



December 15, 2025

Alan Pacheco

# CSOPS.25.049 Budget Increase Request

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Craigleith SLS, Mill St SPS & Bay–Grey Street Linear Works

# Project Overview

Three major infrastructure projects have been combined into one coordinated project in efforts of saving on Engineering costs – introduced in the 2023 Budget.

## Key Components

- Reconstruct **Craigleith Main Sewage Lift Station (CMSLS)**
- Reconstruct **Mill Street Sewage Pumping Station (MSSPS)**
- Install new **Bay/Grey Street wastewater and water linear infrastructure**

# Why This Project Matters

- Replacement of critical and aging water and wastewater infrastructure
- Upgrades will increase flow capacity and reduce basement flooding, bypass risks and inflow/infiltration issues
- Addresses environmental guideline requirements
- Supports future community growth by providing servicing capacity for 13,724 additional housing units over the next 20 years throughout Thornbury and Craigleith

# Project Challenges



- Consolidating three infrastructure projects into one
- Changes and additions outside of the Town's engineering standards were made throughout the design process which added to the project scope
- Mill Steet SPS & Bay Street Linear design Interdependency
- Aggressive Project Timelines (critical infrastructure needs, HEWS funding, development pressure, etc.)

# Where Are We At Today



Craigeleith Main SLS – Contract Executed (Under construction)



Bay/Grey Street Linear Works – Contract Executed (Under Construction)



Mill Street SPS – Ready for tender (100% Design Completed, Ministry Approvals in Place)

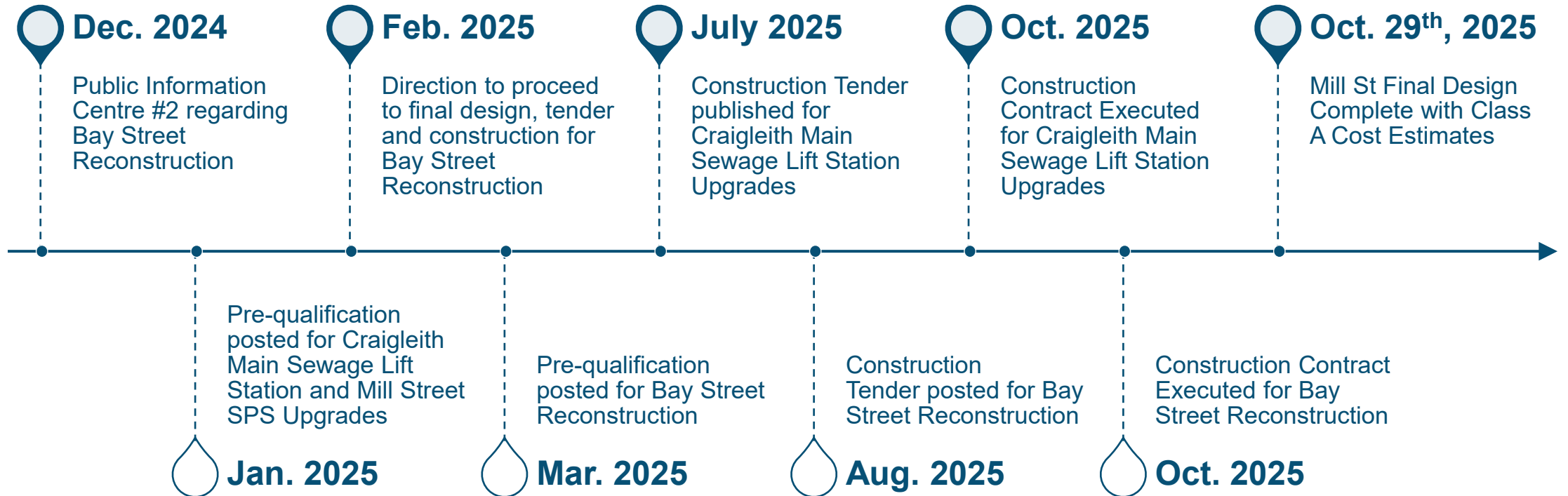


All components must proceed to meet funding requirements

# Project Timeline



# Project Timeline



# Project Timeline – Next Steps



# Why Costs Have Increased

## Current Issues Identified

- Initial Class C/D estimates were based on preliminary design
  - Higher flows confirmed in updated Wastewater Master Plan
  - Full asset renewal requirements identified
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## Additional Scope Requirements

