

2025 Enterprise Asset Management Plan

Peel Region's Asset Management Reinvestment Plan

Peel's Infrastructure

What Infrastructure Does the Peel Own?

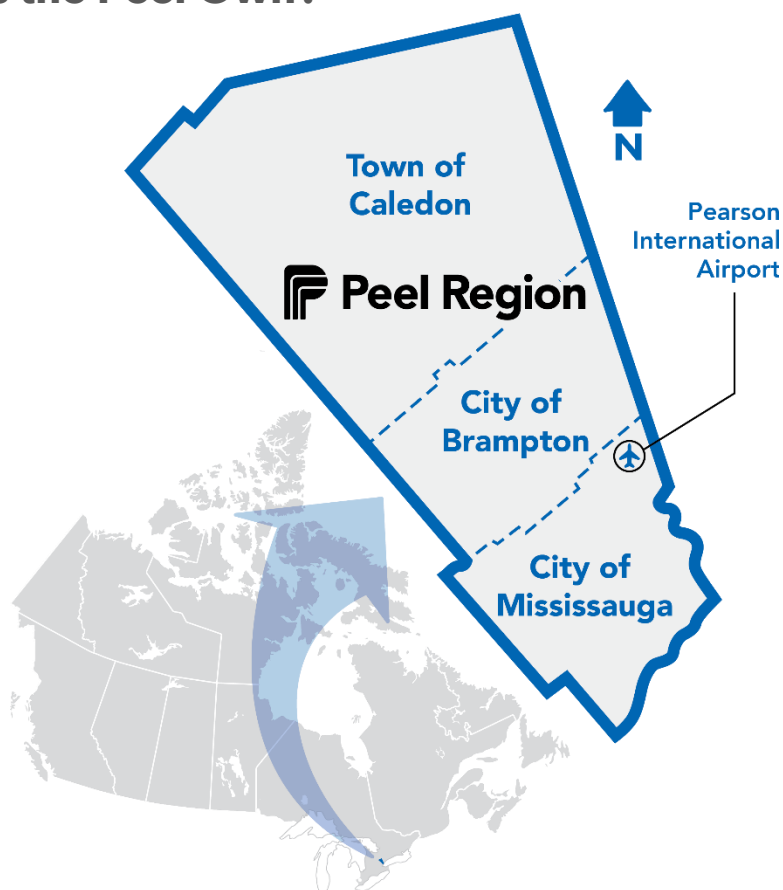
Peel Region is the second largest municipality in the Province of Ontario.

Peel owns and operates infrastructure assets including:

- Roads
- Bridges
- Pipes
- Pumping stations
- Reservoirs
- Treatment plants
- Waste management facilities
- Buildings
- Fleet
- Equipment
- Green infrastructure

These assets support Peel in providing a variety of services to the community.

This plan breaks down the asset portfolio according to the service that is responsible for managing the assets.



The replacement, rehabilitation, and enhancement of assets is primarily funded through either property taxes or the utility rate.

The asset managing services supported by the **Utility rate** are:

- Wastewater
- Water Supply

The asset managing services supported by the **Property taxes** are:

- Waste
- Roads and Transportation (includes stormwater)
- TransHelp
- Paramedics
- Long Term Care
- Housing Support
- Homelessness Support
- Police
- Heritage, Arts and Culture
- Early Years and Child Care

In addition to these services, this plan also includes two internal service providers that manage assets on behalf of many other services. They are:

- Operations Yards, Fleet and Equipment
- Peel Office Buildings

Value of the infrastructure

What would the infrastructure cost to replace?

The chart represents the Peel's portfolio of directly owned infrastructure, which has an estimated replacement value of **\$50.7 billion** (2023 values, excluding land), with utility funded assets making up the majority (79%) at \$40.3 billion, primarily for water and wastewater systems, and tax funded assets covering the remaining (21%) at \$10.4 billion, allocated to essential public services like roads, housing, and emergency services.

Table 1. Utility funded asset replacement value breakdown

Service	Asset replacement value (millions)
Water supply	\$20,398.8
Wastewater	\$19,706.1
Ops. Yards, Fleet and Equipment	\$194.3

Table 2. Tax funded asset replacement value breakdown

Service	Asset replacement value (millions)
PHC Housing Support	\$3,492.9
Police	\$357.8
TransHelp	\$11.0
Paramedics	\$218.2
Long Term Care	\$393.7
Housing Support	\$521.6
Homelessness Support	\$30.7
Child Care	\$13.1
Peel Office Buildings	\$367.9
Heritage, Arts, and Culture	\$44.4
Waste	\$284.2
Roads and Transportation	\$4,657.5

Table 3. Total asset replacement values

Funding Source	Asset replacement value (billions)
Utility funded	\$40.3
Tax funded	\$10.4
Overall	\$50.7

Peel owned assets **covered under the Enterprise Asset Management Strategy** have an estimated replacement value of **\$50.7 Billion** (2023 values excluding land).

