



MEMORANDUM

27 March 2026

To: Don De Jong
Tridon Group Ltd.

From: Daryl Keleher, Principal
KR Planning Group

Re: South Huron DC Review
Our File: P1305

KR Planning Group was retained by Tridon Group Ltd. to review the Municipality of South Huron's Development Charges Background Study ("2025 DC Study"), authored by Watson & Associates, dated December 31, 2025. This memorandum presents questions and comments from my initial review of the 2025 DC Study.

Change to DC Rates

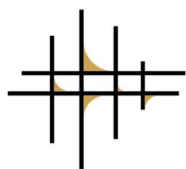
The figure below shows the proposed changes to the Municipality's DC rates, which are proposed to increase by 188% for urban areas of the Municipality, including an 843% increase to the Wastewater DC, and an 80% increase to the Water DC rates. There are substantial increases for all other services, including Parks and Recreation (+56%), Fire Services (+248%), Roads (+51%), and Administration (+118%).

Figure 1

Current and Proposed DC Rates, Municipality of South Huron, per Single-Detached Unit

	Current (as of Jan 2026)	Proposed	Change	% Change
Roads and Related	\$ 933	\$ 1,405	\$ 472	51%
Fire Services	\$ 306	\$ 1,066	\$ 760	248%
Parks and Recreation Services	\$ 2,753	\$ 4,291	\$ 1,538	56%
Administration	\$ 155	\$ 338	\$ 183	118%
Wastewater	\$ 965	\$ 9,100	\$ 8,135	843%
Water	\$ 1,356	\$ 2,441	\$ 1,085	80%
Total Urban Services	\$ 6,468	\$ 18,641	\$ 12,173	188%

Source: Municipality of South Huron Development Charges Background Study, (December 31, 2025)



Questions and Comments

Area-Specific Development Charges for Exeter

- 1) The Water and Wastewater Master Plan (“Master Plan”) in section 8.2 utilizes growth projections using development and planning information supplied by the Municipality, and estimates a potential population of 12,529 persons, of which 5,895 persons are in Exeter. By comparison the 2026 DC Study uses a growth forecast of 12,621 persons, which assuming it corresponds to the growth identified in the Master Plan would mean that roughly half of the growth in the DC Study forecast would be from Exeter.

Based on these growth forecast assumptions, separating Exeter-based costs into an Exeter ASDC, and Stephen Township (Centralia, Crediton and Huron Park) into its own ASDC, would reduce DC rates on all other areas of the Municipality by approximately \$8,600 per single-detached unit (SDU). The table below shows what re-calculated rates would be if they were done on an area-specific basis with the Municipality split into three servicing areas for water/sewer services.

Figure 2

Municipal-Wide versus Area-Specific DC Rates, Municipality of South Huron					
	Municipal-Wide	Exeter	Stephen	Grand Bend / Other	
Total Residential DC Recoverable Cos	\$ 48,582,522	\$ 31,076,219	\$ 14,219,503	\$ 3,286,800	
Population in New Units	12,621	5,895	2,774	\$ 3,952	
DC / Capita	\$ 3,849.34	\$ 5,271.62	\$ 5,125.99	\$ 831.68	
PPU	2.85	2.85	2.85	2.85	
DC / SDU	\$ 10,970.62	\$ 15,024.13	\$ 14,609.08	\$ 2,370.29	
Difference from Current		\$ 4,053.51	\$ 3,638.46	\$ (8,600.33)	

Note (1): Stephen Township is assumed to include Centralia, Crediton and Huron Park
Note (2): Population growth assumptions based on GMBLuePlan W/WW Master Plan
Source: Municipality of South Huron DC Study, and March 2026 Addendum

- 2) While section 4.10 of the 2025 DC Study notes that it is “mandatory to ‘consider’ area-rating of services”, no analysis is presented in the DC Study where such consideration is made available to the public, stakeholders or decision-makers. To what extent did the Municipality analyze or consider the use of area-rating to better match the infrastructure costs of certain areas relative to others?

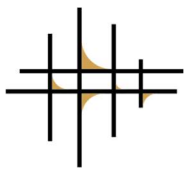
Other Questions

Fire Services

- 3) What is the size of the Exeter Fire Station and Dashwood Fire Stations addition/expansions relative to the size of the existing facilities?

Property Acquisition Costs

- 4) The Master Plan shows an inclusion of costs for “property requirements” amounting to 1-2% of construction cost. Bill 60 eliminates the ability of municipalities to include land acquisition costs in base DC service rate calculations, instead moving costs related to the acquisition of land to a separate stand-alone DC service for all land acquisition costs that arise. The construction costs in



the Water and Wastewater DC rate calculations should be adjusted to remove the 1-2% cost adjustment shown in the Master Plan (Table 13).

Water

- 5) Can the basis and calculations underpinning the Benefit to Existing allocations to the North Exeter Elevated Tank be provided?
- 6) Page 48 of the Master Plan notes that the Municipality “may wish to secure the appropriate land parcel (minimum of 60m x 60m) to facilitate the future [Elevated Tank] construction”. Are these land acquisition costs included in the cost for project 12 (North Exeter Elevated Tank)?
- 7) Will the North Exeter Elevated Tank have capacity remaining beyond the DC study’s planning horizon? The Master Plan notes that the “ET will be oversized until growth lands are constructed”, but does not reconcile the capacity being constructed with the need generated by the growth lands.
- 8) Can the basis for BTE allocations to the Morrison Line Watermain be provided?
- 9) Can the debenture by-laws for the Exeter-Hansall pipeline debt be provided?
- 10) Can the Commitments for Water Services shown in Table 4-2 be shown on a project-by-project basis?

Wastewater

- 11) What is the likelihood of the ‘possible’ twinning of the Huron Park Forcemain and the ‘potential’ transfer of ownership of Darkhorse Winery private SPS to the Municipality, and can the basis for the 0% BTE for each be provided?
- 12) What is the nature of the pumping station upgrades contemplated in projects 19-21 and are there any replacement or rehabilitation works included in the scope of work budgeted for in the DC study?
- 13) What is the basis for the BTE of 50% for the Exeter WWTP upgrades?
- 14) It is my understanding that there are subdivisions in the Municipality (such as the Pinnacle Subdivision in Exeter) subject to a subdivision agreement that requires an additional charge for sanitary works – how have these types of agreements been accounted for in the DC rate calculations, if at all?

Grant Funding

- 15) Can the Town confirm that the DC Study and addendum incorporate grant funding received, which based on publicly available information appears to include:
 - a) \$2.7 million for reconstruction of Exeter Main Street; and
 - b) \$4.2 million for upgrades to the Exeter Sewage Lagoon

DC Reserve Fund Statements

- 16) Can the Municipality provide copies of its recent DC reserve fund statements that are available for fiscal years since the adoption of its last DC by-law?