



Budget 2026

Water and Wastewater





Providing clean water for life.



Core service

To deliver world-class water and wastewater services while respecting the environment and employing resource recovery principles

Water and Wastewater

2026 Budget



Interesting facts about this service



18,000 calls
700+
environmental spills

Responded to by our
customer service
team in 2025



\$520

per million litres

Average water treatment
and transmission cost for
water supplied



8,560 km

Of pipelines
managed. Longer
than the drive from
Peel to Los Angeles
and back



Over
\$40 million

received in grant
funding since 2021

Achievements

Locates - Compliance Rates

Compliance Rate for Locates has increase in past 18 months from 47% to 94% on average – completed compliance program with One Call and recognized for highest turn-around rate for all GTA utilities.

Utility of the Future Today - WEF

Recognized by the Water Environment Federation (WEF) as a *Utility of the Future Today*, highlighting our advanced resource efficiency and recovery, resilience, sustainability and proactive partnerships.

Reduced watermain break rates

Decreased average annual break rates 60% over the last 25 years. Peel has one of the lowest waterman break rates in all of North America.

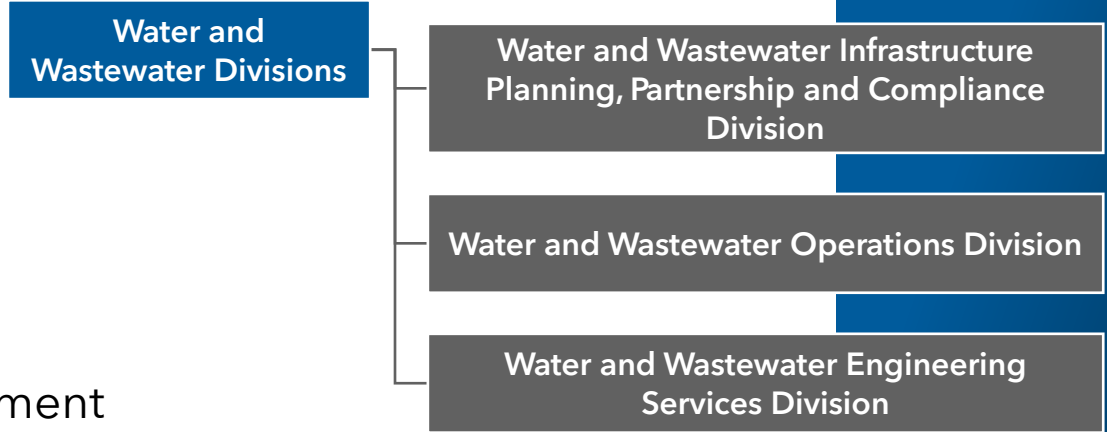
Greater Toronto Sewer and Watermain Contractors Association

Award received by one of our dedicated managers for going above and beyond to foster strong, productive partnerships between contractors, consultants and owners to benefit the industry and communities.

Service delivery model

How do we do it

- Delivering value
- Embracing innovation
- Investing in people
- Respecting the environment



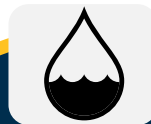
Service levels and trends



10-year Capital Plan
alignment with
growth and lifecycle
asset management
practices



Environmental focus-
increasing energy
recovery from treatment
processes through
beneficial reuse



Lab samples - over
195,000 in 2025. Lab
samples have increased
17% since 2020.



IESO Industrial
Conservation
Initiative (ICI)
Savings - Energy.
\$50M savings
between 2020-
2025.

Business plan outlook

- Deferral of \$1 billion of capital infrastructure compared to projections from 2025
 - Aligning with the pace of growth and development
 - Studying resource and organizational design changes needed to support future state
- Addressing risk to meeting expected service levels in future
- Focus on innovation, new technology, best practices and partnerships
- Continued maturity in long term Asset Management Plans
- Employing alternative delivery to accelerate capital program
- Building resiliency and efficiency through reducing GHG emissions, managing energy usage and harnessing energy from wastewater



Performance measures and results

Over
\$1.5 billion

committed in
Capital investments
in 2025

>100% increase from
2024. **\$140 million
savings** in tender
costs from forecast.

26% lower
than **GTA average**

this presents
challenges

Continued lowest
water and
wastewater rates
in the GTA.

**Affordable
Rate Program**

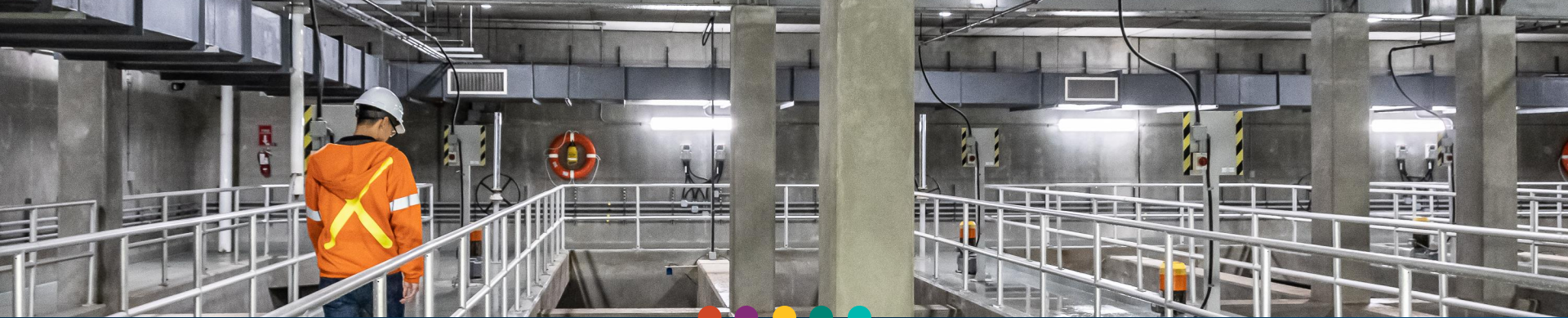
new program
implemented

Supporting
residents and
businesses.

