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



Interesting facts about this service

$520
per million litres
Average water treatment and transmission cost for water supplied

Over
$40 million
received in grant funding since 2021

18,000 calls
700+
environmental spills
Responded to by our customer service team in 2025

8,560 km
Of pipelines managed. Longer than the drive from Peel to Los Angeles and back

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.

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.

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.

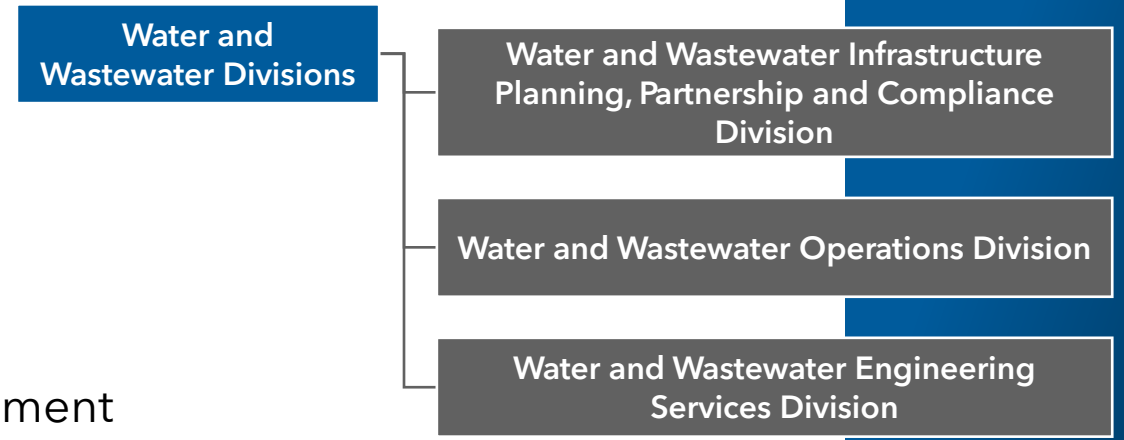
Greater Toronto Sewer and Watermain Contractors Association

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
$1.3 billion
committed in Capital investments in 2025

80% increase from 2024. **$140 million savings** in tender costs from forecast.

Neighbouring municipalities
35%
higher than Peel 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

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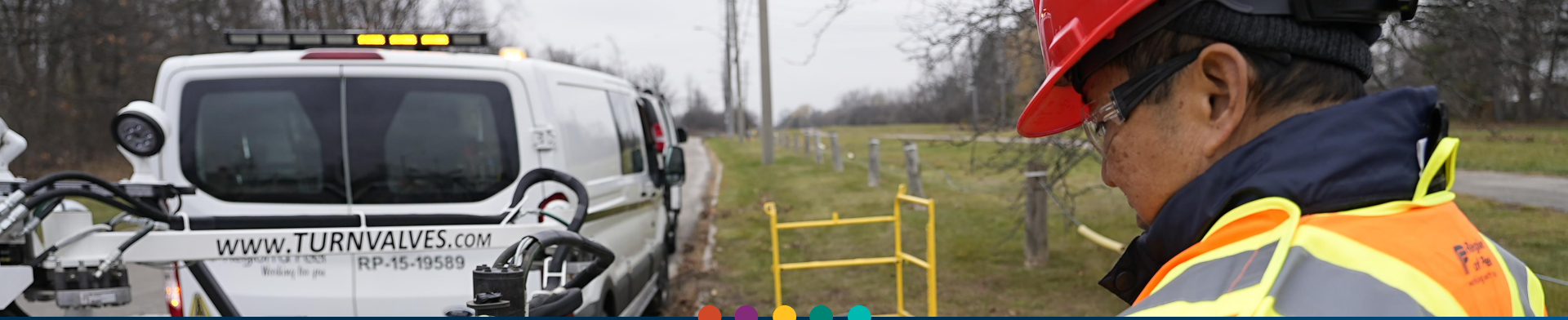
Note: Numbers may not add up due to rounding

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



Mitigating Funding Gap

Infrastructure Levy

Service Pressure	Investment		Service Outcome
Aging infrastructure and planning for the long-term replacement of assets.	**Funding gap**	+$33.4 million **Operating**	Peel's infrastructure is maintained in a state of good repair.

