

TO: Mayor Clarke and Council

FROM: Laura Pye, General Manager of Development and Infrastructure

DATE: January 29, 2026

SUBJECT: Financial Review for the Maple Trail, Lone Birch Trail, Ridge Avenue and Simcoe Road Sewer Project

This memo provides Council with an interim update in advance of the comprehensive report scheduled for February 9, 2026. Two attachments accompany this memo:

1. Project Timeline, summarizing project milestones and illustrating the current status.
2. Letter providing the Financial Information Update, to be mailed to affected property owners on January 30, 2026.

Overview

The financial outlook for the Maple Trail, Lone Birch Trail, Ridge Avenue and Simcoe Road Low Pressure Sewer Project is far more favourable than originally expected. Updated estimates now place the cost at approximately \$35,000 for the 10-year financing option and \$20,000 for the lump-sum option, a significant improvement from the earlier projections of \$55,000 and \$30,000 provided in June 2025.

This reduction represents real, meaningful savings for property owners achieved through the efforts of the project team from Tatham Engineering, KJ Excavating Inc., and Township staff. These savings resulted from refining the construction approach and the reducing reliance on the contingency budgets that were originally built into the project.

Staff acknowledge the contributions of Tatham Engineering and K.J. Excavating. Their coordinated efforts, particularly in evaluating and implementing the more efficient directional drilling methodology, supported cost reductions and helped ensure the successful completion of this project.

Key Drivers of Reduced Costs

The three key drivers of these savings are:

1. Change in Construction Methodology

K.J. Excavating identified an opportunity to transition from opencut excavation to directional drilling where feasible. This minimized surface disruption and reduced restoration costs, a change reviewed and recommended by Tatham Engineering.

2. Lower Use of Contingencies

Given the number of unknowns at the outset, substantial contingencies were originally carried. Additional test pits provided valuable information that reduced uncertainty and allowed refinement of construction approaches, resulting in less contingency drawdown than expected.

3. Project Status

Diligent work by the project team meant that the project remained on schedule. The low-pressure sewer system installation and testing are complete, and the system is operational. The road restoration and final surface works will be completed in spring 2026. Attachment 1 provides an updated visual of this project and where the project and its current status.

Communications to Property Owners

Staff have provided continued communications to the property owners throughout the project. These communications include:

- A comprehensive project initiation package sent on July 25, 2025.
- Six (6) Construction Updates issued as the project progressed in the field.
- A Grinder Pump and Building Permit Information package, mailed on December 16, 2025.
- A dedicated webpage for this project at Ramara.ca/sewerconnect.

The next expected communication will be the financial update, Attachment 2 of this memo, which will be mailed today (January 30, 2026).

The letter to property owners included with this memo outlines:

- updated financial estimates based on current project data;
- an explanation of next steps in confirming repayment structures;
- anticipated timelines for lump-sum payments and borrowing decisions; and
- how final amounts will depend on the number of property owners selecting lump-sum versus long-term financing.

Next Steps

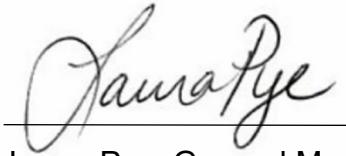
Staff will be bringing a fulsome report to the February 9, 2026, meeting. This report will be seeking Council direction for the repayment terms, as well as completing several procedural requirements for the completion of this project. Included in the report will be:

1. Updated Financial Information: A breakdown of the costs that fall to property owners versus those funded through the tax levy as part of planned road reconstruction.
2. Borrowing By-law: Authorizing the Township to secure financing for the owner-funded portion of the project.
3. Connection By-law: Enacting Council's earlier decision establishing the three-year window for private property connections (2026–2028).
4. Repayment By-law: Setting out the repayment structure, including the lump-sum payment deadline, and the repayment term, as decided by Council.

Conclusion

The reduction in estimated costs is positive news for property owners and demonstrates effective project oversight and responsive adaptation throughout construction. Staff will continue preparing the required by-laws, financial details, and communications for Council's consideration on February 9.

Respectfully Submitted,



Laura Pye, General Manager of Development and Infrastructure

We are here!



Maple Trail, Lone Birch Trail, Ridge Avenue & Simcoe Road Sewer Servicing Project Timeline



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Date: January 30, 2026

To: Affected Property Owners – Maple Trail, Lone Birch Trail, Ridge Avenue and Simcoe Road

Subject: Sewer Servicing Project – Financial Information Update

Dear Property Owners,

Thank you for your patience. We are pleased to share an update as we move into the final stages of the Maple Trail, Lone Birch Trail, Ridge Avenue, and Simcoe Road Sewer Servicing Project. Construction of the municipal low-pressure sewer system is complete, the project is on budget, and work progressed close to the previously communicated schedule (core works in 2025 with final restoration in spring 2026).

What's happening next

Over the past several months, we've heard meaningful feedback from residents regarding financing and repayment. In response, staff will be bringing the proposed payment options to Council on February 9 for discussion and direction. Along with these options, the report to Council will address the procedural bylaws for borrowing, repayment, and connections.

After Council direction, we will issue a communication package to all affected property owners. This package will consolidate decisions, next steps, and detailed financial information about how to make a lump sum payment, the deadline for payments, and the payment options, so you can plan with confidence.

About the financials

As we transition into this phase, we are finalizing the estimated total sewer construction cost per property. The final amount for financing will be confirmed when the Township secures the bank loan. The borrowing amount and the finalized interest rate (set at the time of debenture) depend on:

- the rate of borrowing; and
- how many owners choose a lump sum payment versus long-term financing.

To support personal financial planning in the meantime, we are providing updated estimates based on the best available cost information and realistic borrowing assumptions (e.g. using Prime + 0.5% as a planning estimate and a 10-year financing term). Based on this information, we are currently estimating:

Lump Sum Option

One lump sum, to be paid by April 15, 2026, estimated total cost of \$20,000.

Financing Option

Added to taxes, at an estimated total cost of \$35,000. This would mean \$3,500 annually (in a 10-year payment plan).

Why you're hearing from us now

We originally anticipated sending the full financial package at this time. Based on community feedback, we are first bringing the proposed repayment approach to Council for discussion. This step will finalize the financial details to provide property-specific information.

Project status reminder

- **Construction status:** Sewer system installation and testing are complete; the system is operational. Final restoration activities (e.g. landscaping and surface repairs) will occur in spring 2026.
- **Connection timeline:** Property owners will have until December 31, 2028, to complete their private side connection.

If you have questions, please contact the Development and Infrastructure Department at (705) 484 5374, ext. 232 or at infrastructure@ramara.ca.

Thank you for staying engaged as we reach the final stages of this project.

Sincerely,



Laura Pye
General Manager, Development and Infrastructure
Township of Ramara