revetments and seawalls, rigid revetments and seawalls, beach nourishment, groynes, artificial headlands, detached breakwaters, nature based solutions).

*Dams and dykes are not eligible for new construction. Projects involving these asset types may only include maintenance and rehabilitation of existing structures and may not include increasing storage of the asset.

Note: Projects can include an optimization and/or performance review as part of a capital project on the above asset types. Private connections of water systems to municipal infrastructure would also be eligible.

(3) Ineligible Project Types:

- For this intake, ineligible project types include:
    - Projects that have started construction;
    - Planning and design work as stand-alone projects;
    - Assets that are located on private land (e.g., campgrounds).

- Privately-owned water systems (e.g., year-round, non-applicant residential systems) are not eligible for this program.

(4) Other requirements:

To support your application evaluation, the application must demonstrate how it will meet the intended outcomes of the program. For example:

a. ***Drinking water projects (municipal applicants only):*** water quality following the completion of a drinking water project must meet or exceed applicable provincial regulatory requirements.

b. ***Wastewater projects (municipal applicants only):*** must result in wastewater effluent that meets or exceeds the applicable provincial regulatory requirements.

c. ***Stormwater projects***: must result in improvements to the health and resiliency of the environment and communities such as water quality and/or reduction of runoff volume.

d. ***Water management, flood and erosion infrastructure, including shoreline protection works projects:*** address critical priorities to prevent significant public safety, financial and environmental issues. For existing dam infrastructure this includes ensuring that the dam continues to meet provincial standards.

e. ***Asset ownership:*** Municipal applicants must attest that the asset is publicly owned, either by the applicant or local conservation authority. First Nation applicants who do

not own the assets must attest to having care and control over the infrastructure assets put forward for funding.

f. ***Imminent Health and Safety:*** consideration will be given to projects that address an imminent, critical health and safety risk.

g. ***Bundling of eligible asset types:*** Applicants must select only one primary project asset type but may bundle more than one eligible project asset type. For example, a project may have both water and wastewater components. Bundled projects must demonstrate that each component of the project is inter-related and meets eligibility requirements.

h. ***Connectivity of Bundled Assets***: Bundled projects must demonstrate that each component of the project is inter-related and/or addresses the same health and safety issue, and meets eligibility requirements. If bundling projects, please include supporting documentation (e.g., Infrastructure Master Plan) to demonstrate connectivity of the distribution and/or collection system, housing area, etc. If bundling shoreline work, ensure the projects address the same issue (e.g., erosion mitigation) within a defined area, such as a regional littoral cell. Contiguity is not necessarily required.

i. ***Milestone-Based Program*****:** As the program is milestone-based, funds are distributed to successful applicants after they have demonstrated to the Province's satisfaction that milestone requirements have been met as set out in the TPA. Successful applicants must have a financing strategy in place to cover project costs upfront. **Recipients will be responsible for all cost over-runs and cost escalations.**

4.3 Project Conditions

Projects must comply with the following conditions to be considered eligible:

(1) **Project start:** Projects must have a clear start and end date. **The project must start no later than June 30, 2026.** This start date could include pre-construction activities (i.e., design, planning, engineering, project management, etc.). Project soft costs (i.e., preconstruction work) can be retroactive to April 1, 2024. Construction **must not start** prior to project approval and Duty to Consult requirements being met and communicated by the Province.

(2) **Project completion:** Projects must be completed by **March 31, 2029.**

(3) **Financial sustainability:** Projects should have a financial plan in place to operate the asset(s) and to manage any cost over-runs or escalations experienced on a project.

(4) **Land acquisition:** All land acquisition must occur before an application is submitted.

(5) **Duty-to-Consult**: Projects cannot start construction or site preparation until the provincial government has confirmed in writing that all Duty-to-Consult (DTC) requirements have been met. The undertaking of site preparation or construction prior to written confirmation being received from the provincial government confirming that DTC requirements have been met may jeopardize project funding.

(6) **Asset management plans** (municipal applicants only)**:** Projects should be informed by an applicant's asset management plan. This means the proposed project was identified based on the plan's prioritized lifecycle activities (e.g., construction, maintenance, renewal, rehabilitation, replacement, etc.) for the applicable asset category. For example, if an applicant has identified drinking water needs as a priority lifecycle activity within its asset management plan, then the submission of a drinking water project would be appropriate. Asset management plans should be developed in accordance with the *Asset Management for Municipal Infrastructure* regulation (O.Reg. 588/17). For more details on asset management planning requirements please see section 7.2.

- **Alternatively,** First Nation applicants who may not have asset management plans or master infrastructure plans may submit other documentation. Projects could be identified in or supported by at least one of the following: a 5-Year Capital Plan; a Comprehensive Community Plan; a Strategic Community Plan; an Asset Conditions Reporting System report; a Feasibility Study or Detailed Design. Where not based on a supporting document, a strong rationale must be provided. The province may request an electronic copy of supporting documentation during the project review stage.

(7) **Incrementality of funding for stormwater projects:** Projects should align with existing stormwater management or capital plans, where they exist. MHIP-HSWS funding must incrementally add to, rather than replace, earmarked funding for these plans. The Ministry may request successful applicants to submit their plans to demonstrate this, if available/applicable.

(8) **Energy standards**: If the project is a building, the project must meet or exceed any applicable energy efficiency standards for buildings outlined in the Pan-Canadian Framework on Clean Growth and Climate Change.

(9) **Accessibility standards (municipal applicants only):** Projects must meet or exceed the requirements of the highest published accessibility standard in a jurisdiction in addition to applicable provincial building codes and relevant municipal by-laws.

5. Application Process

5.1 Number of Project Submissions

Each eligible applicant may only submit a maximum of **one project** for this intake. If an eligible applicant participates in a joint application, the joint project will be counted as their single project submission.

5.2 Submissions and Funding Approval Steps

Step 1: Applicants must register or login online through the Province of Ontario's online grant portal, Transfer Payment Ontario (TPON)**.** Step by step support for working with the online grant portal is found here. Full details on the application can be found by following the Submitting for Funding link from the TPON landing page. When filling out the application, please review your organization's contact information carefully. If the program area is unable to contact a project representative in a timely manner, an application may be deemed incomplete. Only authorized representatives of the applicant organization should be included on the form (consultants should not be named as the point of contact). Authorized representatives typically include an individual that can legally bind the organization (e.g., CAO, Treasurer).

Step 2: Applicants must fully complete one MHIP-HSWS application form and compile all supporting documents. **The application form and other available resources (e.g., Frequently Asked Questions (FAQ), declaration of EA exemption, if applicable to the project) are available through the TPON online portal.** For a full list of supporting documents required as part of a complete submission, please see section 11.

Step 3: The application form and all supporting documents must be submitted online through the **Transfer Payment Ontario (TPON) system by the deadline** (see Section 5.3 Key Dates)**.** A scanned application form will not be accepted. **Failure to meet minimum submission requirements will result in the submission being identified as incomplete and will be at risk of not proceeding to the evaluation portion of the application process.**

For technical issues related to the submission of your application form or other supporting documents, or if you note any discrepancies in the pre-filled section of the application form, please contact Transfer Payment Ontario Client Care at **416-325-6691 or 1-855-216-3090 or email TPONCC@ontario.ca for assistance. For all other questions, please contact MHIP@ontario.ca.**

Step 4: Once the completed application form has been submitted, an automated acknowledgement of receipt and a file number will be emailed to the primary applicant. If you

do not receive an acknowledgement after your submission, please contact TPONCC@ontario.ca and MHIP@ontario.ca indicating your TPON ticket number.

Step 5: Projects will be assessed and evaluated by the Province.

Step 6: Notification of project approval.