Damage Prevention - Locates

Service Pressure

Peel Internal Audit identified several deficiencies and risks in compliance with Ontario One-Call legislation for utility locate requests.

Investment

2 permanent staff to address the demand

+$0.2 million **Operating**

Service Outcome

Protection of Peel's underground infrastructure and move towards goal of compliance with Ontario One-call Legislation.

Budget request #78

Technical support of housing enabling infrastructure projects

Service Pressure	Investment		Service Outcome
Significant increase in construction project and related complaints and inquiries from residents, businesses. Increased support for the Ambassador Program.	**2 permanent** staff to address demand	+$0.0 million **Operating** (gross cost $0.2M, funded from capital)	Enable proactive, consistent and timely responses to construction-related inquiries, supporting Peel's reputation.

Budget request #79

Large facility (plant) operations

Service Pressure



Increased support for Plant Operations and Optimization. Capital and ongoing operational requirements including coordination with regulatory agencies.

Investment



1 permanent staff to address the demand



+$0.1 million **Operating**

Service Outcome



To provide technical support to the Optimization team and meet rising requests for treatment plant and transmission expansions, asset condition assessments and asset rehabilitation programs.

Budget request #80

Technology

Service Pressure	Investment		Service Outcome
			
Preparing our systems and data for future *Digital Twins* and supporting our W&WW SCADA systems due to system growth and complexity.	**3 permanent** staff to address the demand	+$0.2 million **Operating** (gross cost $0.4M, $0.2M funded from capital)	Ability to fully leverage technology upgrades, ensure effective use and timely implementation, and maximize return on technology investments.

Budget request #82

Asset management maturity

Service Pressure	Investment		Service Outcome
To mitigate risks associated with vertical asset management and support Maximo implementation as per readiness assessment.	**1 permanent** staff and **2 contract** staff to address the demand	+$0.0 million **Operating** (gross cost $0.4M, funded from capital)	Move towards goal to achieve a maturity state of "Competent" as defined by ISO 55001.

Contractor health and safety management

Service Pressure

Legislative change resulting in greater responsibilities on project owners for the health and safety of contractors working on construction projects.

Investment

1 permanent staff to address the demand

+$0.0 million **Operating** (gross cost $0.1M,funded from capital)

Service Outcome

Compliance and alignment with Peel Region's enhanced safety management focus, clear accountability and effective administration of contractor safety management program.

Budget request #87

Linear and groundwater operations

Service Pressure



Operations customer service team has grown to address capital and operating issues but requires people leader to support specialized focus on new asset assumption.

Investment



1 permanent staff to address the demand



+$0.0 million **Operating** (gross cost $0.1M, funded from capital)

Service Outcome



Realignment of customer service team to focus on commissioning of water mains for development and capital work, providing better and more effective scheduling of work and service requests.

Water Billing Adjustment Program

Service Pressure



Annual high-bill complaints are expected to persist, maintaining ongoing pressure on Peel to provide financial assistance to residential water customers.

Investment



2 permanent staff to address the demand



+$0.2 million **Operating**

Service Outcome



Additional resources are required to ensure efficient and timely claims processing, improve customer satisfaction and effectively manage growth.

Fleet management

Service Pressure



Since 2007, Peel's fleet has nearly doubled in size, creating increased pressure on the capacity to manage it responsibly.

Investment



1 permanent staff to address the demand



+$0.1 million **Operating**

Service Outcome



The additional FTE will enhance service delivery while helping to reduce workload imbalances across the team.