- Decommissioning of Elgin Street SPS
- Extensive bypass pumping requirements
- Stormwater compliance upgrades

## External Factors

- Utility relocations and contaminated soils
- Major equipment and electrical replacements

# Project Funding

Initial Project Cost Estimates: \$34,79M

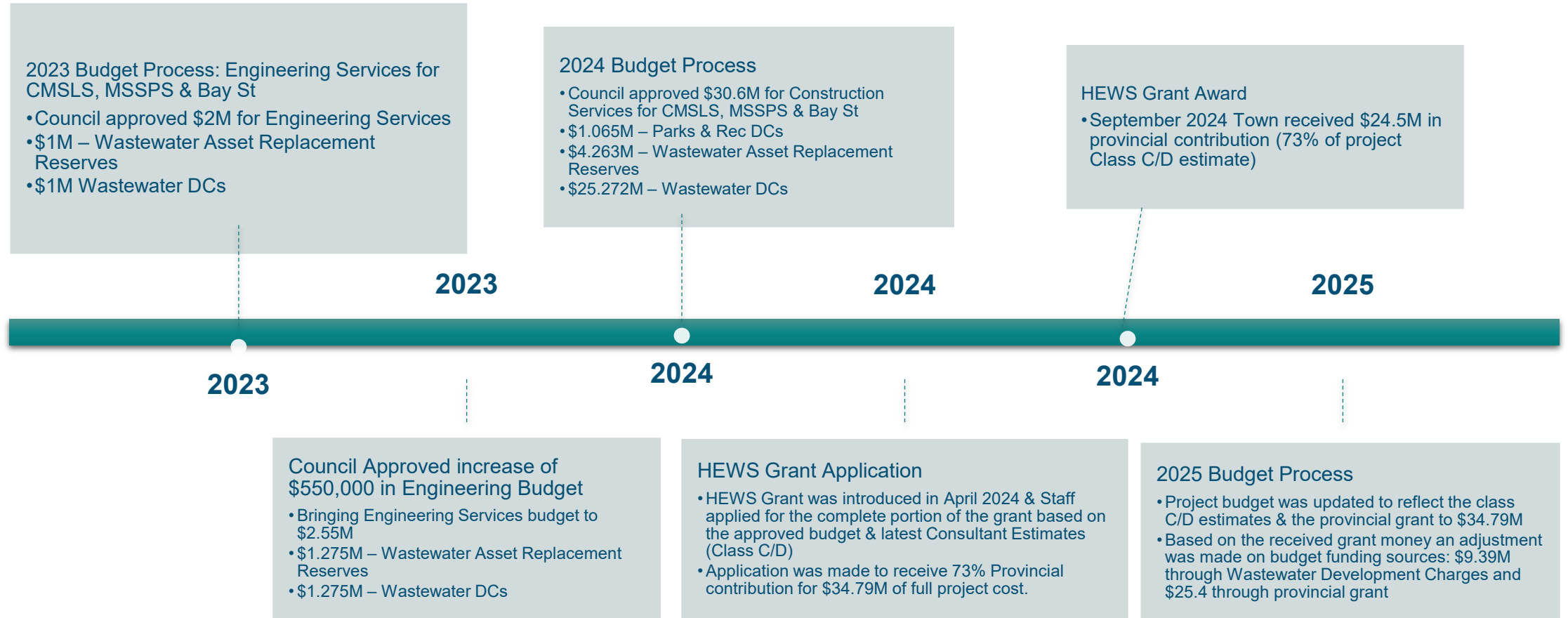
Updated Project Cost Estimate: \$53.56M

## Provincial Funding

- On September 23, 2024 - \$25.4M Provincial Grant Secured (HEWS)
- HEWS funding now covers approximately 47% of total project cost
- This leaves the Town needing to cover the balance (53% or ~53¢ per \$1 invested)
- The HEWS funding has a firm project completion deadline of March 31, 2027