Step 7: TPA Development. Once a project has been approved, the Province will create a project specific TPA and provide it to the primary applicant for signature. The TPA sets out the terms and conditions of funding including:

- That contracts will be procured through a competitive, value-for-money process.
- That the primary applicant will fulfill all Duty-to-Consult and Environmental Assessment requirements (as applicable).
- A detailed list of eligible and ineligible expenditures (see Section 8.4 and 8.5 for more details).
- Communication requirements (including project signage).
- Mandatory reporting requirements, including insurance obligations.

5.3 Key Dates

Municipal applications and all supporting documentations must be submitted through TPON by **4:59 p.m. EST on Thursday, June 26, 2025**.

First Nations applications and all supporting documentations must be submitted through TPON by **4:59 p.m. EST on Thursday, July 10, 2025**.

Note: applications, including all supporting documentation, will not be accepted after this time and submissions cannot be changed after this deadline. **Failure to meet minimum submission requirements will result in the submission being identified as incomplete and will be at risk of not proceeding to the evaluation portion of the application process. That includes completing each section of the application form within the required timeline.**

Note: Successful applicants cannot start capital work (e.g., site preparation, construction, etc.) on a project until they have been notified by the Province in writing that Duty-to-Consult requirements have been met.

- Projects must start no later than **June 30, 2026**, and be completed by **March 31, 2029.** The project start date can represent pre-construction soft costs (i.e., design, engineering, project management, etc.).

5.4 Project Description

A technical description of the proposed project should provide the Ministry adequate information to understand the scope of the project. Strong project descriptions include but are not limited to:

- Name of municipality/First Nation;
- Project location (from x road to y road);
- Type of asset;
- Length of project work; and
- List high-level project details/outcomes.

Water Project Description Example:
This project will replace and expand watermains in the downtown core in the City of Argyle. The project work will involve the installation of approximately 700 metres of watermain and valve chambers on Samuel Boulevard from Lyle Street to Canton Street. Approximately 300 metres of new trunk watermain on Locke Street from Barrie Avenue to York Street will also be constructed. All interconnections at junctions will also be installed.

Wastewater Project Description Example:
This project will expand the servicing capacity of the wastewater treatment system in the Town of Fitzgerald. The work will include the installation and expansion of SCADA control systems, upgrade the sewage lagoon's mechanical and chemical processes, expand the tertiary treatment system by installing approximately 12 new intermittent sand filter cells, as well as the installation of a third pump. An upgraded power supply will also be installed.

Stormwater Project Description Example:
This project will enhance stormwater management in the Town of Saphire. A new stormwater management facility will be constructed at the Bellwood municipal management property. All mechanical, electrical, and internal control systems necessary to bring the new facility online will be included in this project.

Dam Remediation/Repair Example:
This project will remediate and bring the McHardy Dam, in Constance, up to current safety requirements. The dam, located on the Steep River at Dufferin Street, was built in 1930 and is owned by the Town of Constance and is composed of a 175-metre-long earth embankment, with flow controlled by a V shaped overflow weir and concrete spillway structure. A dam safety review for the dam was completed in 2023, which identified that the dam has structural stability, seepage and hydraulic capacity deficiencies that are likely to lead to dam failure. As well, it was found that the Hazard Potential Classification (HPC) of the dam had increased from a Moderate HPC to a High HPC, resulting from downstream development in the vicinity of the floodplain. Proposed work will focus on replacing the existing overflow weir / spillway with a new weir / spillway capable of passing the required Inflow Design Flood, stabilizing the earthen embankment, controlling seepage through the embankment and sediment removal from the reservoir.

Riverine Conveyance Improvements Example:
This project will enhance flood conveyance and reduce associated flooding in the Town of Emerald. The work will include the replacement and upsizing of box culverts on Pearl and Diamond Streets to mitigate flooding and associated flood damages within the John's Creek watershed, in the eastern portion of the Town. Significant flooding resulting from insufficient culvert capacity is the primary issue addressed by this project. The John's Creek watershed was identified in the attached Town of Emerald Flood Reduction Master Plan as the highest priority area for improvements to existing infrastructure to provide a level of protection for life and property up to and including the 1:100-year flood. Approximately 150 properties are affected by flooding directly attributed to the insufficient conveyance capacity of the two culverts, resulting in estimated damages of $5 Million. Modelling has demonstrated that the risk of flooding would be removed for these properties if this project is approved.

Shoreline Protection Works Example:
This project will address significant shoreline erosion along sections of the Lake Erie shoreline between Long Bay Drive and Steep Bluff Crescent within the Municipality of Sandy Beach. This area has experienced significant erosion, which was exacerbated by flooding during 2017-2020. Recession rates of 3.8 m/yr. were documented during that time and continue to be in excess of 1 m/yr. Existing protection works structures installed in 1989 to address erosion and flooding consisted of vertical corrugated metal walls, which have since failed, and put community infrastructure, including critical infrastructure at risk. This work involves the protection of key municipal infrastructure, including roadways and the Municipalities' water treatment plant. To address this issue the work will include installation of sloping armour stone revetments approximately 250 m in length. This approach was the preferred solution advanced in a shoreline study, completed by an engineering/geoscience consultant retained by the municipality.

Bundled Project Description Example:
This project will upgrade the Wastewater Treatment Plant (WWTP) in Lakeland Township. The work will include the installation of approximately 5,000 metres of new forcemain from the Boxwood Sewage Pumping Station (SPS) to the WTTP and will also replace approximately 140 metres of watermain on Dover Street, and approximately 370 metres of water transmission main on Agatha Street. Approximately 420 metres of storm sewer will be replaced on Bell Avenue and approximately 1,000 metres of forcemain will also be replaced to tie in the Spruce SPS.

6. Outcomes and Indicators

Outcome Description	Indicator	Unit of Measure
Increased/restored drinking water/wastewater/stormwater infrastructure capacity, while the associated public health and safety risk is being addressed.	Extent to which treatment and management facility capacity is being increased (or restored). Extent to which conveyance capacity is being increased (or restored) in watermain and sewer infrastructure, in the upgraded and/or new water systems.	Increase in treatment capacity in Cubic meters per day. Flow Capacity Enhancement in Distribution/Collection Systems (m3/day or L/s).
Increased/restored drinking water/wastewater/stormwater infrastructure capacity, while the associated public health and safety risk is being addressed.	Increase in stormwater management capacity and/ or increase in drainage area/ conveyance capacity before MHIP-HSWS investment (baseline) and at project conclusion.	Increase in number of assets, increase in drainage area with stormwater management.
Increased/restored drinking water/wastewater/stormwater infrastructure capacity, while the associated public health and safety risk is being addressed.	Increase in treatment capacity of the stormwater facility or wastewater treatment plant (operational and rated capacity) before MHIP-HSWS investment and at project conclusion.	Increase in treatment capacity in volume units.
Promote resiliency and adaptation across communities	Extent to which margin of safety of water management infrastructure (i.e., dams), and flood and erosion infrastructure are enhanced or improved/addressed/restored.	Increase in number of assets. Increase in length of assets.

Preserve/maintain housing supply	Number of housing units being maintained for each project.	Number of existing housing units in the municipality as of January 1, 2024 (baseline). Number of housing units impacted (maintained) by the project.

7. Assessment Process

7.1 Assessment Criteria

Ontario will assess projects primarily in relation to the following assessment criteria:

1. Criticality of Health and Safety Risk
2. Technical Merit (Water/Wastewater/Stormwater Systems; Water Management, Flood and Erosion Infrastructure, including Shoreline Protection Works)
3. Financial Need
4. Project Readiness
5. Preserve Housing Stock
6. Modern Technologies

Priority will be given to those projects that have greater multi-community impact (i.e., joint projects). Project approval will be assessed and prioritized based on program requirements, applicant eligibility, application completeness, assessment criteria and the overall demand of funds in the program.