The Enterprise Asset Management Strategy currently covers most of the Peel's infrastructure supporting the services listed above. As part of ongoing efforts to improve asset management and incorporate new asset information, the strategy will be expanded to include more infrastructure. additional green infrastructure and information technology assets are planned to be incorporated into the 2026 reporting.

State of the infrastructure

How is the condition graded?

The condition of individual assets is assessed using a range of techniques, including evaluating asset age, expected lifespan, condition assessment data, and current lifecycle strategies, as appropriate for each type of infrastructure. Peel's State of Good Repair (SoGR) condition grades offer a standardized method to assess the condition of the Peel's diverse assets. Below is the asset condition grading criteria (A-F).

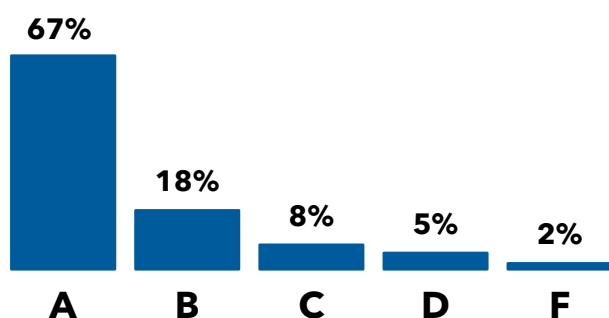
Table 4. Condition Grade and Descriptions

A	New or like new condition
B	In a good state of repair
C	Some non-critical defects; some critical repairs in the near term
D	Some critical defects; many critical repairs in the near term
F	Many critical defects; immediate repair or replacement required

What is the condition of the infrastructure?

Peel aims to maintain its infrastructure at a SoGR (B) or better. As infrastructure ages, its condition grade naturally declines, but reinvestments can improve the grade. In some cases, certain assets may degrade further without significantly increasing service risks, allowing Peel to achieve cost savings for taxpayers. Figure 1 shows the current condition ratings of Peel's assets.

Figure 1. Overall condition ratings of Peel assets



Building conditions are evaluated through detailed assessments, while most other assets are assessed based on their estimated service life.

Figure 1 shows:

- 67% of assets are rated Grade A, representing new or like-new condition.
- 18% are rated Grade B, representing in a state of good repair.
- 8% are rated Grade C, indicating non-critical defects and some critical repairs expected soon.
- 5% are rated Grade D, indicating some critical defects and many critical repairs expected soon.
- 2% are rated Grade F, indicating many critical defects requiring immediate repairs and replacements.

How well is the infrastructure being managed?

The goal for Peel is to have most of the assets financed to achieve their condition and performance targets to provide efficient and reliable services at rates affordable to the taxpayer. This will achieve a risk management rating of **Good**.

Table 5. Peel's current and target ratings






Currently achieving	Target
 Good	 Good

This indicator is used to measure and report the progress towards the **Asset Management Service** outcomes, in **the Strategic Plan**, the **Financial Sustainability** pillar of the **Long Term Financial Planning Strategy** and as the primary measure in the [Infrastructure Status and Outlook Report](#).

What do the risk management ratings mean?

Asset Management is about more than making sure the infrastructure is in good condition. Peel also needs to consider whether the right assets are in the right place to support the desired service outcomes. Do the assets provide enough capacity? Are there spares and backups? Are they meeting all required codes and regulations? Does the community want the infrastructure to look nice? Peel calls these types of requirements Performance Levels of Service. The risk management rating considers the SoGR Levels of Service, the Performance Levels of Service and funding that is dedicated or planned for the infrastructure.

Table 6. Risk management ratings and descriptions.

 Very Good	Almost all assets in the portfolio are achieving the desired targets
 Good	Most assets in the portfolio are achieving the desired targets
 Fair	Many assets in the portfolio are not achieving the desired targets
 Poor	Most assets in the portfolio are not achieving the desired targets
 Very Poor	Almost all assets in the portfolio are not achieving the desired targets

