



WEST HANTS REGIONAL MUNICIPALITY REPORT

Information ☐	Recommendation ☒	Decision Request ☐	Councillor Activity ☐
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To: Council

Submitted by: 
Todd Richard, Director of Public Works

Date: September 28, 2026

Subject: Windsor-Falmouth Interconnection — CHIF Application

LEGISLATIVE AUTHORITY

Nova Scotia Municipal Government Act, Section 65 authorizes Council to expend funds for municipal purposes.

RECOMMENDATION or DECISION REQUEST

It is recommended that Council:

Approve the Windsor-Falmouth Interconnection project for submittal under the Canada Housing Infrastructure Fund (CHIF) program.

BACKGROUND

Property ☒	Public Opinion ☐	Environment ☒	Social ☒	Economic ☒	Councillor Activity ☐
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Public Works staff have continued to engage with the Department of Municipal Affairs regarding municipal infrastructure priorities, project readiness, and future capital needs. Through these discussions, the Windsor-Falmouth Interconnection project has been identified as a priority municipal infrastructure project that aligns with the objectives of the Canada Housing Infrastructure Fund (CHIF), particularly its focus on housing-enabling drinking water, wastewater, stormwater, and solid waste infrastructure.

Announced in 2024, CHIF is a \$6 billion Federal fund that aims to accelerate new construction, rehabilitation and expansion of housing-enabling drinking water, wastewater, stormwater, and solid waste infrastructure, directly supporting the creation of new housing supply and improved densification. The program provides funding for up to 73.33% of eligible project costs. The Province has requested information from WHRM to support its assessment of provincial infrastructure priorities. To support this process, WHRM is being asked to prepare the required project information and Council resolution confirming support for the Windsor-Falmouth Interconnection project and the Municipality's commitment to its share of project costs, should funding be approved.

DISCUSSION

Eligible projects under CHIF are tied to enabling increased housing supply. Applications must demonstrate that there is a housing need, or that growth is expected in the community where the project will take place. Eligible projects must also support increased capacity of municipal infrastructure related to drinking water, wastewater, stormwater, or solid waste management.

Eligible capital infrastructure projects include new construction, rehabilitation or expansion projects that result in tangible infrastructure, including hybrid and natural infrastructure, for the following:

- **Drinking water systems**, including drinking water treatment facilities, storage assets, and pump stations; local and transmission drinking water pipes; and natural infrastructure.
- **Wastewater systems**, including wastewater storage and treatment facilities, lagoon systems, pump/lift stations, sanitary force mains and sewer pipes, combined sewer pipes, and natural infrastructure.
- **Stormwater systems**, including stormwater drainage pump stations, management facilities, pipes and natural infrastructure.
- **Solid waste management systems**, including landfills (new, expansions, and gas management systems), organic waste processing, waste collection and sorting, and thermal treatment.

The Canada Housing Infrastructure Fund (CHIF) provides an excellent opportunity to obtain external funding for the Windsor-Falmouth Interconnection project, which is planned for construction in 2027. Council has identified this water infrastructure expansion project as a priority to support population growth and facilitate residential development within the Falmouth, Windsor, and Three Mile Plains growth centres. The Windsor-Falmouth Interconnection is a critical infrastructure project that will support the anticipated demand for residential development in these growth areas.

The primary objective of the interconnection is to supplement water supply from the Windsor Water Utility to the Falmouth Water Utility, supporting both existing daily demand and future growth. The interconnection will also provide the redundancy required to support regulatory requirements for the Falmouth Water Treatment Plant, without requiring significant upgrades to

the existing water supply system or raising existing dam levels within the French Mill Brook watershed. As a two-way interconnection, the infrastructure will provide additional operational flexibility and resiliency by allowing supplemental water supply to the Windsor Water Utility from the Falmouth Water Utility when required. This will improve system redundancy, provide greater flexibility in managing water supply, and support the long-term sustainability of both water systems.

Given the project's direct relationship to enabling residential growth, improving water system capacity and redundancy, and supporting the long-term development of the Municipality's designated growth centres, CHIF represents a significant opportunity to reduce the municipal cost of this critical infrastructure investment. In discussions with the CHIF program administrators, the Windsor-Falmouth Interconnection project was deemed to be an ideal fit for the program objectives. The main goal of the program is to "increase system capacity to enable increased housing supply." This project meets the application targets, is "shovel-ready" and will be substantially completed well before the deadline of 2033.