Criteria 1 – Criticality of Health and Safety Risk

Projects will be assessed on the criticality of health and safety factors based on a technical assessment criterion used relative to industry standards which technical staff at the Ministry of Environment, Conservation and Parks (MECP) and the Ministry of Natural Resources (MNR) will use to review and score projects.

This includes:

- Whether the project is an appropriate solution to address a risk, the range of other options considered, including considering potential climate change impacts.
- Public health and/or safety issues (including continuity of service) related to water systems within the framework of the standards, policies, and requirements of MECP, including but not limited to long-term drinking water and boil water advisories.

- For dams and other applicable water management infrastructure, the hazard potential classification (HPC) of the structure, including critical items outlined in dam safety reviews.
- Aspects that may potentially pose a threat to public health and safety, and their critical and imminent levels.
- Risk of meeting or failing to meet applicable standards, policies, as well as an assessment of the urgency of the identified health and safety need.
- Urgency of the need based on the information outlined in the application and technical appendix as well as any supplemental documents submitted with the technical appendix (e.g., for drinking water projects, laboratory results and advisories may be required depending on your responses to the technical appendix).

Criteria 2 – Technical Merit for Water Systems

Projects would be assessed on technical merit factors such as:

i. Meets provincial regulatory requirements, as applicable*.
ii. Environmental impacts, including climate resiliency.
iii. Current utilization of water/wastewater/stormwater infrastructure capacity. For stormwater and wastewater, how the project complements or exceeds existing treatment and hydraulic capacity.
iv. Condition of existing asset, hazard potential and extent that risks to people and property posed by natural hazards are mitigated (for water management, flood and erosion infrastructure assets).
v. If the project is a net new or expansion project.

*For *Water management, flood and erosion infrastructure, including shoreline protection works projects*, where municipal applicants fail to demonstrate that provincial regulatory criteria or natural hazard technical guidance policies and protocols are met (as applicable), this will be treated as a pass/fail criterion. Ontario reserves the right to remove the project from funding contention, where a ‘fail’ has been assigned.

Criteria 3 – Financial Need

For municipalities, the Province will review the cost of the proposed project per household, as well as median household income and weighted property assessment per household.

In general, applicants with greater funding need (i.e., higher project cost per household, lower median household income, lower weighted property assessment per household) will be more competitive in this criteria.

Weighted property assessment per household measures the size of the municipality's tax base. It refers to the total assessment for a municipality weighted by the tax ratio for each

class of property (including payments in lieu of property taxes retained by the municipality) divided by the total number of households. Weighted property assessment data is retrieved from the Municipal Property Assessment Corporation and municipal tax rate bylaws. Median household income data is retrieved from Statistics Canada, and it is a measure of median household income for all private households. The Province uses the best available data to determine the funding need of the proposed project.

For First Nation applicants, funding need will be scored separately.

For joint projects between municipalities, projects will be based on the best of the two (or more) scores (i.e., the score which reflects the greatest financial need). Joint projects that include a First Nation applicant will receive full marks in this category.

Criteria 4 – Project Readiness

Projects would be assessed on readiness factors such as:

i. Anticipated project start date.
ii. Whether the project is in or completed the planning and design phase.
iii. Completed Environmental Assessment, as applicable.
iv. Requisite approvals are obtained or in progress, as applicable*.
v. All land acquisition activities are complete, if applicable*.

*Inability to obtain requisite approvals and/or insubstantial land acquisition progress would make the project ineligible for funding.

Criteria 5 – Preserve Housing Stock

Projects will be assessed on their ability to preserve current housing stock by addressing health and safety risks. Recipients are asked to specify the number of housing units that will be impacted (maintained) as a result of the project. Where available, applicants can include a map with the maintained housing clearly identified as part of their application.

Criteria 6 – Modern Technologies

Applicants will be asked to identify modern technology components of their projects, and the capacity of the applicant to maintain the technology. This will be considered in evaluation to promote adoption of emerging practices and technologies in asset delivery, management, and planning.

“Modern Technology” for this purpose is described as physical products and/or software that help to augment manual techniques to collect information for the purpose of delivering,

managing or operating infrastructure for efficient outcomes. Examples of modern technology include software that includes 3D models of planned or existing infrastructure, artificial intelligence or machine learning software, software/tools using augmented reality, or the use of sensors or machine learning-assisted cameras to provide real-time or near real-time data collection.

7.2 Asset Management Plan (Municipal Applicants Only)

The *Asset Management Planning for Municipal Infrastructure* regulation (O.Reg.588/17) sets out requirements for undertaking municipal asset management planning. The regulation is being phased in over a 7-year period, from 2018 to 2025), with progressive requirements for municipalities with respect to their asset management plans.

Asset Management Phase-in Schedule

Date	Regulation
July 1, 2019 (complete)	Date for municipalities to have a finalized strategic asset management policy that promotes best practices and links asset management planning with budgeting, operations, maintenance and other municipal planning activities.
July 1, 2022 (complete)	Date for municipalities to have an approved asset management plan for core assets (roads, bridges and culverts, water, wastewater and stormwater management systems) that identifies current levels of service and the cost of maintaining those levels of service.
July 1, 2024 (complete)	Date for municipalities to have an approved asset management plan for all municipal infrastructure assets that identifies current levels of service and the cost of maintaining those levels of service.
July 1, 2025	Date for municipalities to have an approved asset management plan for all municipal infrastructure assets that builds upon the requirements set out in 2024. This includes an identification of proposed levels of service, what activities will be required to meet proposed levels of service, and a strategy to fund these activities.

At the time of application, the asset management plan used to inform the proposed project should be developed according to O.Reg. 588/17.

As part of project reporting requirements, and to remain eligible for funding, successful applicants will be required to provide a link to their updated, public facing and Council approved asset management plan to municipalassetmanagement@ontario.ca as regulatory milestones are phased in over the life of the project (2024 and 2025).

For more information about municipal asset management planning, as well as tools and supports available to help municipalities develop and improve their plans, please visit the http://www.ontario.ca/assetmanagement.

7.3 Alignment with Applicable Provincial Legislation (Municipal Applicants Only)

Projects must be aligned with and support provincial priorities and outcomes, including as set out in provincial land use policy, and municipal official plans. Projects shall furthermore be consistent with provincial technical guidance used to implement the policies of the Provincial Planning Statement (PPS).

Projects must comply with all applicable provincial legislation and regulations and seek approvals and permits where required. Applicants are encouraged to make every effort of accounting for review, approval and permitting timelines in project planning, including as appropriate for staging and or sequencing of proposed works.

Applications submitted by First Nations for work on reserve lands are exempt from provincial legislation, regulations, and technical guidance, applicable to works under this Program; this includes the associated approvals and permits that may be required for municipally led projects. Additional federal policies requirements may apply in these cases. Wherever possible and relevant, First Nation applicants should provide similar or comparable information as it relates to federal jurisdiction.

Where provincially relevant legislation, regulations and requirements form assessment criteria for scoring purposes, scoring for First Nations projects will be adjusted and pro-rated by removing these criteria from consideration and distributing the score proportionally to ensure fairness.

Specific to Water Management, Flood and Erosion Infrastructure, including Shoreline Protection projects:

For flooding and erosion works, applicants should work in partnership with their local conservation authority, where one has been established, as permitting under *the Conservation Authorities Act* will be required for many of these asset types.