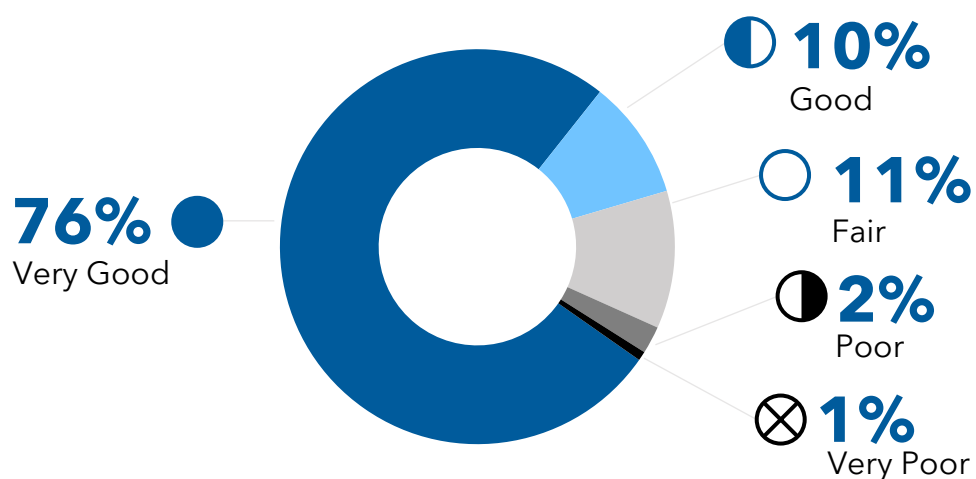
Peel's current infrastructure rating

The current overall 2025 infrastructure state for Peel is 'Good'.

Figure 2 illustrates that within the portfolio:

- 76% of assets are in Very Good state, indicating that almost all assets are achieving the desired targets.
- 10% of assets are in Good state, indicating that most assets are achieving the desired targets.
- 11% of assets are in Fair state, indicating that many assets are not achieving the desired targets.
- 2% of assets are in Poor state, indicating that most assets are not achieving the desired targets.
- 1% of assets are in Very Poor state, indicating that almost all assets are not achieving the desired targets.

Figure 2. Peel's breakdown of risk management ratings









How do the services contribute to the overall rating?

Table 7. Utility rate contributions to overall rating

Area	Rating
Overall	Good
Water Supply	Very Good
Wastewater	Fair
Operations Yards, Fleet and Equipment	Very Good

Table 8. Tax rate contributions to overall rating

Area	Rating
Overall	Very Good
Heritage, Arts and Culture	Very Good
Waste	Very Good
Roads and Transportation	Good
TransHelp	Very Good
Paramedics	Very Good
Long Term Care	Very Good
Peel Region Housing Support	Good
Peel Housing Corporation	Good

Area	Rating
 Early Years and Child Care	 Fair
 Peel Office Complexes	 Very Good
 Police	 Good

10-year infrastructure reinvestment plan

What is the plan?

Table 9. 10-year plan with values in 2025dollars

	Total (SoGR)
Forecasted 10-Year Reinvestment Needs	\$5448.8 million
Reinvestments in the 10-Year Capital Plan	\$5555.5 million

Over the next 10 years, **\$5448.8 million** is forecasted for reinvestment to maintain infrastructure in a state of good repair. Of this, **\$3082.6million** is expected to be funded through Utility Rates, and **\$2,455.3 million** through Property Taxes, unless alternative funding sources are identified and confirmed.

Peel's 10-Year Capital Plan allocates **\$5555.5 million** for asset reinvestments, aligning with forecasted needs within acceptable tolerances to support service delivery effectively.

Why is there a difference between the forecasted needs and the plan?

There are many reasons why the 10-year plan does not match exactly with the 10-year reinvestment needs forecast. The reasons can be broken into three broad categories:

Strategic Planning

Peel is always trying to find efficiencies and make the best long-term decisions. Infrastructure reinvestments may need to be delayed or advanced to align the timing of projects, complete studies or be eligible for provincial or federal funding opportunities.

External Pressures

Peel strives to align infrastructure replacement projects with those of local municipalities and other agencies, to achieve efficiencies and minimize the impact to the public during construction. Other factors such as economic conditions and the need to meet regulatory requirements may also impact which projects are included within the Capital Plan.

Updated Information

Peel is continually trying to improve the accuracy of the asset information. There can be significant updates and changes in the time between when the infrastructure needs forecasts are prepared and when the Capital Plan is developed. These changes can be due to updated condition assessments, asset replacement values and lifecycle strategies.

What is the plan for **Utility Rate** supported infrastructure?

Table 10. Utility rate 10-year plan with values in 2025 dollars

	Total (SoGR)
Forecasted 10-Year Reinvestment Needs	\$3082.6 million
Reinvestments in the 10-Year Capital Plan	\$3100.2 million

What is the plan for **Tax Supported** infrastructure?

Table 11. Tax supported 10-year plan with values in 2025 dollars

	Total (SoGR)
Forecasted 10-Year Reinvestment Needs	\$2,366.2 million
Reinvestments in the 10-Year Capital Plan	\$2,455.3 million

Forecasted state of the infrastructure in 2034

With the Reinvestments in the 10-year Capital Plan, Peel will achieve an overall rating of **Very Good**.