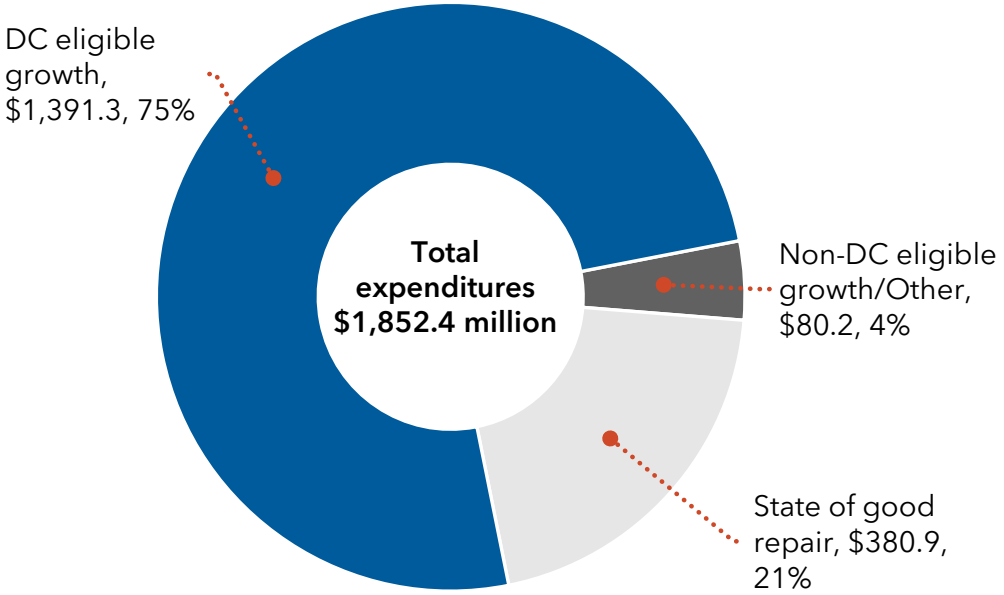
2026 Budget

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

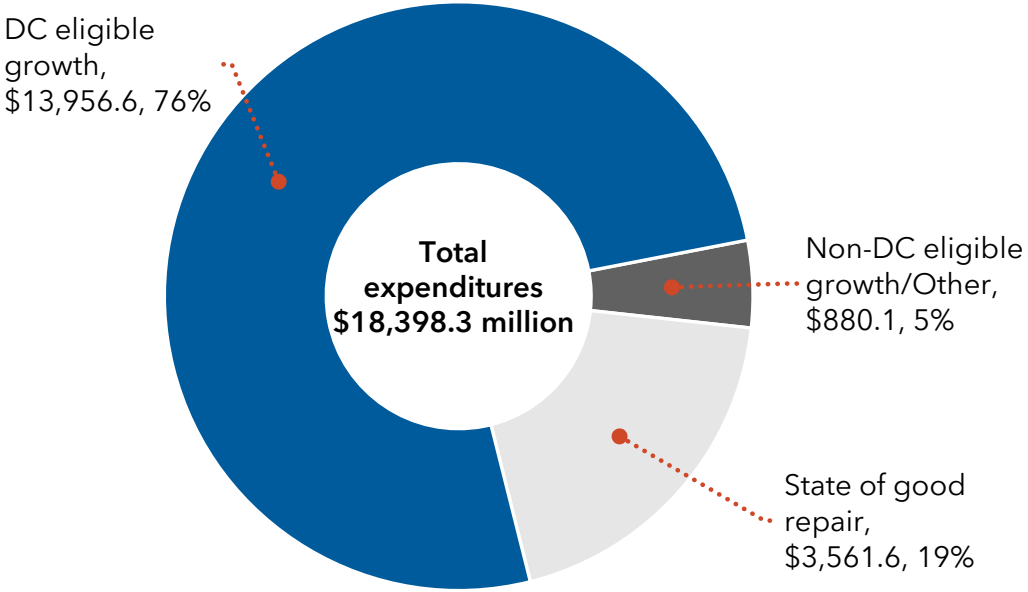
Capital Reserves
$476.4 million; 26%

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	Development Charges (DC)	External Funding
$4,341.4 million; 24%	$14,047.8 million; 76%	$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.