MNR produces and administers natural hazard technical guidance (to implement PPS policies). Project applications, and the proposed work therein, should be undertaken/completed in a manner consistent with the PPS and the technical policies included

in MNR's technical guidance. This includes alignment with provincial natural hazard policies, technical guidance and standards.
    - These policies are in place to ensure Ontario's long-term prosperity, environmental health and social wellbeing, while reducing the potential for public cost or risk to Ontarians from natural hazards.
    - With regards to any work proposed on existing dykes or similar structures, including the remediation, rehabilitation and repair, shall not offer any additional protection, as these structures are to protect existing areas located behind them, but not provide for new or expanded development.
- Applicants must attest in the application form regarding adherence to the MNR's natural hazard technical guidance would aid in mitigating the risk that proposals are in non-conformance/compliance with MNR's guidance, including but not limited to adherence to protection works standard, access standard, floodproofing standard.
    - E.g., the proposed work is consistent with Section 5.0 of the PPS and in accordance with guidance developed by the Province and will:
        - Not create new or aggravate existing hazards; or
        - Not create an unacceptable risk to public health or safety or of property damage; or
        - Address stormwater management facilities, including ponds in a manner consistent with the Special Flood Hazard Conditions outlined in section 4 of Ontario's *Technical Guide - River & Stream Systems: Flooding Hazard Limit*; or
        - Consider dams in a manner consistent with section 4, Special Flood Hazard Conditions, in Ontario's *Technical Guide - River & Stream Systems: Flooding Hazard Limit* (2002), acknowledging that whatever the design of the dam, these structures are not a floodproofing option for downstream developments, and cannot be completely relied upon, and can increase risks to downstream communities in the event of a failure.
- Municipal applications for projects within a Special Policy Area (SPA) under the PPS, or for downstream or upstream projects that are meant to address the flood risk within an SPA, should refer to the SPA policies in the municipal Official Plan to ensure alignment.
- The municipal application should also describe how the project will address the flood risk within the SPA by enhancing flood mitigation. It should be acknowledged that dykes, berms and flood walls are not regarded as permanent flood control structures and the land behind them should continue to require protection (i.e., floodproofing) to the revised (increased) flood standard.
- For municipal applications, include an attestation that they have consulted with, are working with their conservation authority (CA) (where one is established) on their proposal, as a permit will generally be required from the CA to undertake the work.
- Municipal applications in the water management, flood and erosion infrastructure stream should include CA endorsement of the project proposal, indicating knowledge of the project and general support for it at the outset.
- For stormwater management, applicants should provide assurance that the project provides for the conservation, protection and management of Ontario's waters and for their

efficient and sustainable use, in order to promote Ontario's long-term environmental, social and economic well-being (*Ontario Water Resources Act*).

- For stormwater management ponds, applicants should provide assurance that:
    - Any proposed stormwater management pond will be designed to hold no greater than the 100-year storm event. Ponds designed to hold or contain greater than the 100-year storm, including the regional flood standard (i.e., Hurricane Hazel Storm; Timmins Storm) are not supported by provincial policy at this time.
- Where online works, or work in and around water are being proposed, that these works will receive approval under the *Lakes and Rivers Improvement Act* (LRIA), where required.
    - Furthermore, approval to construct, alter, improve or repair dam infrastructure, including temporary dams and other works are subject to LRIA approval from MNR. The LRIA defines a dam as a structure or work forwarding, holding back, or diverting water and includes: a dam, tailings dam, dike diversion, channel alteration, artificial channel, culvert, or causeway. The regulation also defines other types of structures considered a dam under the LRIA. Applicants should contact their local MNR office to discuss their proposed work in and around water including lakes, streams and rivers (including intermittent streams and rivers).
    - Under Ontario Regulation 454/96, approval must be obtained from the MNR to construct, decommission, alter, improve or repair a dam that holds back water in a river, lake, pond or stream.
        - A list of alteration improvement and repair works that do no require LRIA approval are outlined in Section 4.0 of MNR (2016)[1].
    - Applicants acknowledge that LRIA approvals may not be granted for their projects due to inconsistencies identified through subsequent reviews of LRIA applications made by the applicant to MNR.
    - The LRIA Administrative Guide (MNR, 2017) outlines the broad requirements of the Act, including roles and responsibilities, application of the Act and steps in the review and approval process.
    - The LRIA technical bulletins[2] detail Ministry requirements for the location, design, construction, operation, decommissioning, removal, maintenance and safety of dams in Ontario.
- Where works include construction, alteration, improvement or repair to dam infrastructure, a Class Environmental Assessment may be required if the works constitute a change in the operation, function or capacity of the structure.
- In Ontario, the beds of most water bodies are Crown land and MNR manages these lands including shore lands under the *Public Lands Act (PLA).* Applicants will require a work permit under the PLA if they want to build a new or expand an existing erosion control structure.

[1] MNR (2016). Technical Bulletin – Alterations, Improvements and Repairs to Existing Dams. Kings Printer for Ontario.
[2] https://www.ontario.ca/page/dam-management

8. Financial Matters

MHIP-HSWS funds will be disbursed to recipients once mandatory reporting requirements have been fulfilled demonstrating that required milestones, as set out in the TPA, have been satisfactorily met (see section 8.6 for details on milestones and payment). Additional reporting requirements may be included and described through the TPA.

Successful applicants must have a financing strategy to cover costs up-front and operating costs, as well as any potential cost over-runs or escalations experienced on a project. More details on combining funding under this intake with other federal, provincial, and municipal programs can be found in section 8.3 below.

8.1 Cost-Sharing

Successful projects would be cost shared between recipients and the Province. This includes a minimum of 27% of eligible expenditures covered by recipients, matched at 73% (up to $30 million) by the Province.

8.2 Funding Maximum

The Province would fund a maximum of 73% (up to $30 million) of eligible project costs with the recipient required to fund all remaining eligible project costs.

For joint applications, the primary applicant can apply for up to $30 million in provincial contribution on total eligible costs, times the number of applicants. For example, a joint project with three eligible co-applicants can submit a project with a combined provincial contribution of up to $90 million (i.e., $30 million multiplied by three eligible applicants equals $90 million).

For illustrative purposes only:

Value of Project	Provincial Contribution (73% max)	Municipal Contribution (27% min)
$5 million	$3.65 million	$1.35 million
$48 million	$30 million	$18 million
$100 million	$30 million	$70 million

Note: figures reflect approximate amounts

8.3 Combining Funding from Other Sources (Stacking)

Eligible applicants may combine (i.e., stack) other federal, First Nation, and/or municipal funding (including development charges revenue) to fund the 27% minimum recipient contribution.

Applicants are responsible for determining if federal funding can be used towards the project being submitted to the Province. Provincial stacking will not be permitted, with the exception of funding received from the Building Faster Fund (BFF) and the Ontario Community Infrastructure Fund (OCIF). For those municipalities receiving OCIF funding, the Ministry encourages municipalities to use their available banked OCIF grants before other revenue sources for the required municipal portion in financing this project. Municipalities must ensure that these funds are not earmarked for other infrastructure projects and the project meets the eligibility criteria of the OCIF program. For questions regarding the OCIF program, please contact your senior project analyst or email ocif@ontario.ca.

8.4 Eligible Project Costs

All eligible project costs must be incurred after **April 1, 2024**. Project contracts must be awarded in a way that is fair, transparent, competitive and consistent with value-for-money principles in accordance with local procurement by-laws and as prescribed within the Procurement Requirements of Section 271 of the *Municipal Act*, 2001, S.O. 2001, Chapter 25. Construction costs will not be covered until such time that all Duty to Consult (DTC) and/or Environmental Assessment (EA) requirements are fulfilled and communicated to the primary applicant. Costs related to the DTC and Environmental Assessment requirements are eligible under the MHIP-HSWS program.

Note: successful applicants must not start capital work (e.g., site preparation, construction, etc.) on a project until they have been notified in writing by the government that all DTC and land use requirements have been met.