Table 12. Peel's overall rating

Rating
 Very Good

How do the services contribute to the overall rating?

Table 13. Utility rate contributions to overall rating































Area	Rating
Overall	 Good
 Water Supply	 Very Good
 Wastewater	 Good
 Operations Yards, Fleet and Equipment	 Very Good

Table 14. Tax rate contributions to overall rating

Area	Rating
Overall	 Very Good
 Heritage, Arts and Culture	 Very Good
 Waste	 Very Good
 Roads and Transportation	 Very Good
 TransHelp	 Very Good
 Paramedics	 Very Good
 Long Term Care	 Very Good
 Peel Region Housing Support	 Very Good
 Peel Housing Corporation	 Very Good
 Early Years and Child Care	 Poor
 Peel Office Complexes	 Very Good
 Police	 Very Good

Summary of the 10-Year Plan



Table 15. Utility supported Summary of 10-year plan

Service	Current State		10 Year Reinvestment Plan		
	Current Rating (2025)	Replacement Value (2023 \$ millions)	Forecasted Reinvestment Needs (2025 \$ millions)	Reinvestments in the 10-Year Capital Plan (2025 \$ millions)	Forecasted Rating (2034)
Water Supply	● Very Good	20,398.8	1,354.0	1,363.0	● Very Good
Wastewater	○ Fair	19,706.1	1,643.9	1,652.5	◐ Good
Ops. Yards, Fleet and Equipment	● Very Good	194.3	84.7	84.7	● Very Good
Total Utility Rate Supported Services	◐ Good	40,299.2	3,082.6	3,100.2	◐ Good

Table 16. Tax supported Summary of 10-year plan

Service	Current State		10 Year Reinvestment Plan		
	Current Rating (2024)	Replacement Value (2023 \$ millions)	Forecasted Reinvestment Needs (2025 \$ millions)	Reinvestment s in the 10-Year Capital Plan (2025 \$ millions)	Forecasted Rating (2034)
Heritage, Arts and Culture	● Very Good	44.4	17.0	15.0	● Very Good
Waste	● Very Good	284.2	111.2	109.5	● Very Good
Roads and Transportation	◐ Good	4,657.5	847.3	847.3	● Very Good
TransHelp	● Very Good	11.0	17.1	16.6	● Very Good
Paramedics	● Very Good	218.2	111.4	111.9	● Very Good
Long Term Care	● Very Good	393.7	75.7	112.0	● Very Good
Peel Region Housing Support	◐ Good	466.8	14.1	17.9	● Very Good
Peel Housing Corporation	◐ Good	3492.9	884.1	931.5	● Very Good
Early Years and Child Care	○ Fair	13.1	9.9	7.6	◐ Poor
Peel Office Complexes	● Very Good	367.9	71.1	85.4	● Very Good
Police	◐ Good	357.8	207.1	188.4	● Very Good
Total Tax Supported Services	● Very Good	\$10,393.0	\$2,366.2	\$2,455.3	● Very Good

Table 17. Peel Region summary of 10-year plan

Service	Current State		10 Year Reinvestment Plan		
	Current Rating (2024)	Replacement Value (2022 \$ millions)	Forecasted Reinvestment Needs (2024 \$ millions)	Reinvestments in the 10-Year Capital Plan (2024 \$ millions)	Forecasted Rating (2033)
Total Peel Region	 Good	50,692.2	5448.8	5,555.5	 Very Good

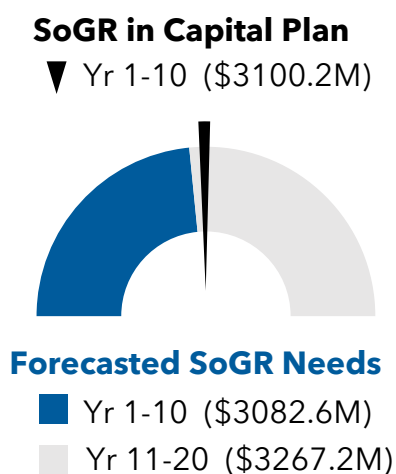
20-Year State of Good Repair (SoGR) Forecast

The 20-year State of Good Repair forecast provides decision-makers with a long-term perspective on upcoming asset reinvestment needs. Given the long lifecycles of many assets critical to the Peel's services, there will be periods when multiple high-cost assets require replacement within a short timeframe. This forecast helps anticipate fluctuations in reinvestment needs, enabling proactive planning to avoid sudden and significant changes in Tax and Utility rates.