76%

Of the 10-year
Capital Plan is
focused on major
“backbone”
infrastructure

Supporting and
being ready for
long-term growth.



2026 Budget

Operating Budget



Cost containment

Finding efficiencies in the 2026 Budget (in \$ millions)

	Cost savings	Cost avoidance
Adjustments from the ongoing review of budgets*	1.1	-
TOTAL	\$1.1	-

* Some key items include:

- Deferring some CCTV work
- Eliminating some software agreements
- Deferring replacement of some battery backup systems
- Reductions on online billing portal
- Re-allocating vehicle licensing fees to proper service areas



Proposed operating budget

Items	In \$ millions
2025 Net Base Budget	\$567.2
Cost to maintain 2025 service level	
Inflation: Labour costs/Goods and services	4.3
Cost containment	(1.1)
Other external billings adjustment	(0.6)
Reserve contribution from York Region	(0.5)
Utility Allocation to corporate sustaining costs	1.7
OCWA contractual cost increase	1.8
Water bill adjustment program	0.9
Allocation for emergency watermain repairs	1.5
Electricity cost increase	0.9
Sub-total: Cost to maintain 2025 service level	\$8.9
2026 Service demand	
Reserve contribution - 6.0% levy	33.4

Continued on next slide

Note: Numbers may not add up due to rounding



Proposed operating budget

Items	In \$ millions
2026 Service demand - Resources	
BR# 77: Water and Wastewater Damage Prevention (2 FTEs)	0.2
BR # 78: Water and Wastewater housing enabling infrastructure projects (2 FTEs)	-
BR# 79: Water and Wastewater Operations Plant Optimization (1 FTE)	0.1
BR# 80: Water and Wastewater Technology (3 FTEs)	0.2
BR # 82: Water and Wastewater Asset Management Maturity (1 FTEs and 2 Contracts)	-
BR # 84: Water and Wastewater Contractor Safety Management Program (1 FTE)	-
BR # 87: Linear and Groundwater Operations Foreperson (1 FTE)	-
BR # 89: Water Bill Adjustment Program (2 FTEs)	0.2
BR # 90: Additional Fleet Coordinator to manage workload and improve service delivery due to Fleet growth (1 FTE)	-
Net cost of business requests	0.7
Sub-total: 2026 Service demand	\$34.2
2026 Proposed Net Budget Change from 2025	\$43.1
Proposed Total 2026 Net Budget	\$610.3