Projects that begin construction prior to receiving written notification that they may proceed, may be deemed ineligible for program disbursement and projects cancelled.

8.5 Ineligible Project Costs

Successful applicants are responsible and must pay for all ineligible project costs as well as any potential cost over-runs or escalations experienced on a project.

The following costs are ineligible for funding:

- All capital costs, including site preparation and construction costs, prior to confirmation in writing from the provincial government that DTC requirements have been met and continue to be met (See Section 9 for DTC);
- All costs associated with preparing the application are ineligible for funding and should not be included in the scope or financials of the application;

- Operational costs of operating assets;
- Financing and financing charges, debt restructuring, loan interest payments bank fees, and legal fees including those related to easements (e.g. surveys);
- Costs incurred for cancelled projects;
- Costs of relocating communities;
- Land acquisition;
- Planning costs, if not tied to a capital project (i.e., planning-only project submitted);
- Leasing land, buildings and other facilities; leasing equipment other than equipment directly related to the construction of the project; real estate fees and related costs;
- Any overhead costs, including salaries and other employment benefits of any employees of the applicant, any direct or indirect operating or administrative costs of applicants, and more specifically any costs related to planning, engineering, architecture, supervision, management and other activities normally carried out by the applicant's staff;
- Any goods and services costs which are received through donations or in kind;
- Any tax, including provincial sales tax, goods and services tax, or harmonized sales tax;
- Any costs eligible for rebates;
- Costs associated with operating expenses and regularly scheduled maintenance work; and,
- Cost related to furnishing and non-fixed assets which are not essential for the operation of the asset/project.

A more detailed list of eligible and ineligible expenditure categories will be provided in individual project-level TPAs.

8.6 Payments & Reporting

Funding is milestone-based meaning that funds will be disbursed to recipients once reporting is submitted to the government demonstrating that required milestones, as set out in the TPA, have been met.

Expenditures for projects will be disbursed, conditional on the Recipient completing each milestone and submitting required reporting which are deemed satisfactory. For illustrative purposes, the following table is intended to be an example of a payment schedule.

Further information on the actual payment schedule and required reporting schedule will be provided in the TPA. Additional reporting requirements may be required as part of ongoing project monitoring that are not outlined above and are not tied to any payment (e.g., project status).

Milestone	Supporting Documentation	Payment Amount
Milestone 1:	An executed TPA and a Council by-law/Band Council resolution authorizing the applicant's entry into the TPA. Any other reporting requirements requested by the Ministry.	Up to 25% of project Total Eligible Cost (TEC).
Milestone 2:	Construction Contract Award Report and project progress report, including revised budget forecast. Any other reporting requirements requested by the Ministry.	Up to 25% of project TEC.
Milestone 3:	Project Progress Report and the submission of documentation confirming that at least 85% of TEC has been incurred. Any other reporting requirements requested by the Ministry.	Up to 35% of project TEC.
Milestone 4:	Final Report, may include any or all supporting document related to the project lifecycle. Any other reporting requirements requested by the Ministry.	Province's acceptance and approval of Final report – release of the final (up to) 15% of project TEC.

* This schedule is intended to be an example of a payment schedule. Further information on payment schedule and required reporting schedule will be provided in the TPA.

9. Duty-to-Consult

As part of the application process for funding, applicants will be required to complete the Duty-to-Consult (DTC) Questionnaire found in the MHIP-HSWS Application Form.

Projects must not start construction or site preparation until the provincial government has confirmed in writing that all DTC requirements have been met. The Province reserves the right to withhold funding or recover funds utilized for construction-related activities if they began prior to the determination by the Province that DTC requirements have been met.

10. Contact Information

For program related inquiries the MHIP team can be reached by email at MHIP@ontario.ca. For inquires related to the TPON system, please contact TPON at TPONCC@ontario.ca.

11. Application Package Requirements

As part of the complete MHIP-HSWS application, applicants will be required to submit the following through TPON:

- ✓ The **MHIP-HSWS Application Form** which will provide information about your project proposal. The form also includes a Technical Appendix and a Duty to Consult (DTC) Questionnaire, in the appendices, that need to be completed.

- ✓ **Project Map** clearly identifying all components in the project description in KML format (Refer to Section 12 “Maps in KML Format” for instructions) and submitted as an attachment through TPON.

- ✓ **Environmental Assessment or declaration of EA exemption** (document provided in TPON)**.**

The applicant may also be required to submit **additional supporting documentation** based on responses provided in Section E and the Technical Appendix of the Application Form. This includes:

- ☐ Laboratory reports
- ☐ Engineering assessments
- ☐ Inspection reports
- ☐ Design reports
- ☐ Master Infrastructure Plans

- ☐ Compliance/conformance letters/reviews
- ☐ Photographs
- ☐ PDF maps
- ☐ Site approvals for existing assets including site approval code for the structure, where applicable
- ☐ Archaeological assessment report, where applicable
- ☐ Notices of Completion, where applicable

12. Project Maps in KML Format

The provincial government requires a detailed KML file showing exactly where each work site/asset is located. This is not a picture or PDF map of the project location, but a digital spatial representation of the project location produced by a geographic information system.

12.1 What is a KML File

This simple file type, designed specifically for the visualization of geographic data, provides an accurate and detailed representation of the project and asset locations. Using a KML allows a variety of point, polygon, and line data to be represented spatially with detail and consistency.

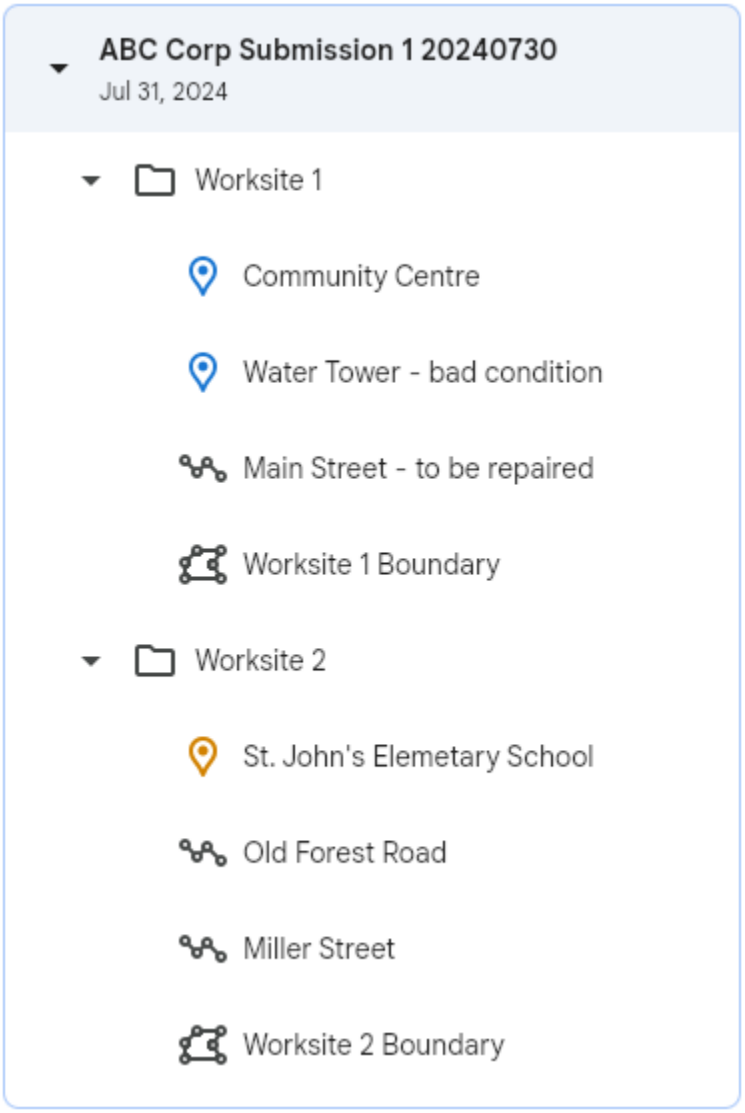
A KML file identifies project-specific spatial information which will help reviewers understand the nature and location of your project as well as the work that you are proposing to do.