Utility Rate Supported Infrastructure 20-Year SoGR Forecast

Figure 3 below compares the State of Good Repair (SoGR) funding in the Peel's Capital Plan for Years 1-10 with the forecasted needs over two decades. For Years 1-10, the forecasted SoGR needs total \$3,082.6 million, closely aligned with the \$3,100.2 million allocated in the Capital Plan. Over years 11-20, the forecasted SoGR needs are \$3,267.2million, reflecting a consistent reinvestment requirement over time. Uninflated SoGR reinvestment needs for utility rate-supported infrastructure are forecasted to slightly decrease over the next 20 years, demonstrating the Peel's commitment to proactive planning and alignment with long-term infrastructure needs.

Figure 3. State of Good Repair in Capital Plan



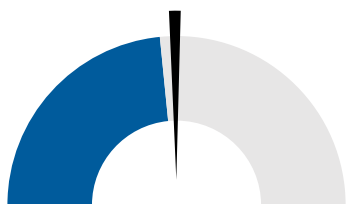
Tax Supported Infrastructure 20-Year SoGR Forecast

Figure 4 below compares the SoGR funding in the Peel's Capital Plan for Years 1-10 with the forecasted needs over two decades. For Years 1-10, the forecasted SoGR needs total \$2,366.2 million, closely aligned with the \$2,455.3 million allocated in the Capital Plan. Over years 11-20, the forecasted SoGR needs rise to \$2684.6 million, reflecting an anticipated increase in reinvestment requirements. Uninflated SoGR reinvestment needs for the tax levy-supported infrastructure portfolio are forecasted to increase slightly over the next 20 years. While the 10-year Capital Plan is slightly higher than the forecasted 10-year SoGR needs, future Capital Plans will need to grow beyond the rate of inflation to ensure infrastructure remains adequate to support service delivery, demonstrating the Peel's proactive approach to long-term planning.

Figure 4. State of Good Repair in Capital Plan

SoGR in Capital Plan

▼ Yr 1-10 (\$2455.3M)



Forecasted SoGR Needs

■ Yr 1-10 (\$2366.2M)

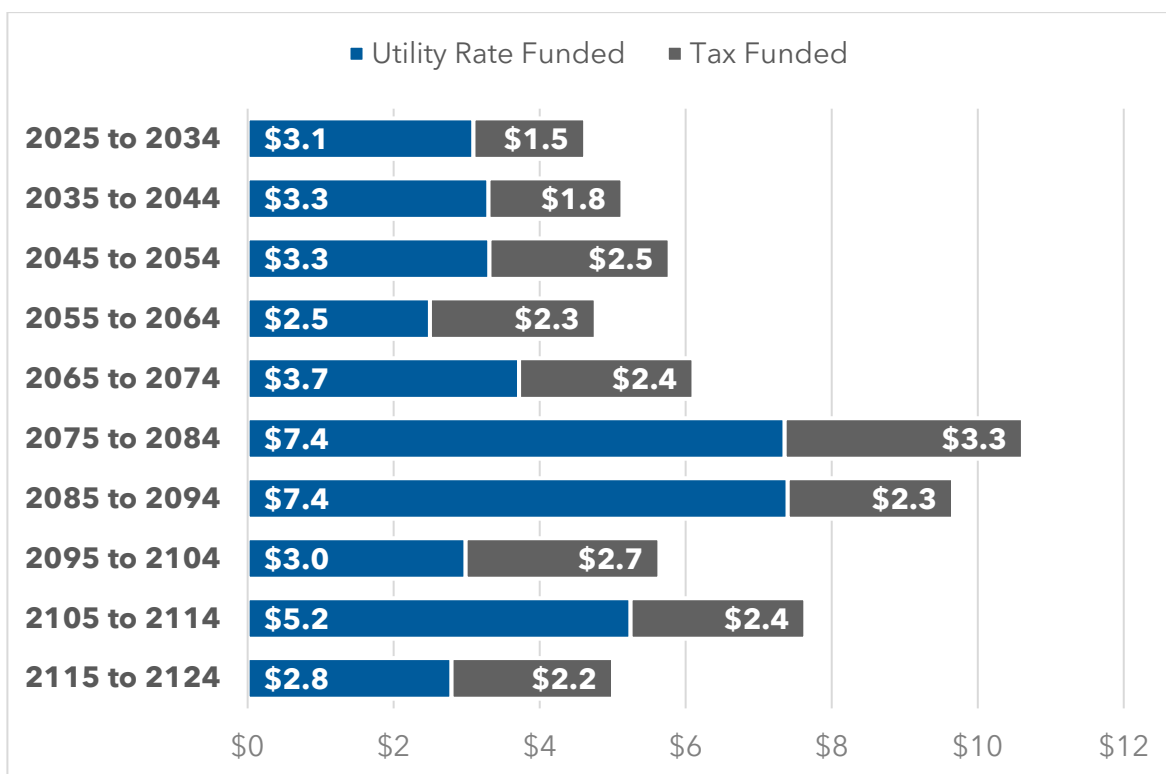
■ Yr 11-20 (\$2684.6M)