Note: Numbers may not add up due to rounding

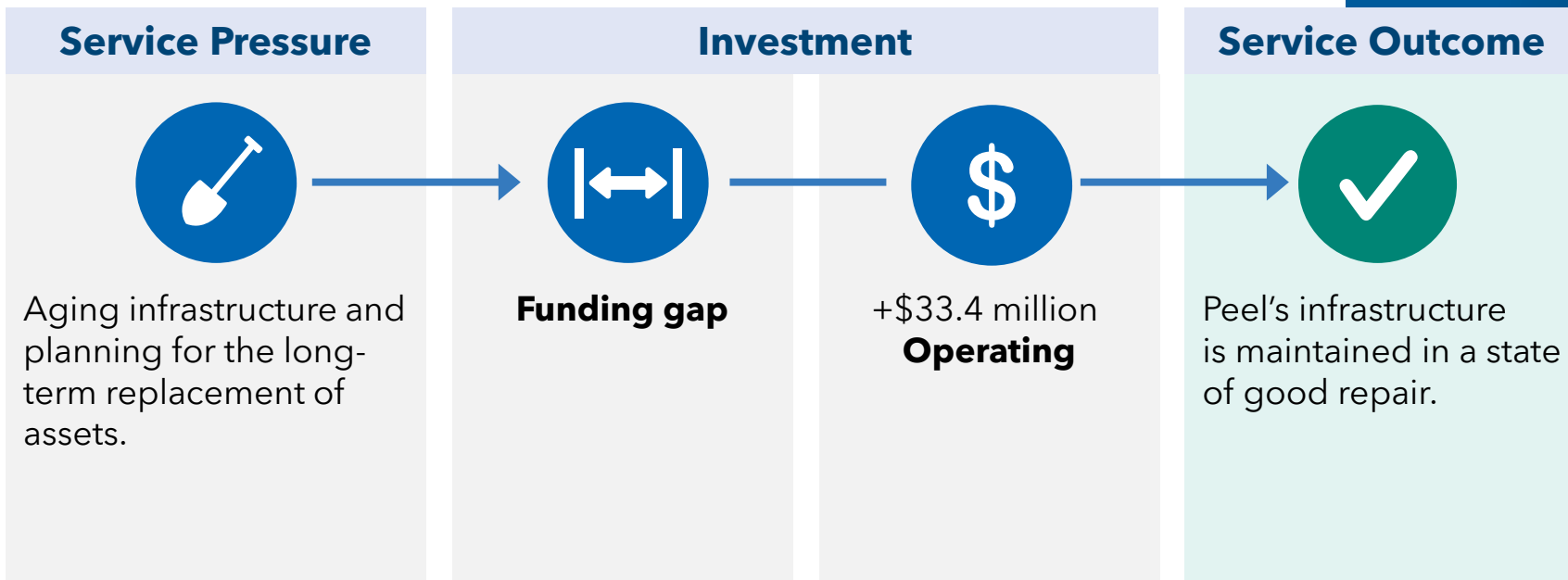


2026 Budget

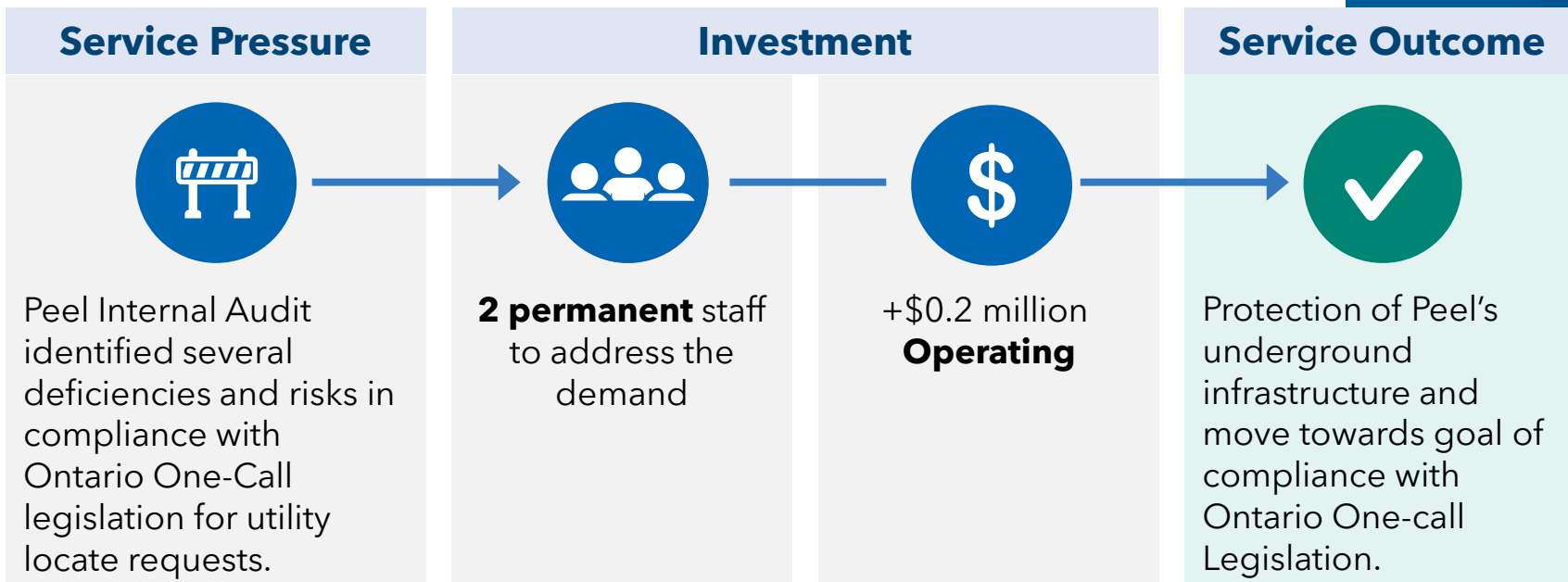
