2025 Enterprise Asset Management Plan

Reading Guide

Infrastructure Risk Management Rating

The Infrastructure Risk Management Ratings indicate the state of the assets relative to the target levels of service and the risk they are presenting to service delivery. The ratings consider approved funding that is available for State of Good Repair (SoGR) and Performance Enhancement projects.

The ratings and the accompanying explanations are provided in the table below to give a sense of how much excess risk exists within an infrastructure portfolio. Since the rating is measured at a portfolio level, the health and performance of individual assets may vary widely within the larger infrastructure portfolio.

Table 1. 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

Interpretation Examples

Very Good State: Almost all assets are at or near Asset Level of Service targets and therefore, the risk to services is at a desired or acceptable level.

Poor State: Most assets are not achieving Asset Level of Service targets and therefore the risk to services is significantly higher than desired.

Condition Grades

This indicator breaks down the distribution of asset condition across a standardized grading system (A-F) as shown in Figure 1 below. The Condition (SoGR) scores only represent the physical heath of the assets and unlike the Risk Management Ratings, do not consider currently approved funding.

Asset condition is graded based on combination of asset age, expected life, condition assessment data, and current life cycle strategies as is appropriate for each type of asset.

Most assets have Level of Service targets which should keep them 'in a good sate of repair' (B) or better, though some assets have lower targets which allow their condition to deteriorate further, provided that the customer level of service is not impacted and that it lowers the total cost providing the service. Since different assets have different targets, this indictor does not indicate the level of risk to services which is illustrated by the Infrastructure Risk Management Rating.

Figure 1. Distribution of Condition Grades

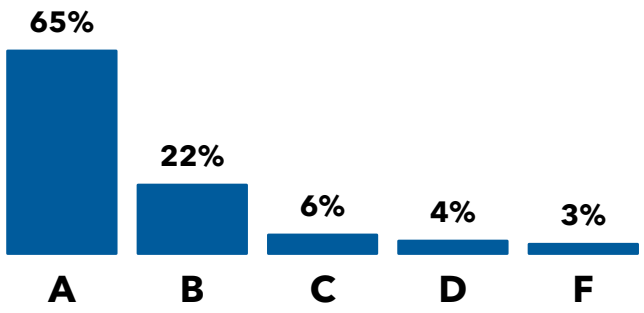


Table 2. Condition grade and descriptions

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

Risk Management Ratings and Condition Grades

Condition Grades and Risk Ratings are especially powerful metrics when viewed together. One metric alone does not tell the whole story.

Interpretation Examples

Table 3. Example 1

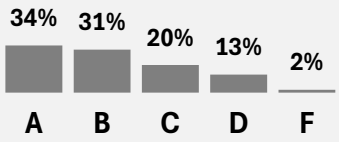
Condition Grades	Risk Management Rating
	 Very Good

Table 3 illustrates that an asset portfolio having assets with critical condition defects may still present Very Good in terms of risk, provided the Council has already approved funding to address these defects.

Table 4. Example 2

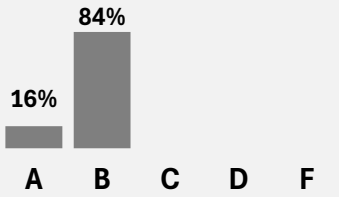
Condition Grades	Risk Management Rating
	 Fair

Table 4 illustrates that an asset portfolio, despite being in a good state of repair, may still be rated as Fair in terms of risk if performance issues remain unaddressed due to lack of Council approved funding for example, insufficient backup capacity or unmet accessibility requirements.

Table 5. Example 3

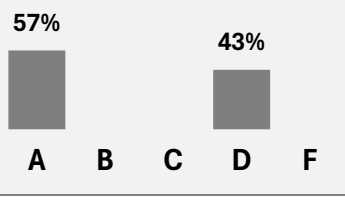
Condition Grades	Risk Management Rating
	 Very Good

Table 5 illustrates that an asset portfolio with critical condition defects may be rated as Poor in terms of risk if condition and/or performance issues lack approved funding for remediation.

State of Good Repair (SoGR) Capital Reinvestment Outlook

This indicator provides a 20-year perspective of infrastructure investment needs. The intent is to show the general reinvestment requirements beyond the 10-year capital plan and aid decision-makers to assess future infrastructure trends and related resourcing requirements. This could include increasing or decreasing requirements for financing, maintenance and operations, internal project management staff, or external suppliers and contractors.

The black needle indicates how the planned reinvestments in the 10-year Capital Plan align with the forecasted reinvestment needs. A difference does not mean anything is wrong. The planned reinvestments do not always align with the forecasted needs. There can be good reasons for this, such as:

- new information from studies and condition assessments have become available
- there have been increases or decreases in asset costs
- there have been recent Council decisions or changes in regulations which need to be accounted for
- investments in assets are being strategically delayed or advanced for various reasons including:
- to smooth resourcing needs over the longer term
- to align projects internally or with external parties
- to avoid reinvestments in assets which will be decommissioned

Interpretation Examples

Figure 2. Example 1

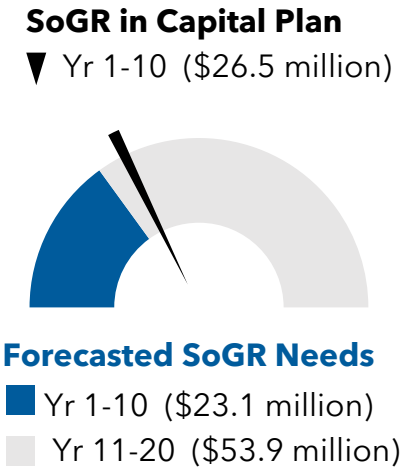


Figure 2 shows that Forecasted SoGR needs beyond 10-years are increasing and the 10-year Capital Plan exceeds the Forecasted Needs.

Figure 3. Example 2

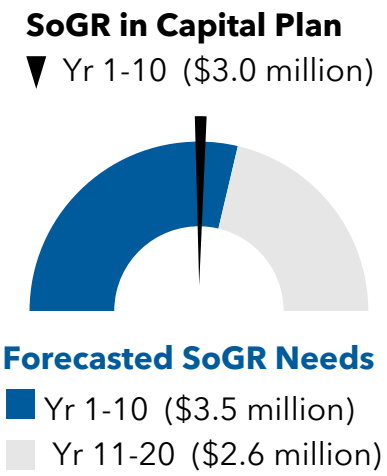


Figure 3 shows that Forecasted SoGR needs beyond 10-years are decreasing and the 10-year Capital Plan is lower than the Forecasted Needs.