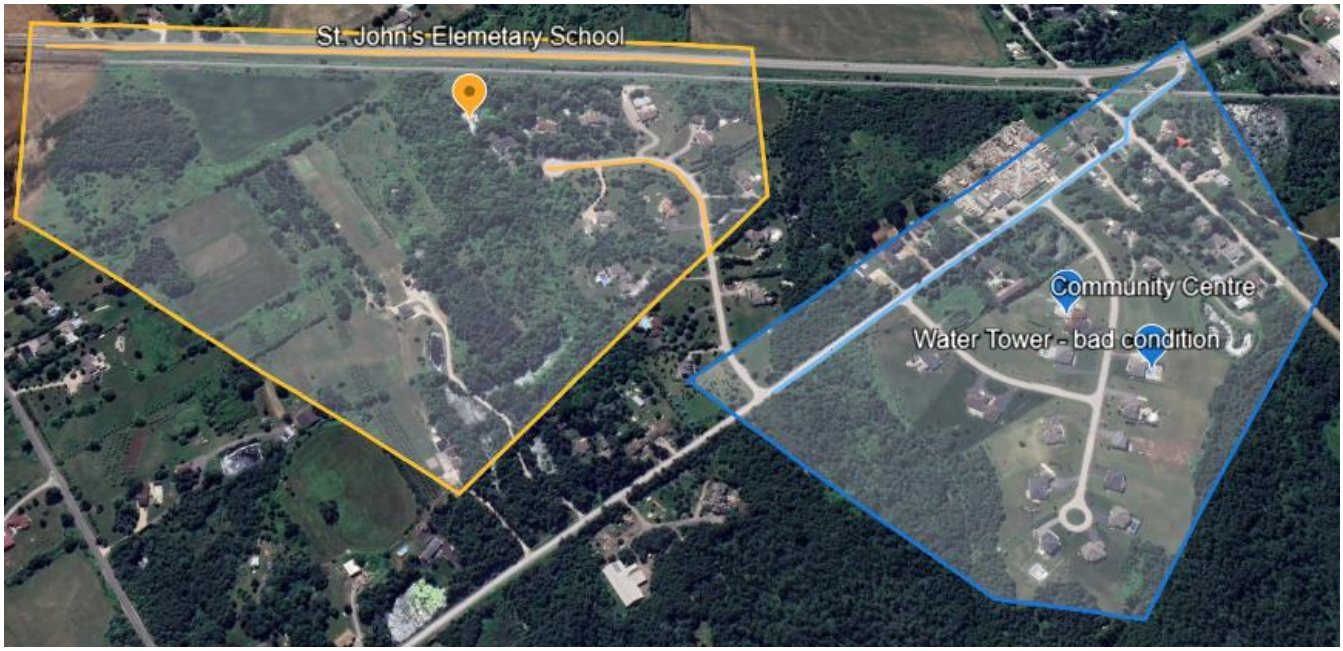
A submitted KML file must include a geometry for each element/asset of the project you are applying for.

Every submitted KML file must include geometries representing the location of the asset on the ground. Geometries can be of three different types:

- Placemark (point):
  Use placemarks, or points, to represent discrete points on a map (small areas). Examples include: buildings, water towers, hydro poles, bridges, etc.
- Path (line):
  Use paths, or lines, to represent elongated features over larger distances such as roads, water mains, trails, rivers/streams, etc.
- Polygon:
  Use polygons to represent two-dimensional shapes that cover larger areas. Examples include parks, lots and concessions, project boundaries and large water bodies such as lakes and ponds.

See the below images for an example of a nicely structured KML file in Google Earth. Note that these images are meant for general reference for KML creation and may not reflect the data the applicant is meant to capture.





12.2 KML Submission Structure

1) When creating a KML file, the naming convention of the file should include:
    - Applicant name
    - Name of submission
    - Date of submission (yyyymmdd)

An example KML name would be: ‘ABC Corp - Submission 1 - 20240730’

2) When adding geometries (placemarks, paths or polygons), each geometry should include:
    - Name:
      Ensure that each geometry is clearly named with the asset type and key identifying information. For example, the condition of the asset should be included in the name where applicable (and expanded upon in the description – see below). It should be clear to the reviewer what each geometry represents based on the name. Examples:
        i. A path (line) geometry named ‘Main Street – to be repaired’
        ii. A point bridge geometry named ‘Elora Bridge – good condition’
        iii. A polygon geometry named ‘Worksite 1’, displaying the boundary of the proposed worksite(s) of the applicant.
    - Description (Recommended):
      Add a description to the geometry for any additional information that cannot be captured in the name. Every geometry can be edited and a description added.
    - Images/Videos (Optional):
      Attach an image or video file/URL to a geometry to provide further context to an asset.

3) When editing a KML file, use folders to categorize key information types. Note that you can further subdivide groups of geometries by adding sub folders. In general, there should be a folder for:

- Key application information:
  For example, label the folder ‘New infrastructure to be built’

You may add sub folders by asset type. For example, a ‘Bridges’ sub folder, or a ‘Assets in Critical Condition’ subfolder.

- Supplemental application information:
  This may or may not be necessary depending on your application. This could include items like site administration centers.

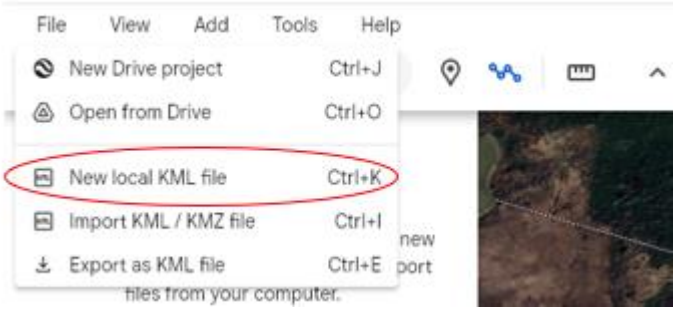
The applicant may choose an alternative folder structure, as long as it clearly identifies intuitive groupings of geometries for the reviewer.

12.3 How to Create a KML File

A KML file can be created easily by anyone using Crown-Indigenous Relations and Northern Affairs Canada’s (CIRNAC) publicly available Aboriginal & Treaty Rights Information System (ATRIS) web-based application or Google Earth’s free web application, as well as other geographic software packages like ArcGIS or QGIS. This guide will walk you through the steps to do so using Google Earth or ATRIS.

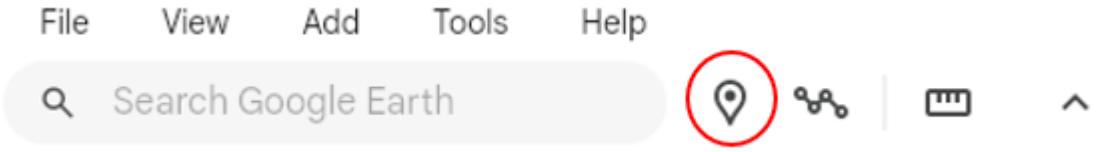
Create a KML File using Google Earth:

1. Open Google Earth.
   - Go to the Google Earth website and click ‘Launch Earth’.
2. Navigate to your area of interest.
   - Use the search bar or manually navigate to the area where you want to create your KML.
3. Create a new KML.
   - In the top left of Google Earth, click ‘File’, then click ‘New local KML file’. This will create a new KML file to add geometries in. Ensure you name the KML file following the conventions in the KML Submissions Structure section, ie. Applicant Name followed by the date of creation (‘yyyymmdd’).