**The HEWS funding provides a rare opportunity for the Town to complete critical infrastructure upgrades at a significantly lower cost to the Town**

# Budget & Funding Approval Timeline



# Cost & Funding Summary

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**Updated Total Project Cost: \$53.56M**

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**Approved Budget: \$34.79M**

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**Variance: \$18.77M**

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**Budget Transfer – TWWTP Outfall: \$5.0M**

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**Net New Funding Required: ~\$14M**

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**Request to Council: \$19M (including a \$6.5M contingency)**

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# How The Project Will Be Funded

Project	Grant Allocation	DC Eligible *	Asset Mgmt Reserves	Total
MSSPS	\$ 10,281,849	\$ 6,906,977	\$ 3,103,134	\$ 20,291,962
CMSLS	4,629,126	1,802,714	2,704,071	9,135,911
Bay/Grey St	10,486,547	3,156,450	7,052,951	20,695,949
Engineering		597,379	1,926,012	2,523,391
Utility Relocates		216,813	699,027	915,840
	\$25,397,522	\$12,680,333	\$15,485,195	\$53,563,053

Available Reserve Funds as at YE 2024 \*:

Total Water DC: \$11.1M

Total Wastewater DC: \$13.5M

Total DCs: \$23.4M (includes all other DC categories – for internal borrowing consideration)

Water AM: \$8.8M

Wastewater AM: \$15.7M

\* Note that as part of the 2026 budget staff presented the R/RF projections and beginning in 2027 it is anticipated the Town will be in a deficit and that is without including this additional \$19M – Finance staff are working on updating cash flow tables, capital project plans and debt policies to provide Council with options for consideration.

# Understanding of Community Concerns

We recognize that these essential upgrades come with challenges:

## **Accountability and Transparency**

New controls will entrench our commitment to reporting early and often to Council and the public recognizing do so in the 2026 would have assisted with budgetary projections

## **Cost increases are frustrating**

Rising prices and expanded scope have understandably led to concern and we remain committed to transparency and responsible spending.

## **Construction disruption affects everyday life**

Noise, traffic impacts, and property frontage disturbance are real burdens. We are focused on clear communication, safe access, and getting work done efficiently.

## **Financial pressures are a concern for everyone**

Securing **\$25.4M in Provincial funding** helps protect ratepayers from even greater costs in the future and ensures long-term service reliability.

## **Tree removals on Bay Street are deeply felt**

Mature trees are part of the character of the neighbourhood. Wherever possible, removals are minimized, and restoration and replanting will follow construction.

# Tree Preservations and Replanting

- **Transplanting Mature Trees Where Possible**  
9 trees from the Mill Street SPS site were successfully transplanted to Cottage Avenue, Town continues working with residents to save and relocate trees where possible
- **Thorough Arborist Review & Verification**  
Arborist and Consultant have completed four separate tree inspections, ensuring only trees required for construction are removed
- **Staged Tree Removal Approach**  
The Town is not clear-cutting, trees are removed only in phases, and only when they impact active construction
- **Tree Protection Measures In Place**  
Construction limits have been clearly marked to safeguard surrounding trees and continuous monitoring during excavation and utility work
- **Significant Replanting Commitment**  
Project budget increased by \$150,000 dedicated to new tree planting and restoration effort.



