2025 Enterprise Asset Management Plan

Asset Management reinvestment plan Wastewater

Peel's wastewater infrastructure is currently in good condition. However, the early impacts of climate change are beginning to affect the wastewater collection system.

Peel is proactively assessing how to enhance the infrastructure to reduce the risk of environmental overflows and backups into homes and businesses. Ongoing expansion and rehabilitation programs are in place to strengthen system performance and support a higher overall portfolio score.

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
◯ Fair	$19,706.1	$1,643.9	$1,652.5	◑ Good

Table 1 shows that the current overall infrastructure status for the Wastewater is 'Fair'. The estimated replacement value of these assets is $19,706.1 million, based on 2023 values. The 10-year Capital Plan includes reinvestments of $1,652.5 million to maintain the infrastructure in a SoGR. These planned investments are aligned with the forecasted needs of $1,643.9 million over the same period.

20-year SoGR outlook

Figure 1. 20-Year outlook of infrastructure reinvestment needs

SoGR in Capital Plan

▼ Yr 1-10 ($1652.5 million)

Forecasted SoGR Needs

■ Yr 1-10 ($1643.9 million)
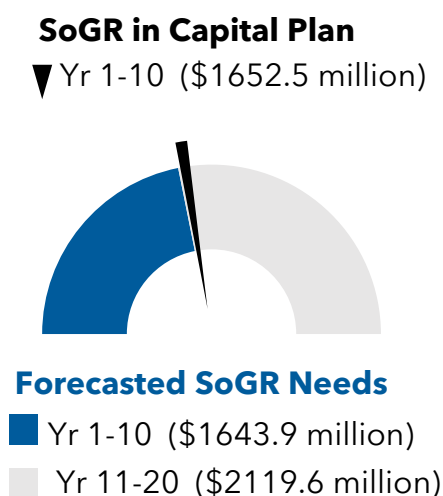
▢ Yr 11-20 ($2119.6 million)

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 $1,652.5 million aligns with the forecasted needs of $1,643.9 million. The chart also shows that SoGR needs are expected to increase slightly in the following 10 years, which is typical as the portfolio ages.

# State of the infrastructure

Current infrastructure

Wastewater infrastructure includes 2 treatment plants, 32 sewage pumping stations and 3,813 km of sanitary sewer pipes. The average asset age of the assets is 22 years.

Replacement value

The total replacement value of assets for the Wastewater is estimated at $1,9706.1 million, based on 2023 values.

Condition[1] of the Infrastructure

Figure 2. Asset condition grading
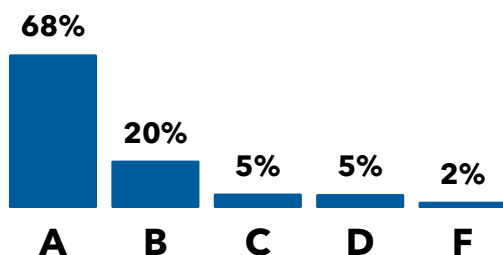
Building conditions are evaluated through detailed assessments, while most other assets are assessed based on their estimated service life.

Figure 2 shows:

- 68% of assets are rated Grade A, representing new or like-new condition.
- 20% are rated Grade B, representing in a state of good repair.
- 5% 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.

# Current infrastructure rating

The current overall 2025 infrastructure state for the Wastewater is 'Fair'.

Figure 3 illustrates that within the portfolio:

- 29% of assets are in Very Good state, indicating that almost all assets are achieving the desired targets.
- 25% of assets are in Good state, indicating that most assets are achieving the desired targets.
- 43% of assets are in Fair state, indicating that many assets are not achieving the desired targets.
- 4% of assets are in Poor state, indicating that most assets are not achieving the desired targets.

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

Figure 3. Current infrastructure rating

25% Good

43% Fair

29% Very Good

4% Poor
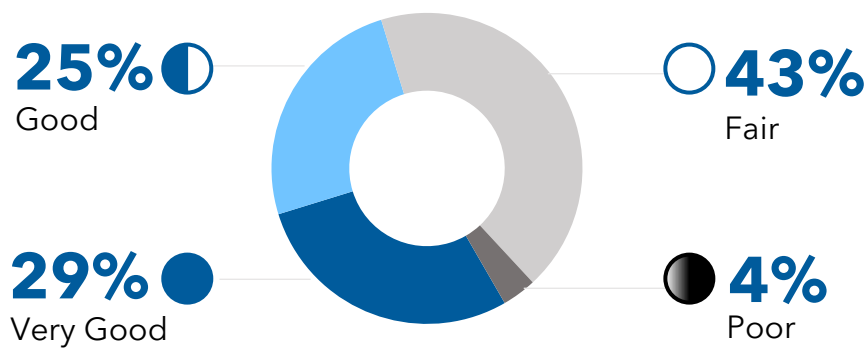
Target customer level of service[2]

Our customers should expect:

- Wastewater collection and treatment systems are reliable, efficient, and effective.
- Facilities are structurally sound, well-maintained, and meet all program service requirements.
- 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
$1,643.9 million	$1,652.5 million

Table 2 shows that reinvestments of $1,652.5 million are included in the 10-year Capital Plan to maintain infrastructure in a SoGR. These planned reinvestments align with the forecasted needs of $1,643.9 million over the same period.

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

Table 3. Operations and maintenance expenses

Annual expenditure	Re-investment rate
$17.5 million	0.1%

Table 3 shows that operations and maintenance expenses for Wastewater are approximately $17.5 million per year, representing 0.1% 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 Wastewater is forecasted to increase to 'Good'.

Figure 4 illustrates that within the portfolio:

- 39% of assets are in Very Good state, indicating that almost all assets are achieving the desired targets.
- 21% of assets are in Good state, indicating that most assets are achieving the desired targets.
- 39% of assets are in Fair state, indicating that many assets are not achieving the desired targets.
- There are no assets in Poor or Very Poor state.

Figure 4. 10-year infrastructure rating