Budget Requests



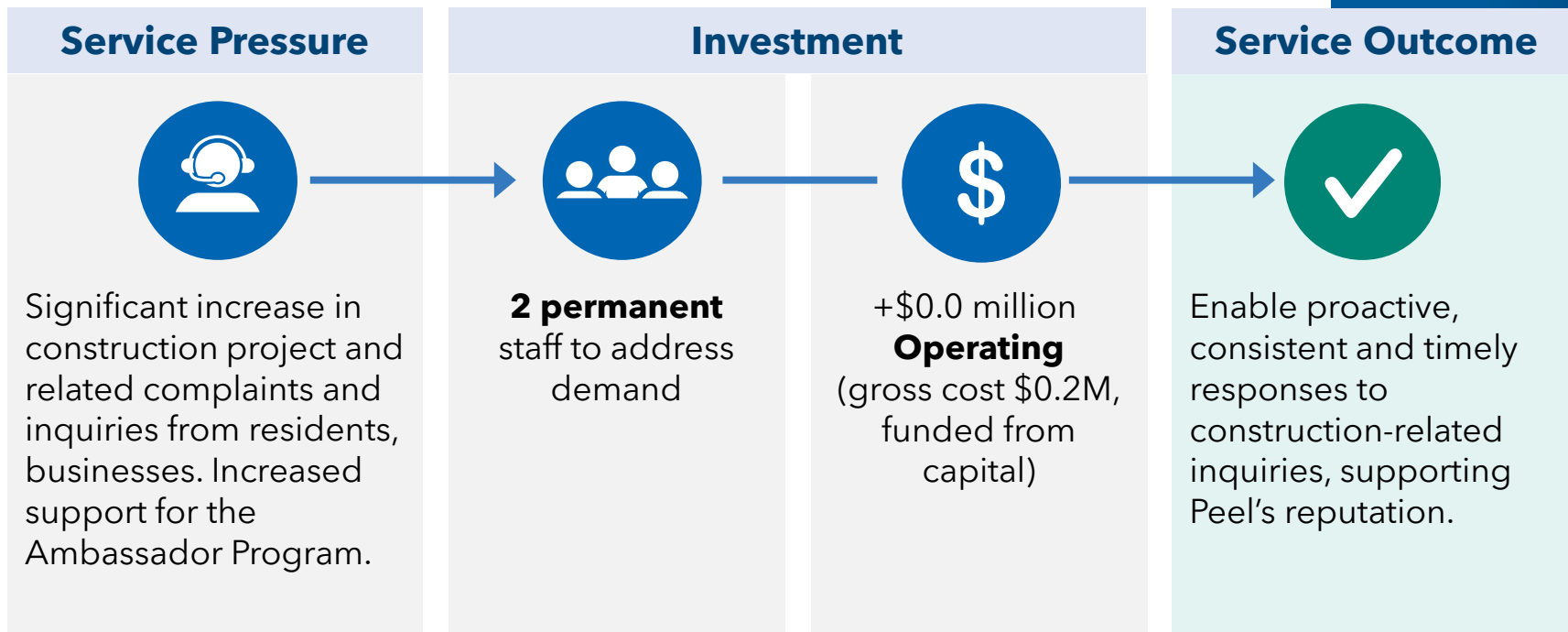
Infrastructure Levy



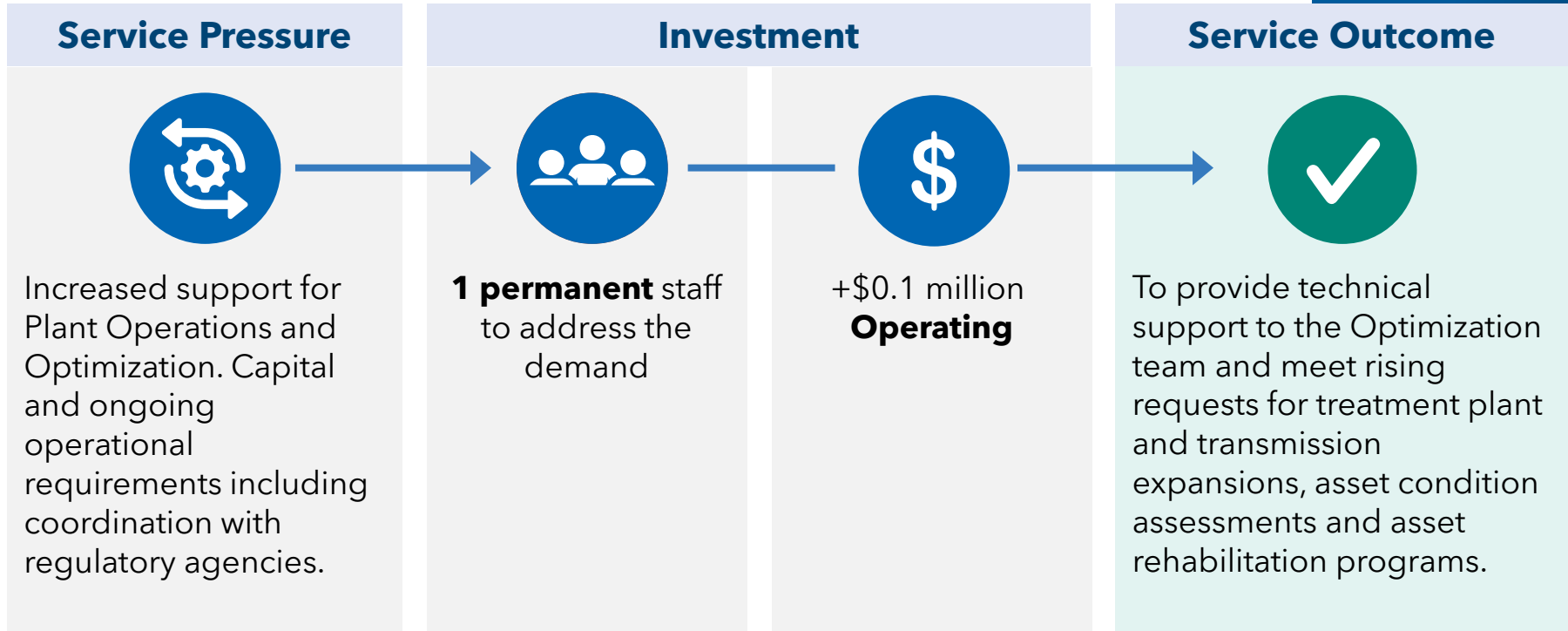