100-Year State of Good Repair Forecast

Long-term infrastructure investment forecasts allow decision makers to anticipate major trends in Peel infrastructure needs and make proactive financing and asset management decisions. Long-term SoGR projections include the estimated rehabilitation and replacement costs of existing assets as well as the estimated rehabilitation and replacement cost of planned asset growth.

Figure 5. 100 Year SoGR Forecast (Uninflated) in millions



As shown in Figure 5 above, Peel's infrastructure reinvestment needs are projected to rise steadily over the next 70 years. While tax-funded infrastructure demands are expected to level off in the next 20 years, the need for utility rate-funded infrastructure will continue to grow. This is largely because most of the water and wastewater systems, which make up about 77% of the Peel's asset replacement value, are still relatively new. As these systems age, they will require increasingly frequent and substantial reinvestments to maintain and upgrade them.

Because the 100-Year forecast is shown without forecasted inflation; the dollars can be roughly translated into the volume of work required.

Financing Plan

Infrastructure Reinvestment Financing Strategy

State of Good Repair capital works are financed through the **Tax-supported Capital Reserve** and **Utility Rate-supported Capital Reserve**. The Enterprise Asset Management Plan proposes and prioritizes the Peel's infrastructure investment requirements according to their respective reserve financing sources.

***"Borrow when appropriate for capital infrastructure** – Maintain an affordable level of debt required to achieve desired service levels while minimizing the impact of borrowing to the taxpayer and ensuring intergenerational equity"*

– 2019 Long Term Financial Planning Strategy

The Peel's Debt Management Policy promotes a **"Pay as You Go"** philosophy to state of good repair financing and generally discourages the use of debt to fund state of good repair work.

Peel Region Council has been supportive of this approach and has approved modest annual increases to the capital reserve levies since 2009 to reduce the unfunded infrastructure gap.

The infrastructure reinvestment strategy supports the three objectives of Peel's Long Term Financial Planning Strategy:

1. Ensure financial sustainability.
2. Minimize financial vulnerability.
3. Manage financial flexibility.

Financial Modeling

Peel's Financing Strategy utilizes financial modelling to determine revenue requirements to finance Peel's annual budget and forecast. The inputs for the Financial Model include, but are not limited to:

- Tax and Utility Rates
- Forecasted growth
- Employment and demographics
- Capital plans
- Operational plans and projections, and
- 20-year Enterprise Asset Management reinvestment forecasts

The Model is updated on an annual basis to reflect changes in policy and strategy and informs the capital planning process. The Financial Model is used in part to determine the adequacy of the tax and utility rate supported reserves and to calculate an appropriate adjustment in rates if required.