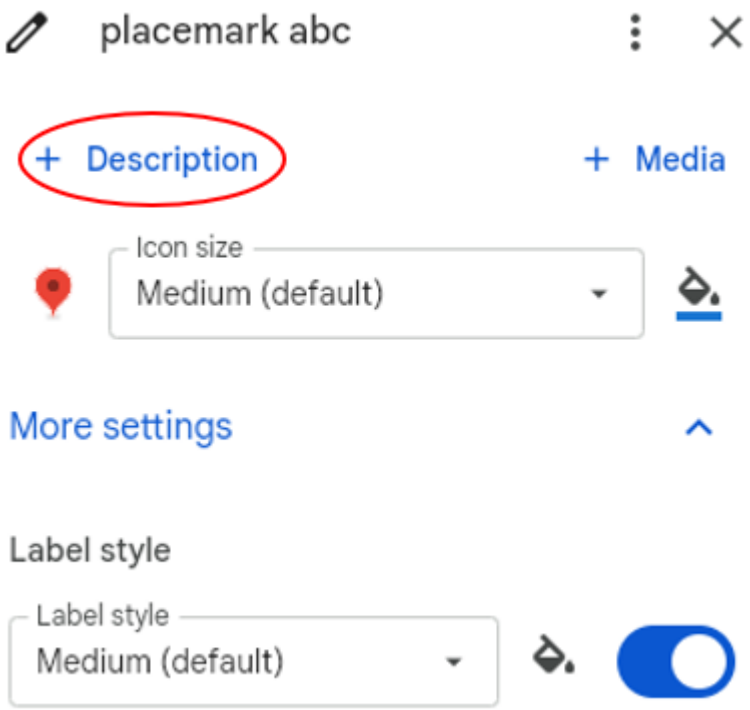


- Note that there is also an option to import existing KML's you've created 'New local KML file'.

4. Draw geometries. There are three types of geometries you can draw; placemarks, paths and polygons. Note that you can edit any geometry after it is created.
    - Add Placemarks (point geometries):
        i. Click on the Placemark button (the pushpin icon) in the toolbar.



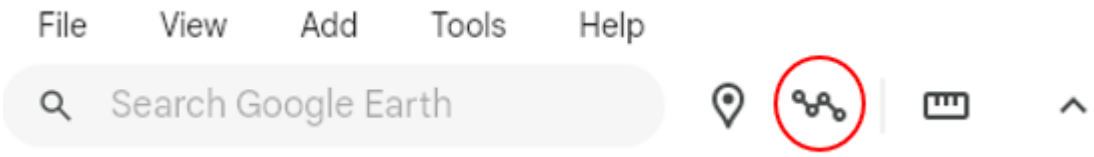
        ii. A new placemark will appear at the center of the view. You can drag it to the exact location you want.
        iii. In the pop-up window that appears, give the placemark a name that properly identifies this feature (see KML Submission Structure section). Add a description to provide further context to the feature.



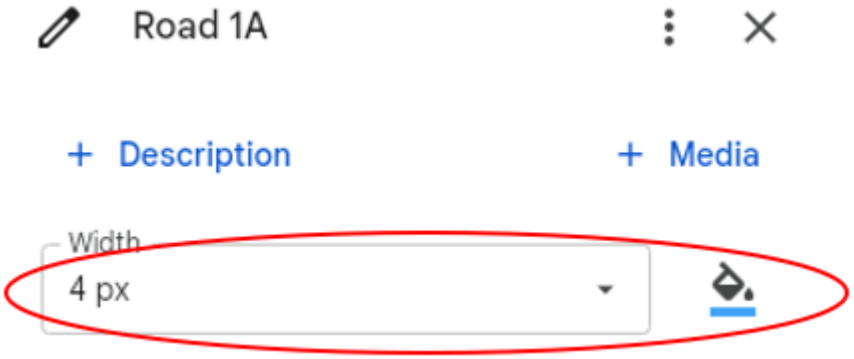
        iv. Optional: click the icon image to change the icon symbol. This helps the viewer to visually differentiate between placemarks. For example, give bridge placemarks that same symbol.
        v. When done, click OK to save the placemark.

    - Add Paths (line geometries):

i. Click on the Path button (the lines icon) in the toolbar.

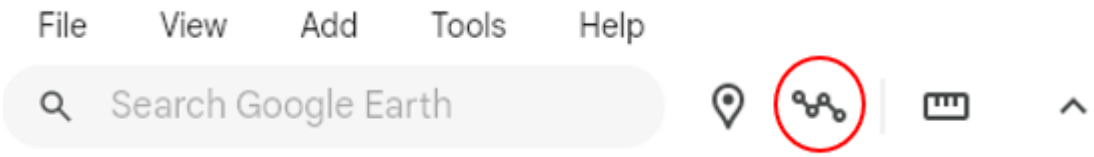


i. Click on the map to start drawing your path. Each click will add a point to the path.
ii. Once you finish drawing, give the path a name that properly identifies this feature (see KML Submission Structure section). Add a description to provide further context to the feature.
iii. Optional: you may adjust the line width and line colour to help visually differentiate different types of lines.



iv. Click OK to save the path.

- Add Polygons:
  i. Click on the Path button (the lines icon) in the toolbar.



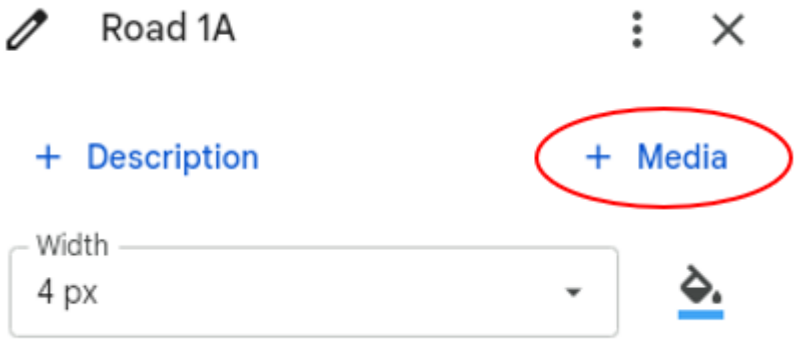
ii. Click on the map to start drawing your polygon. Each click will add a point to the polygon. Note that this operates identically to creating a path. The only difference is, to make a polygon geometry, you must close the linework by meeting the end of the line with the start of the line. When you hover over the end of the line, you should see ‘Close shape’ appear. Click to close

the line and create a polygon.

iii. Once you finish drawing, give the polygon a name that properly identifies this feature (see KML Submission Structure section). Add a description to provide further context to the feature.