Damage Prevention - Locates



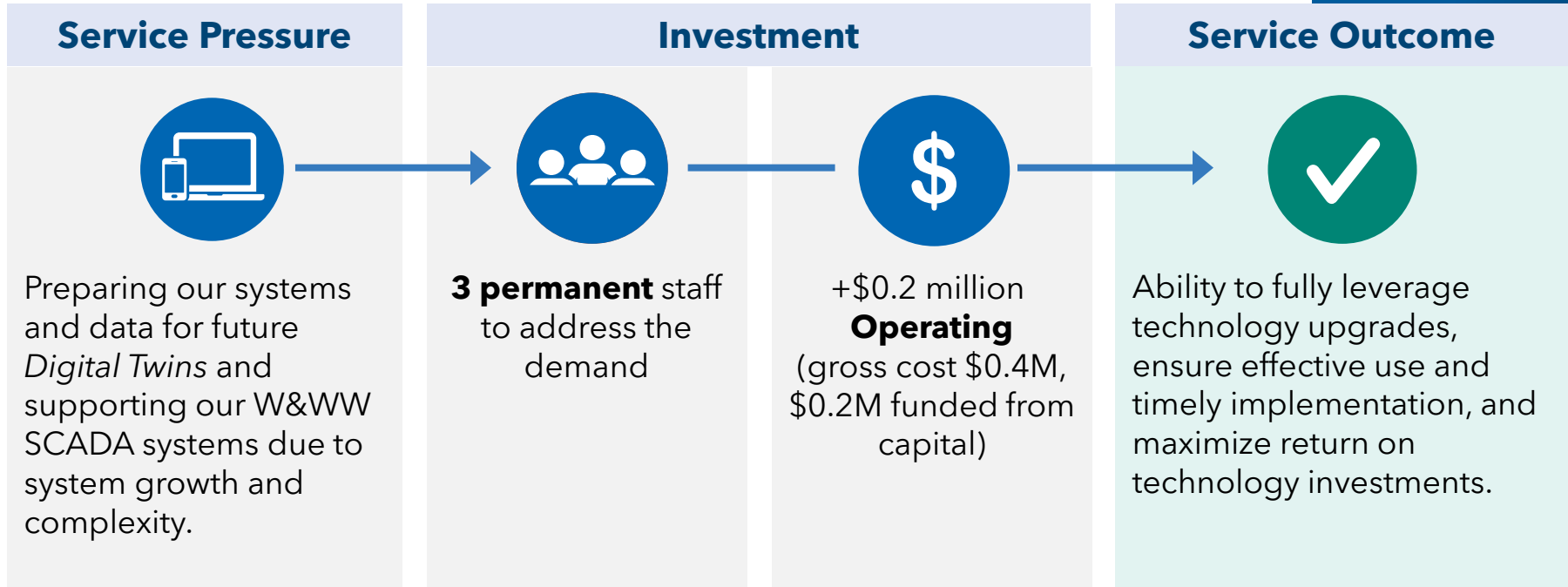
Technical support of housing enabling infrastructure projects