NEXT STEPS

Upon approval of this funding application:

- Sign funding agreement with the Province.
- Complete project monitoring reports for the Province during construction.
- Complete project close-out documentation for the Province following substantial completion of construction.

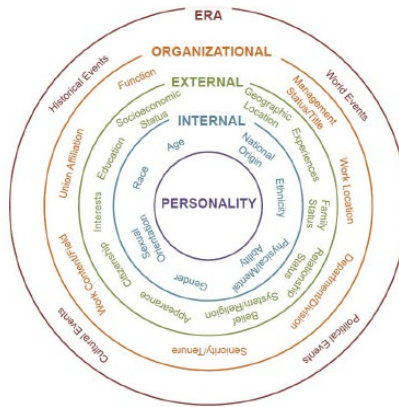
FINANCIAL IMPLICATIONS

The Windsor-Falmouth Interconnection project is included in the 2026-27 Capital Budget with an approved budget of \$8.5 million. The budget assumed that 50% of project costs would be funded through external grant funding, with the remaining balance financed through long-term debt.

After budget approval, a Class B cost estimate was completed, establishing a projected project cost of \$7,935,118, inclusive of applicable taxes. Should the Municipality be successful in securing funding at a rate of 73.33%, the municipal funding requirement through long-term borrowing would be reduced by an estimated \$1,568,822, resulting in a corresponding decrease in future debt servicing costs.

DIVERSITY, EQUITY, INCLUSION AND ACCESSIBILITY CONSIDERATIONS

Staff reviewed this procurement process, and no material implications related to DEIA were identified.



ENVIRONMENTAL CONSIDERATIONS

The Windsor-Falmouth Interconnection will support the efficient use and management of existing water resources by allowing water to be transferred between the Windsor and Falmouth water systems as required. The project will also provide additional system redundancy and operational flexibility, improving the resilience of the Municipality's water infrastructure.

The interconnection is expected to reduce the need for significant upgrades to the existing Falmouth water supply system and avoid the need to raise existing dam levels within the French Mill Brook watershed to accommodate future water demand. The project will therefore support future growth while minimizing the need for additional impacts to the watershed.

ALTERNATIVES

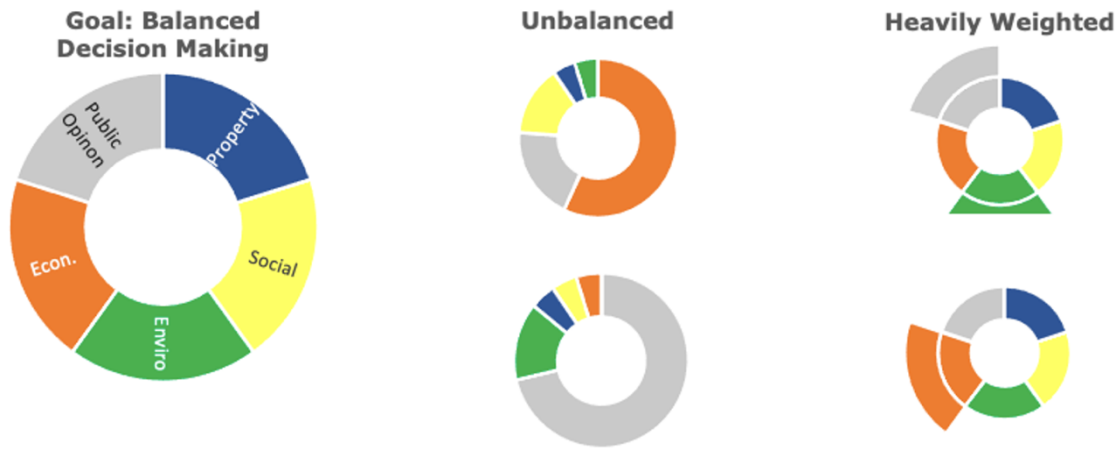
- Council may choose not to proceed with this funding application (not recommended).

ATTACHMENTS

- None

CHIEF ADMINISTRATIVE OFFICER REVIEW

Council has been provided with a reference taken from the Meeting and Committee Procedural Policy , Appendix C “Decision Making by Council and Committee of the Whole” as a reminder of the principles highlighted for good decision making.



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Report Approved by: _____
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