2025 Enterprise Asset Management Plan

Asset Management reinvestment plan Water Supply

The water infrastructure is currently in good condition for delivering safe, reliable drinking water; however, there are concerns that climate change risks are impacting Peel's water treatment and transmission services.

Peel is proactively identifying how the infrastructure can be enhanced to mitigate the risk of extreme heat events and changing quality of the Lake Ontario water and will require future investments to mitigate these risks.

Proactive pipe replacement programs are in place to keep the water system safe and reliable for homes and industries.

10-year summary

Table 1. Current state and 10-year plan (in $ millions)

Current rating	Current replacement value	10-year forecasted SoGR reinvestment needs	10-year SoGR Capital Plan reinvestments	10-year forecasted rating
Very Good	20,398.8	1,354.0	1,363.0	Very Good

Table 1 shows that the current overall infrastructure state for the Water Supply is 'Very Good'. The estimated replacement value of these assets is $20,398.8 million, based on 2023 values. The 10-year Capital Plan includes reinvestments of $1,363.0 million to maintain the infrastructure in a SoGR. These planned investments are aligned with the forecasted needs of $1,354.0 million over the same period.

20-year SoGR outlook

Figure 1. 20-Year outlook of infrastructure reinvestment needs

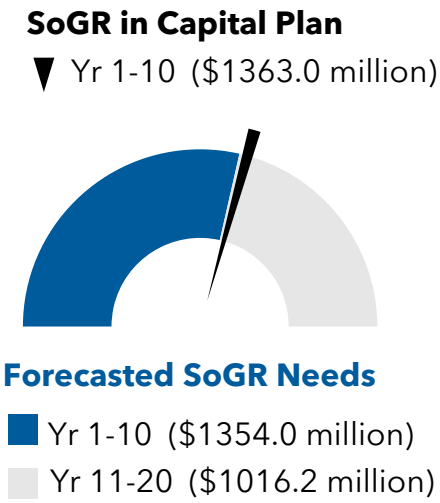


Figure 1 presents a 20-year outlook of infrastructure reinvestment needs to maintain the infrastructure in a SoGR. For the first 10 years, the planned reinvestments of $1,363.0 million aligns with the forecasted needs of $1354.0 million. The chart also shows that SoGR needs are expected to decrease in the following 10 years.

State of the infrastructure

Current infrastructure

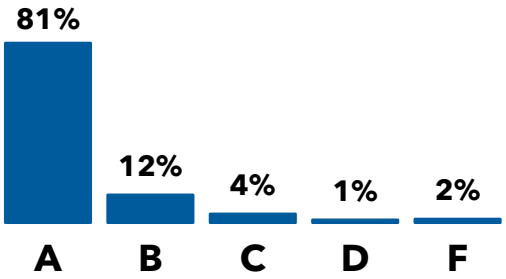
Water Supply infrastructure includes 2 treatment plants, 15 wells, 19 pumping stations, 30 water storage facilities and 4,799 km of water pipes. The average asset age of the assets is 22 years.

Replacement value

The total replacement value of assets for the Water Supply is estimated at $20,398.8 million, based on 2023 values.

Condition[1] of the Infrastructure

Figure 2. Asset condition grading



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

Figure 2 shows:

- 81% of assets are rated Grade A, representing new or like-new condition.
- 12% are rated Grade B, representing in a state of good repair.
- 4% are rated Grade C, indicating non-critical defects and some critical repairs expected soon.
- 1% 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.

[1] Descriptions of the Condition Rating are included in Appendix II Reading Guide

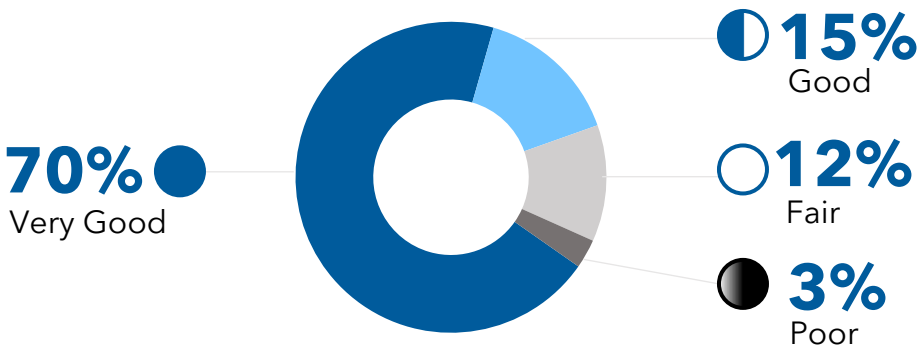
Current infrastructure rating

The current overall 2025 infrastructure state for the Water Supply is 'Very Good'.

Figure 3 illustrates that within the portfolio:

- 70% of assets are in Very Good state, indicating that almost all assets are achieving the desired targets.
- 15% of assets are in Good state, indicating that most assets are achieving the desired targets.
- 12% of assets are in Fair state, indicating that many assets are not achieving the desired targets.
- 3% of assets are in Poor state, indicating that most assets are not achieving the desired targets.
- There are no assets in Very Poor state.

Figure 3. Current infrastructure rating



Target customer level of service[2]

Our customers should expect:

- Potable water that meets or exceeds all regulatory standards and remains aesthetically pleasing.
- Reliable, consistent pressure and flow delivered efficiently and affordably.
- Facilities are structurally sound, well-maintained and meet all program service requirements.

[2] Definition of Customer Level of Service is included in Appendix III The Enterprise Asset Management Strategy

- Facilities provide a safe, healthy, and accessible environment for staff and the public.

Infrastructure reinvestment plan

Table 2. 10-year state of good repair reinvestments

Forecasted needs	Capital Plan
$1,354.0 million	$1,363.0 million

Table 2 shows that reinvestments of $1,363.0 million are included in the 10-year Capital Plan to maintain infrastructure in a SoGR. These planned reinvestments align with the forecasted needs of $1,354.0 million over the same period.

Table 3. Operations and maintenance expenses

Annual expenditure	Re-investment rate
$33.9 million	0.2%

Table 3 shows that operations and maintenance expenses for Water Supply are approximately $33.9 million per year, representing 0.2% of the asset replacement value. These expenses support facility operations and maintenance activities. As part of the whole lifecycle strategy, these costs are regularly reviewed and will be optimized over time as asset management tools and technology improve.

10-year infrastructure rating with Capital Plan reinvestments

In 10 years (2034), the overall infrastructure state for the Water is forecasted to remain 'Very Good.'

Figure 4 illustrates that within the portfolio:

- 82% of assets are in Very Good state, indicating that almost all assets are achieving the desired targets.
- 9% of assets are in Good state, indicating that most assets are achieving the desired targets.
- 6% of assets are in Fair state, indicating that many assets are not achieving the desired targets.

- 3% of assets are in Poor state, indicating that most assets are not achieving the desired targets.
- There are no assets in Very Poor state.

Figure 4. 10-year infrastructure rating