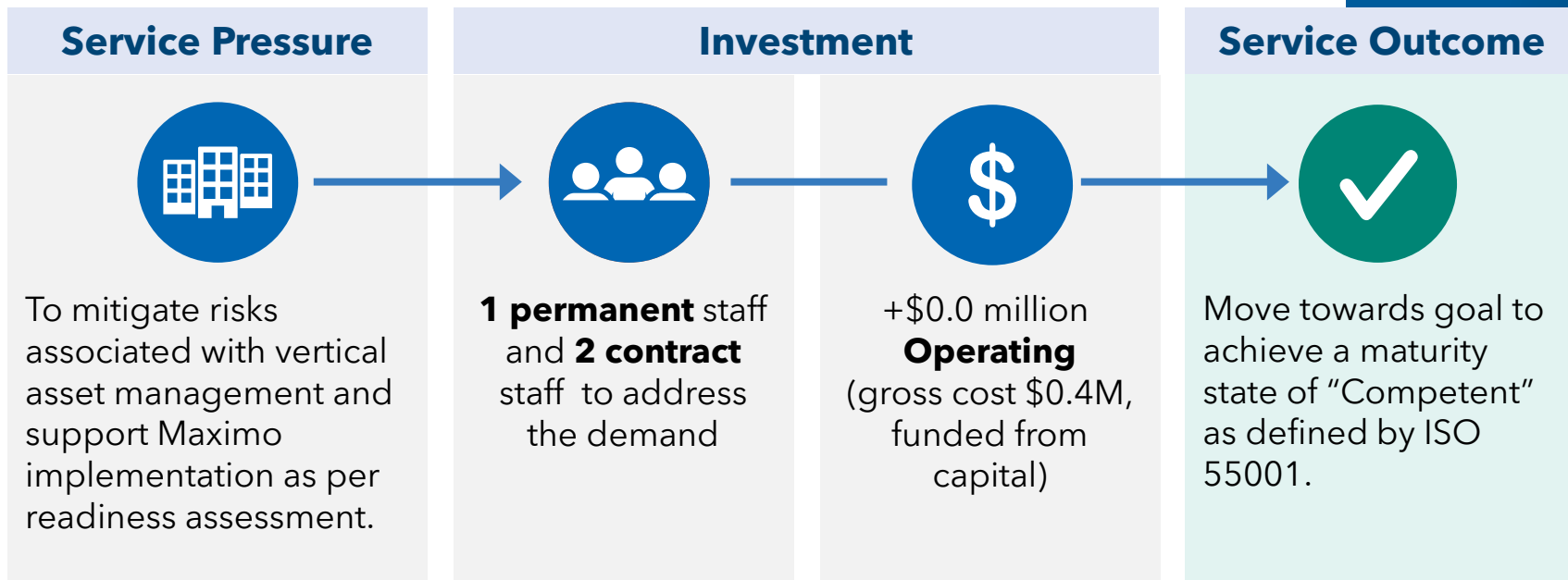
Large facility (plant) operations



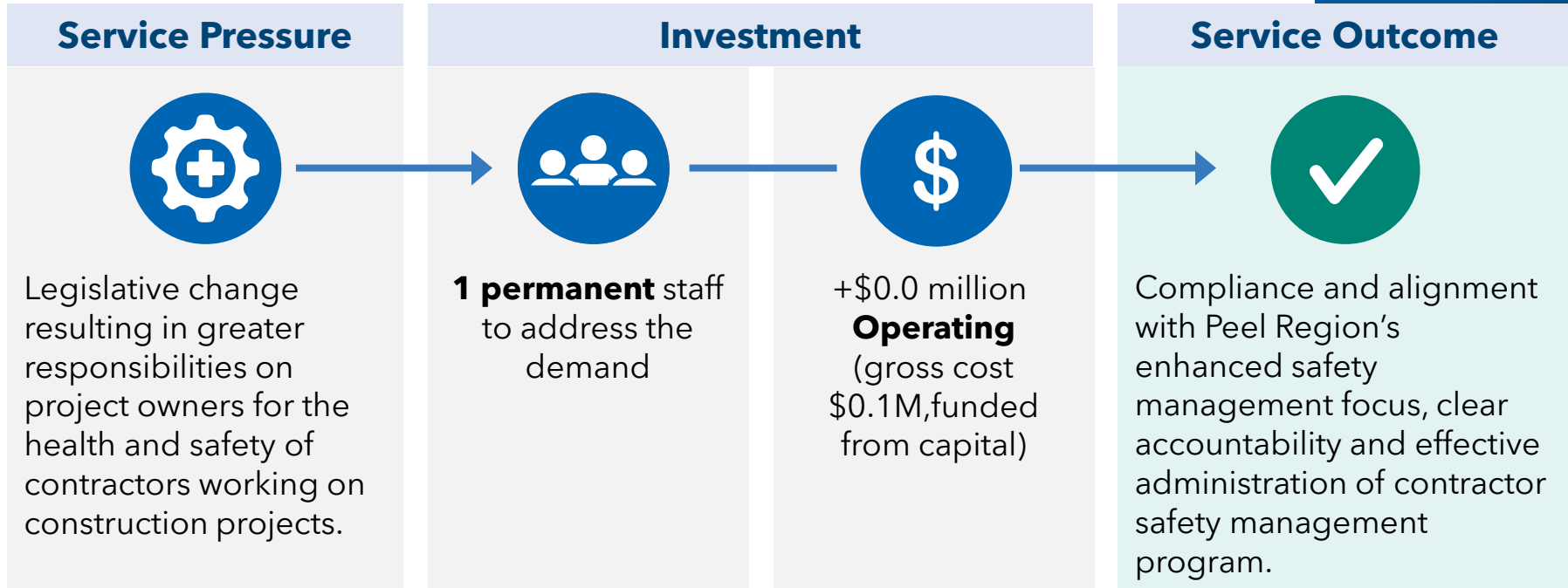
Technology



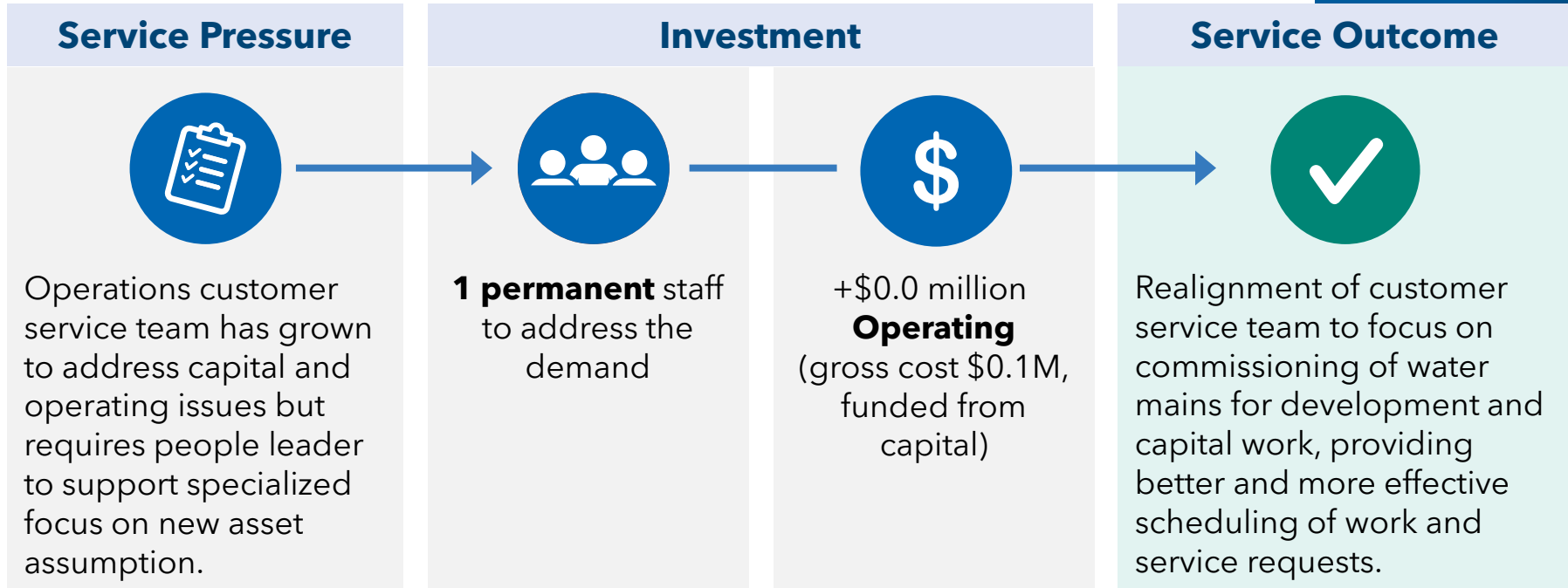
Asset management maturity



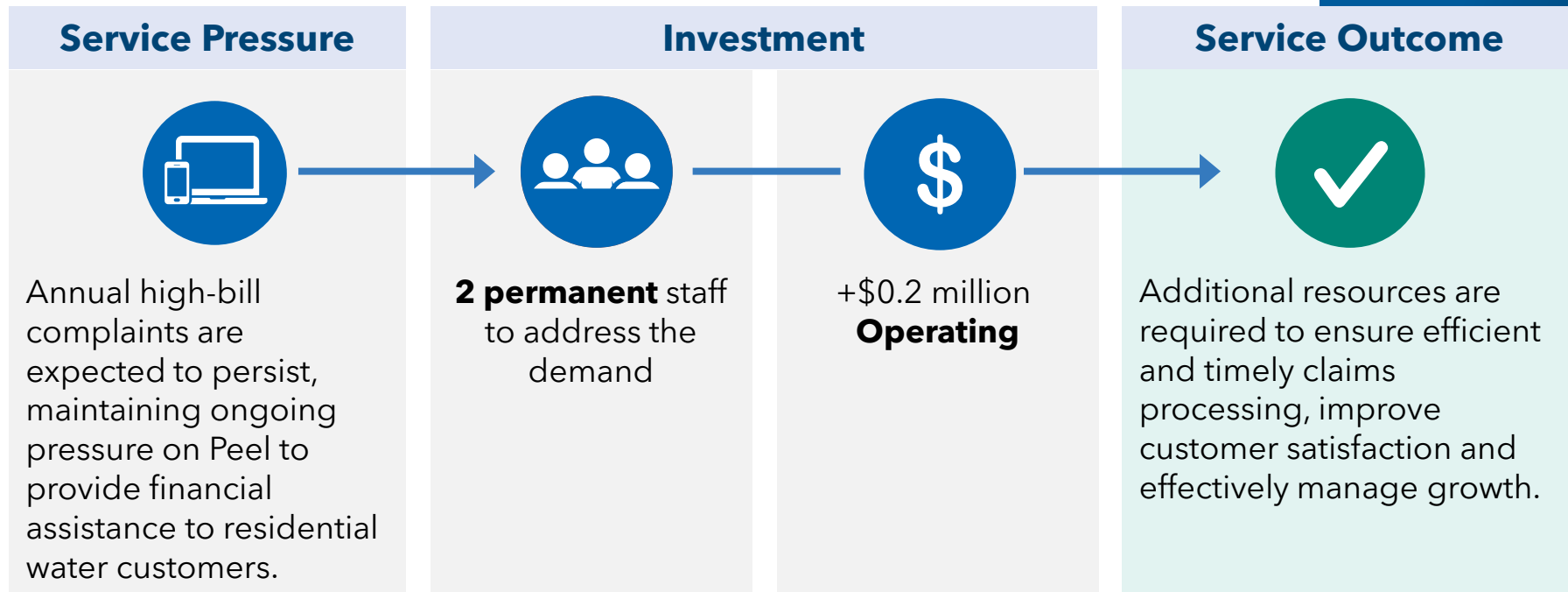
Contractor health and safety management



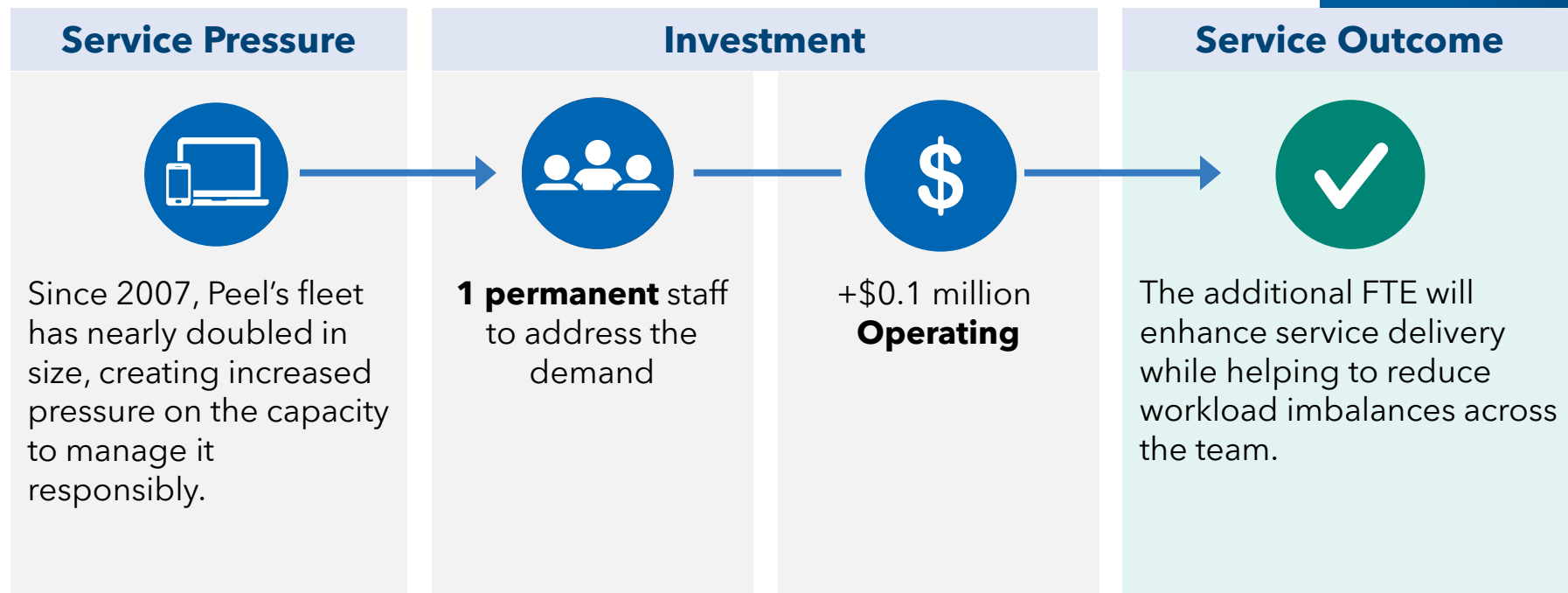
Linear and groundwater operations



Water Billing Adjustment Program



Fleet management





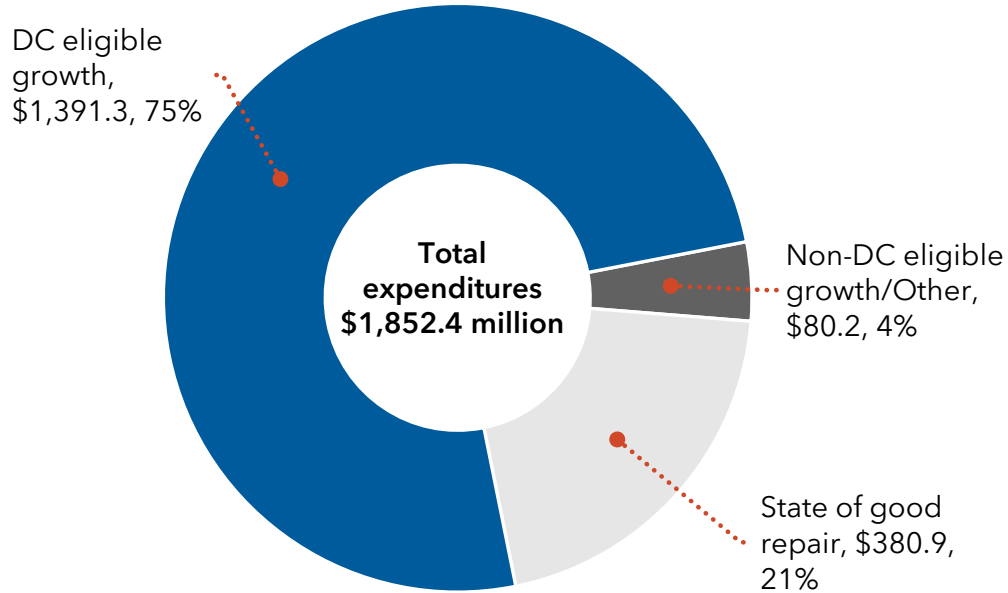
2026 Budget

Capital Budget and Plan



2026 Capital Budget

\$1,852.4 million



Key highlights

Backbone Infrastructure

\$0.98 billion; **53%** of total