Utility rate supported infrastructure financing plan

Figure 6. Utility Rate Supported Infrastructure Levy

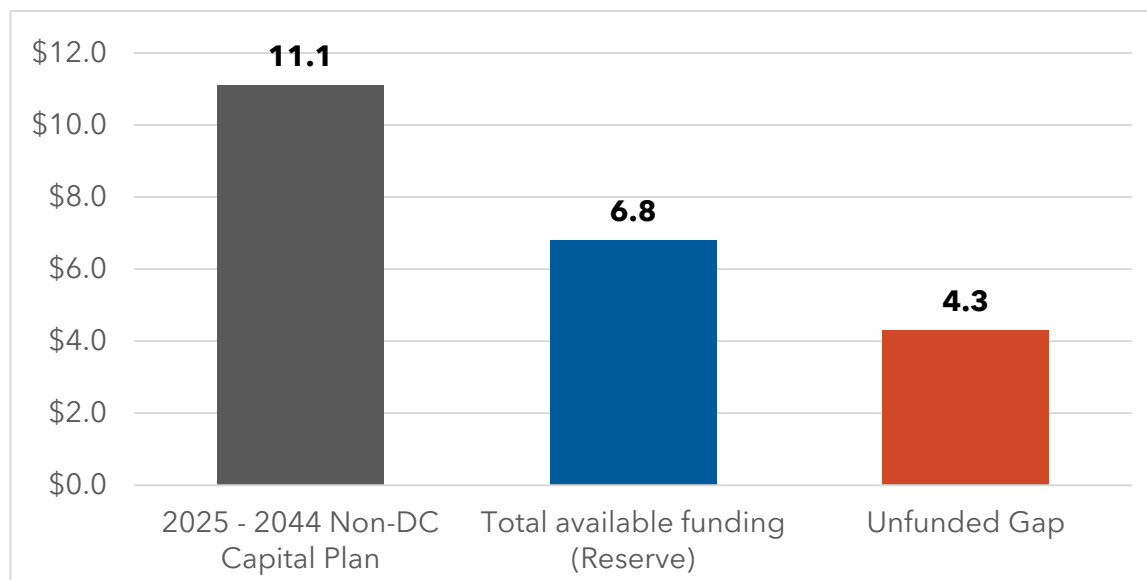


Figure 6 above presents a 20-year outlook (2025 to 2044) for utility rate-supported infrastructure, indicating that approximately \$11.1 billion is needed to maintain water and wastewater infrastructure and current service levels. With \$6.8 billion available in reserves, this leaves a funding gap of \$4.3 billion due to infrastructure growth and aging systems. To close this gap, a 5% utility rate increase is proposed for 2025. It is anticipated that six per cent infrastructure levy is required for the years 2026–2028 to sustain the utility rate supported capital plan, four percent for an additional two years, and three percent for the remaining years up to 2032. These rates ensure that there will be adequate funding to safeguard the state of good repair of Peel’s infrastructure.

Tax Rate Supported Infrastructure Financing Plan

Figure 7. Tax Supported Infrastructure Levy

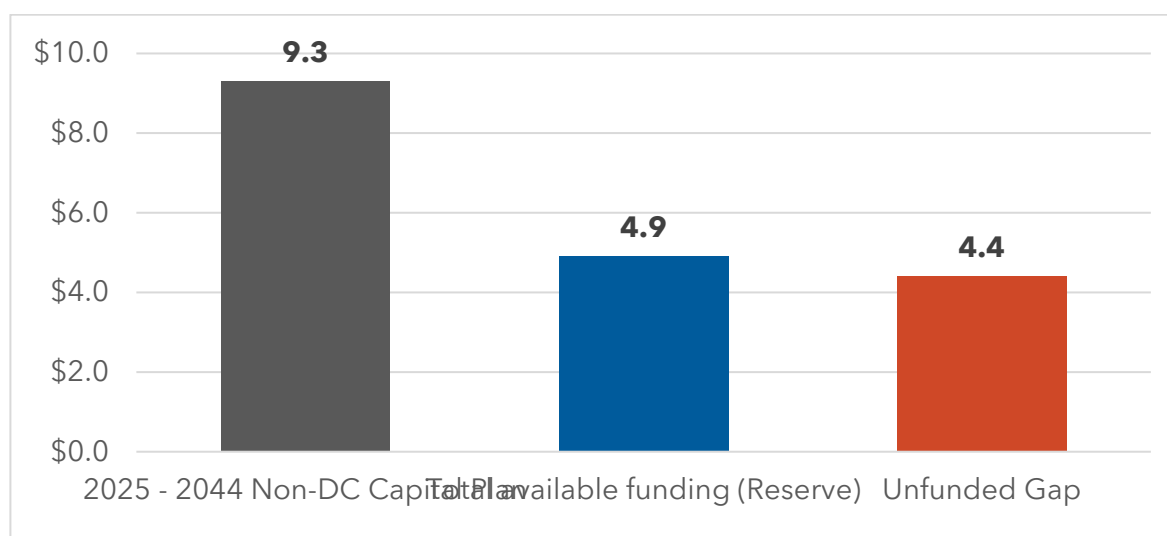


Figure 7 above presents a 20-year outlook (2025 to 2044) for tax-supported infrastructure, indicating that approximately \$9.3 billion is needed to maintain tax-supported infrastructure and current service levels. With \$4.9 billion available in reserves, this leaves a funding gap of \$4.4 billion. To close this gap, a 1% infrastructure levy is proposed for 2025. For the years beyond 2025, it is anticipated that a continued one per cent infrastructure levy is required to sustain the tax-supported capital plan and to ensure that adequate funding remains to safeguard the state of good repair of Peel's infrastructure.

The Long Term Forecast indicates that Peel's infrastructure reinvestment needs are expected to steadily rise over the next 70 years. Peel will explore options and opportunities to further reduce the unfunded infrastructure investment gap in collaboration with Council and incorporate these solutions into future plans.

Risks to the financing plan

Servicing Peel's population growth

Intensification of populated areas – In order to promote better use of land and services, preserve green space and satisfy the Province's "Places to Grow" requirements, there is greater emphasis on intensifying the use of populated lands. Although this is a prudent method to better utilize lands and services, the construction of infrastructure to accommodate growth in such areas can lead to higher initial capital costs and the need to prematurely replace infrastructure which may not have reached its full life span.