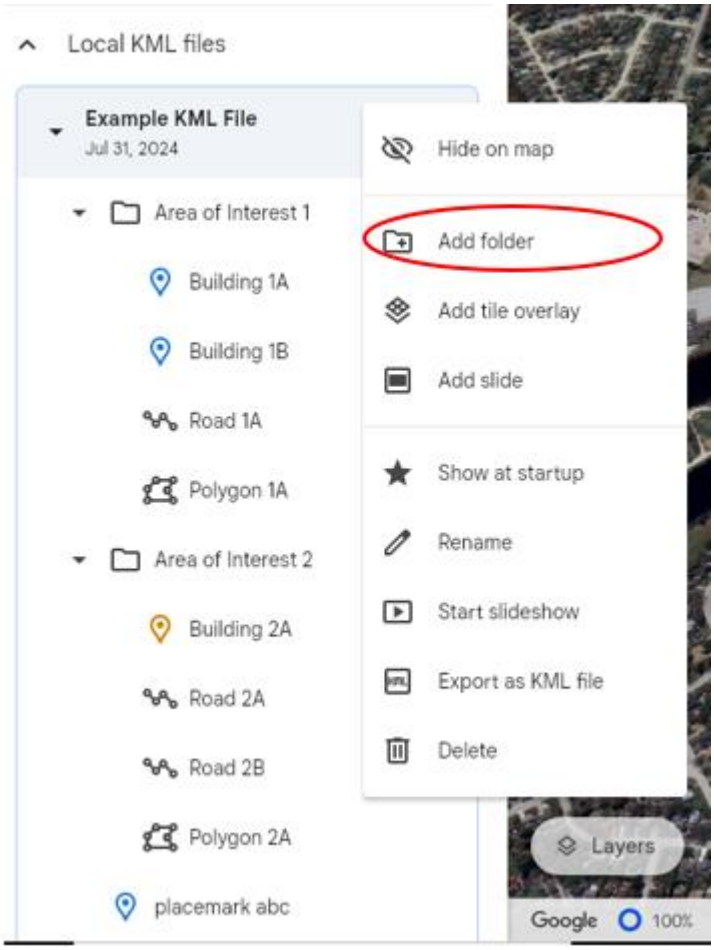
iv. Click OK to save the polygon.

- Note on images:
  Every geometry can have an image or video attached to it. It is recommended to do so to provide further context to a geometry. To attach a picture to a geometry, edit the geometry and select ‘Media’ then ‘Upload image file’.



5. Organize your geometries by creating folders:
   - You can create folders in the KML panel to organize your placemarks, paths, and polygons. To do so, hover over the name of the KML file (in the example below, the KML file is named ‘Example KML File’), select the three dots, then

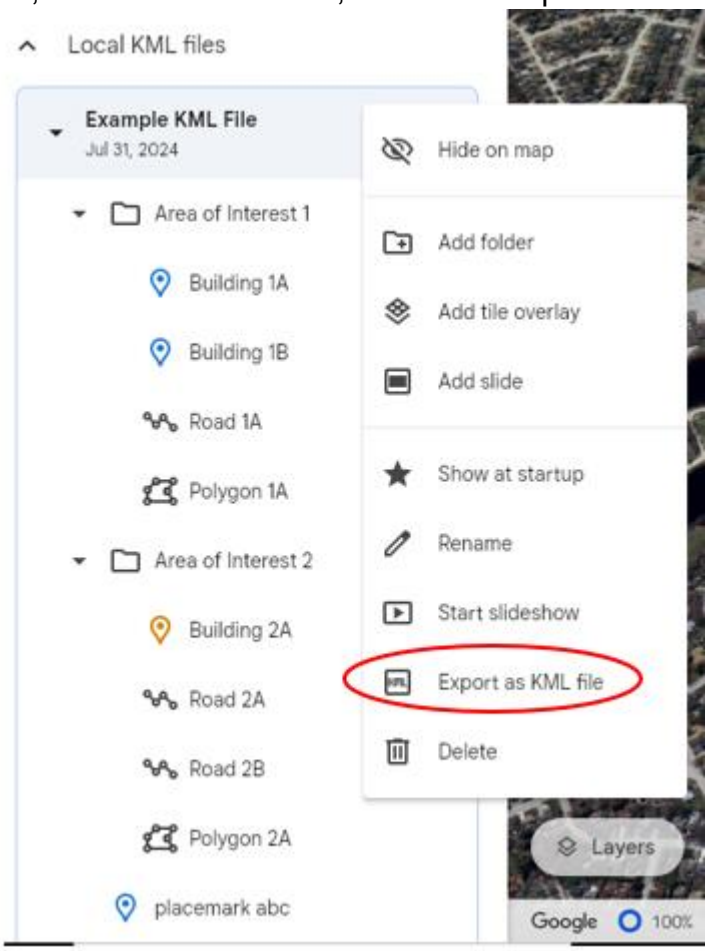
click ‘Add Folder’.



- Name the folder appropriately. Use intuitive names for grouping like geometries. You can also create nested sub-folders to further categorize the geometries.
- You can easily drag and drop geometries between folders.

6. Export your KML File.

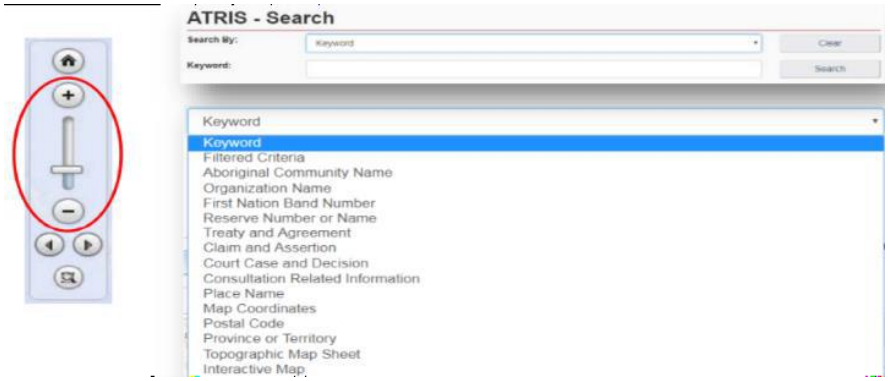
- To export your KML file to your local computer, hover over the name of the KML file, select the three dots, then click ‘Export as KML file’.



- The KML file should keep the name you gave it and will save to where your browser downloads.
- You are now ready to submit your finished KML file. If you need to, you can import the KML file back into Google Earth and make edits.

Create a KML File Using ATRIS:

1. Navigate to CIRNAC’s publicly available ATRIS web-based application using this link: http://sidait-atris.aadnc-aandc.gc.ca/atris_online/Content/Search.aspx
2. Navigate to the project location in the map viewer, either by clicking, dragging, and scrolling to zoom, or using the various search options available in the ‘Search By:’ drop down menu.



Draw your project on the map in the exact location using the “Draw on map” tools drop down located in the top right of the ATRIS interface. You may draw as many components of varying types (point*, line, polygon) as necessary to be saved as one single KML file.

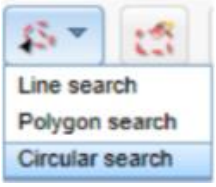
*ATRIS users will not be able to create a geometry “point” in GIS terms, but the “Circular Search” option allows users to create circular polygons able to mimic points in terms of scale.

Choose the appropriate drawing tool for the type of component you are drawing:

- Line search − Click as many times as necessary to create a line that represents your linear project feature. Double click to complete. Examples include: roads, sidewalks, bike lanes, etc.

- Polygon search − Click as many times as necessary to create a closed polygon that represents the project feature. Double click to complete. Example: intersections.

- Circular search − Click on the map to automatically create a circle. To create a smaller circle similar to a point, zoom in as close as possible on the map before clicking. Alternatively, click and drag, then release to draw a circular project feature yourself. Example: roundabouts.



If at any time you wish to erase anything you've drawn, use the following two options:

Erase by Extent: Click and drag to create a shape around what you want to delete. Anything intersecting the box will be deleted when you release.

Global Erase: This will erase everything on the map. Click OK when prompted to clear the map viewer and start fresh.

3. Once you are satisfied with the drawn representation of your project, click the 'Export' button.

The .KML will download as ‘SearchAreas.kml’ (unless you have specified otherwise) to the location where your browser saves downloads. The file name can be changed to something that reflects the project name before sending it in with your application.

Once saved, the KML file is ready to be uploaded. Should you need any further assistance with ATRIS, please visit the following link to find more information about ATRIS training webinars:

Aboriginal and Treaty Rights Information System (rcaanc-cirnac.gc.ca)