Water Supply

\$0.40 billion

Water Treatment and Transmission
48% of total

Wastewater

\$0.59 billion

Wastewater Trunk and Treatment
61% of total

Capital Reserves

\$476.4 million; 26%

Development Charges (DC)

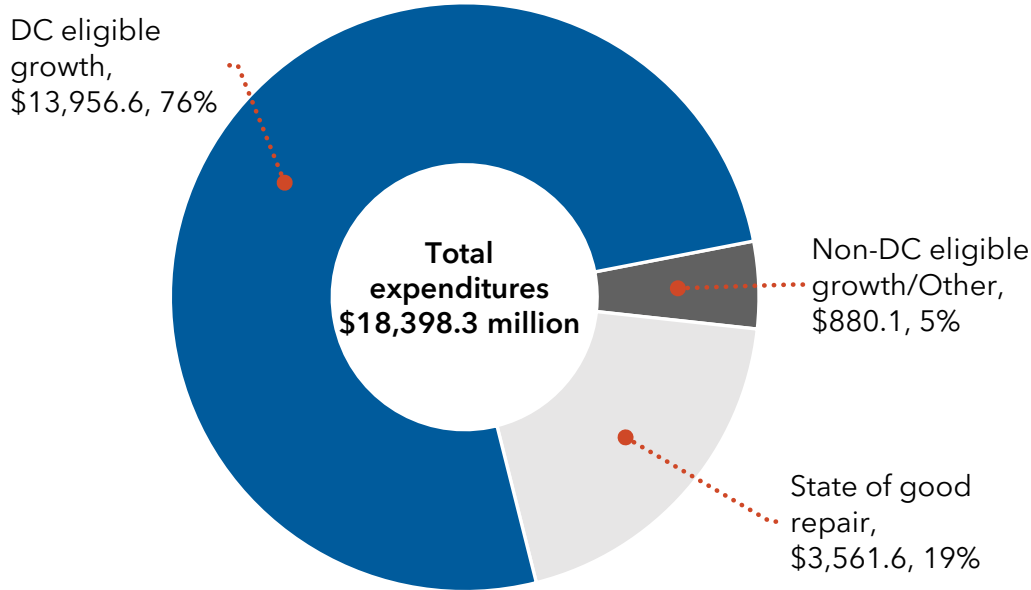
\$1,371.3 million; 74%

External Funding

\$4.6 million; 0%

2026 10-year Capital Plan

\$18,398.3 million



Key highlights

Backbone Infrastructure

\$13.9 billion; 76% of total

Water Supply

\$9.0 billion

Water Treatment and Transmission
75% of total

Wastewater

\$9.2 billion

Wastewater Trunk and Treatment
77% of total

Capital Reserves

\$4,341.4 million; 24%

Development Charges (DC)

\$14,047.8 million; 76%

External Funding

\$9.1 million; 0%

Summary of key financial information

Resources to achieve level of service (in \$ millions)

	2025	2026
Total expenditures	\$611.9	\$657.1
Total revenues	\$44.7	\$46.8
Net expenditures	\$567.2	\$610.3
Full-time staffing resources	706.7	720.7
Capital investment	-	\$1,852.4
10-year capital investment	-	\$18,398.3

Outlook forecast (in \$ millions)

	2026	2027*	2028*	2029*
Net increase	\$43.0	\$44.8	\$47.0	\$44.8
% Increase	7.8%	7.0%	7.0%	6.0%

* Note: The reserve contribution (levy) is set at 6.0% for 2026, followed by 5.5% for 2027-2029.