Expanding into un-serviced "greenfield" lands

– Peel's growth also requires the urbanization of rural lands. Such expansions require the extension of water, wastewater, roads, solid waste, health, and social services to accommodate the added population. The expansion of infrastructure to accommodate these services as well as the increase in Peel fleet and distances to provide services will create added pressures in terms of operating and maintaining the Peel's expanded network.

Ongoing condition assessment program

Detailed asset condition assessments are carried out across the organization. The results of these assessments will improve the SoGR analysis and more accurately identify capital needs.

Weather and climate change impacts

Weather impacts water consumption demand primarily during the summer, rainwater and groundwater surcharges enter wastewater sewers primarily in the spring, as well as the TransHelp and road maintenance programs in the winter. Efforts are made to mitigate this risk using trend analysis and the Stabilization Reserves.



Additionally, the risk of damage to assets from significant weather events is increasing. Future increased capital reinvestment to mitigate this damage will be required.

Economic Conditions

Changes to economic conditions can impact the Financing Plan. Specific risks to the plan include:

- Increases in labour costs
- Decreases in revenue for recycled materials
- Increases in energy costs
- Increases in debt servicing costs
- Decreases in grants and subsidies

Significant change to the broader economic conditions may also impact service delivery and demand. The COVID-19 pandemic has elevated fiscal risks which in turn may contribute to higher long-term financial stability and sustainability risks.

Regulatory impacts

Changes to regulations in Peel's operational environment have significant impact on financial plans and may change:

- What services are provided by Peel
- The content of Peel's capital asset portfolio
- The availability of funding sources
- Design and construction
- Technology requirements
- Operational practices

Changes to level of service targets

Level of Service Targets drive the reinvestment forecasts in the Asset Management Reinvestment Plan. Levels of Service are based on regulations, standards, and council approved service levels. Increased regulations and standards will require changes to the level of service targets. Council approved levels of service may also change to better align with the priorities of the community.

Impacts from and alignment with infrastructure plans of other governments and agencies

Where Peel owns or manages infrastructure in proximity to that of other levels of government or external agencies, reinvestment plans may need to be adjusted to align infrastructure planning between organizations. These adjustments have the potential to significantly increase the Peel's infrastructure financing requirements if a high value piece of infrastructure is required to be relocated or enhanced prior to the asset's normal end of life. Alternatively, there are opportunities for cost sharing between organizations when co-located assets require replacement or rehabilitation within a similar time frame.


Enterprise Asset Management road map

Peel's Enterprise Asset Management program plays a critical role in shaping its strategic and long-term planning. Launched in 2007, the program is dedicated to creating sustainable strategies for maintaining infrastructure over a planning period that may extend up to 100 years. Driven by the principle of continuous improvement, these strategies align with Council's service level goals and long-term financial plans. Peel's Asset Management program adheres to industry best practices and regulatory standards, and it continually evolves to seize new opportunities and tackle emerging challenges.



Although the Peel's long-term asset planning program has been in place since 2007, it is still good practice to review the program to accommodate emerging trends. In 2017, Peel retained an independent third-party consultant to initiate a comprehensive asset management program review. The objective of the review was to align the Peel's asset management practices with industry best practices. As a result of the review, over the next several years several initiatives have been proposed. These initiatives will address emerging trends as well as focus on identified gaps.


2018

- Provincial Asset Management Regulations
 - Launch Enterprise Asset Management Program
- 


Changes since the 2018 Enterprise Asset Management Plan

- **Enterprise Asset Management (EAM)** division established within the Finance department.
- Peel's **Asset Management Policy** has been updated to meet the new Ontario Regulation 588/17.
- Assets supporting the **Affordable Housing** service managed by **Peel Housing Corporation** and **Police** service managed by **Peel Police** are incorporated into Asset Management reporting.
- **Operations and Maintenance costs** incorporated into Service areas for full lifecycle costing considerations.

2019

- Update Enterprise Asset Management Policy
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2020

- Selection of Enterprise Asset Management System Technology Platform
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Improvements for the Future

- Staff is undertaking many **technical studies** and **condition assessments** to improve knowledge of the Peel's infrastructure conditions.
- **Asset Management planning process improvements** are being made across several services to improve investment forecasting and to manage risks to Peel services.
- An **Enterprise Asset Management System** will be introduced to support asset management functions across the organization.
- Assets supporting **Peel Information Technology Infrastructure** and additional **Green Infrastructure** will be added to the Enterprise Asset Management Plan in the 2026 reporting cycle.

¹ In accordance with **ISO** (International Organization for Standardization) **55000**