# Project Benefits & Outcomes



- Reduced service and watermain breaks interruptions and addresses Inflow & Infiltration
- Protects homes from sewer backups
- Prevents bypass to Beaver River & Georgian Bay
- Improves drinking water infrastructure
- Eliminates the need to upgrade the Elgin St SPS, which avoids a \$2.5M future cost
- Supports new economic development and provincial housing goals

# What Happens if the Project is Delayed

- ⚠ Risk of losing the \$25.4M Provincial grant (March 31, 2027 deadline)
- ⚠ Continued risk of bypasses/discharges and residential damage
- ⚠ Increased environmental compliance risk
- ⚠ Higher operating and emergency costs
- ⚠ Potential claims for the construction work that has been executed
- ⚠ New capacity gained through the TWWTP Phase 1A expansion may not be fully realized until outfall is constructed
- ⚠ Future upgrade costs could be significantly higher
- ⚠ Inability to launch new commercial and residential developments that align with community priorities

# Project Highlights

- Original project budget approved prior to HEWS funding demonstrating need to complete work regardless of grant assistance
- Craigleith Main SLS upgrades, and Bay Street Linear Works contracts have been awarded and construction underway.
- On October 2, 2025, staff received a construction estimate for Mill St SPS between \$12-14M.
- On October 29, 2025, staff received updated Mill St SPS cost \$19.9M including detailed summary of Class A and Class C/D cost estimates.
- December 9<sup>th</sup> COW, was the first meeting available, subsequently changed to December 15<sup>th</sup>

# Engagement and Transparency



MAILED NOTICES,  
EMAILED PROJECT  
UPDATES, AND 3  
PUBLIC  
CONSULTATION  
MEETINGS



A CUSTOMER  
SERVICE LIAISON  
INCLUDED IN  
TENDER TO  
PROVIDE ADDITION  
COMMUNICATION  
TO AFFECTED  
RESIDENTS



DETAILED DESIGN  
AND RELATED  
REPORT SHARED  
ON PROJECT PAGE



STAFF HAVE BEEN  
VERY RESPONSIVE  
IN ADDRESSING  
QUESTIONS AND  
CONCERNS



STAFF PROMPTLY  
RESPONDING TO  
MEETING  
REQUESTS WITH  
IMPACTED  
RESIDENTS, RATE  
PAYER  
ASSOCIATIONS AND  
PUBLIC

The screenshot displays the Town of The Blue Mountains website interface. At the top, there is a navigation bar with links for Resident Services, Recreation & Culture, Planning, Building & Construction, Business & Economy, and Town Hall. A search bar is also present. The main content area features a breadcrumb trail: "← Back to Municipal Infrastructure Projects". Below this is a "Follow This Project" section with a "Subscribe" button. A "Who's Listening" section identifies the contact as Jamie Witherspoon, P.Eng., from WT Infrastructure Solutions Inc., with a "Send Email" button. The "Project Timeline" section shows the project beginning in Q4 2025. The "Project Area" section includes a map of Thornbury. The "Related Links" section lists: "1. Project Updates", "2. Staff Reports & Council Decisions", "3. Public Consultation", "4. Map of Project Area", "5. Quarterly Progress Reports", and "6. Frequently Asked Questions". A large image shows construction equipment at a site. The "Why Now?" section explains the need for infrastructure upgrades due to the age of existing systems and the need to address capacity and leakage issues.

# Engagement and Transparency

- All three bundled projects experienced cost increases. While not uncommon for projects of this scope and size, staff recognize that escalation should have occurred earlier in the year to support 2026 Budget projections
- New procedural controls have been adopted to ensure timely communications with Council and the public on financial pressures associated with major capital projects moving forward

# Summary

- Aging wastewater infrastructure is at end-of-life, creating risk of basement flooding, sewer surcharging, and bypass to the natural environment
- Upgrades required to meet environmental compliance guidelines
- Current system capacity cannot support current demands and future growth
- Failure to advance construction jeopardizes the \$25.4M Provincial HEWS grant funding deadline of March 31, 2027
- Municipal cost ~53¢ for every \$1 invested

# Recommendations

Receive Staff Report OPS.25.049



Approve \$19M construction budget increase to complete wastewater upgrades

# Thank you for your time



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**Alan Pacheco**

**Director of Operations**

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