Asset Management reinvestment plan Operations Yards and Equipment

Operations Yards and Equipment infrastructure is currently in very good condition to support the service in achieving their service level objectives. Ongoing redevelopments across the Operations Yards are being undertaken to enhance service delivery for Peel Region Programs.

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	$336.6	$133.7	$126.5	Very Good

Table 1 shows that the current overall infrastructure state for the Operations Yards and Equipment is ‘Very Good’. The estimated replacement value of these assets is $336.6 million, based on 2024 values. The 10 year Capital Plan includes reinvestments of $126.5 million to maintain the infrastructure in a SoGR. These planned investments are below the forecasted needs of $133.7 million over the same period. Lower reinvestment in the 2026 Capital Plan is driven by the Program’s meter replacement strategy, which incorporates an assumed annual refusal rate.

20 year SoGR outlook

Figure 1. 20 Year outlook of infrastructure reinvestment needs

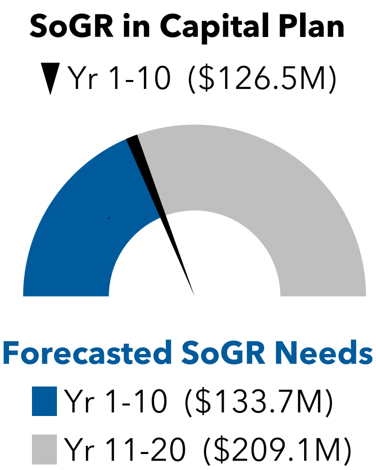


Figure 1 presents a 20 year outlook of infrastructure reinvestment needs to maintain the infrastructure in a SoGR. For the first 10 years, the planned reinvestments of $126.5 million are below the forecasted needs of $133.7 million driven by the Program's meter replacement strategy, which incorporates an assumed annual refusal rate. The chart also shows that SoGR needs are expected to increase in the following 10 years, which is typical as the portfolio ages.

State of the infrastructure

Current infrastructure

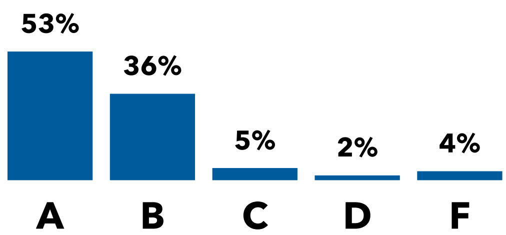
Operations Yards and Equipment infrastructure include 5 public works yards, 547 vehicles, 213 pieces of equipment, 340,924 Transmitters, 332,687 Residential water meters, 2,218 High Consumer water meters, and 6,009 Commercial water meters. The average age of the assets is 12 years.

Replacement value

The total replacement value of assets for the Operations Yards and Equipment is estimated at $336.6 million, based on 2024 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:

- 53% of assets are rated Grade A, representing new or like new condition.
- 36% 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.
- 2% are rated Grade D, indicating some critical defects and many critical repairs expected soon.
- 4% are rated Grade F, indicating many critical defects requiring immediate repairs and replacements.

Current infrastructure Risk Management Rating

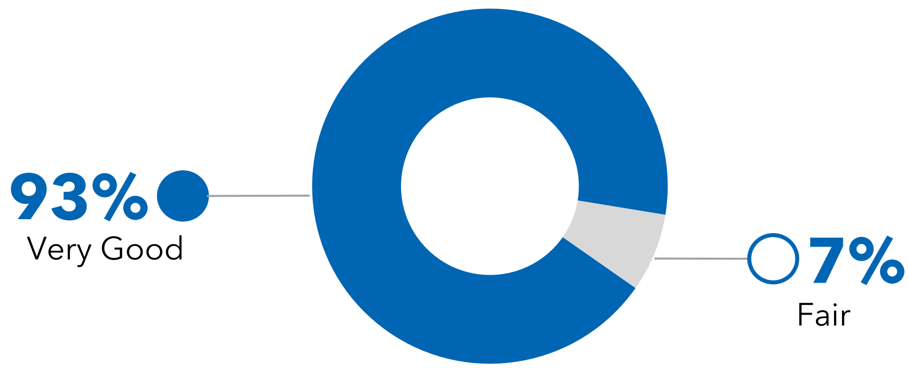
The current overall 2026 infrastructure Risk Management Rating for the Operations Yards and Equipment is 'Very Good'.

Figure 3 illustrates that within the portfolio:

- 93% of asset classes are in Very Good state, indicating that almost all assets are achieving the desired targets.
- 7% of asset classes are in Fair state, indicating that many assets are not achieving the desired targets.
- There are no asset classes in Good, Poor, or Very Poor state.

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

Figure 3. Current infrastructure Risk Management Rating



Target customer level of service[2]

Our customers should expect:

- Fleet is safe, well maintained, and meets all program service requirements with quick procurement response times.
- Facilities are structurally sound, in good repair, and fully meet program service requirements.
- Facilities provide a safe, healthy, and accessible environment for staff and the public.
- Reliable water meter services and accurate readings to support asset life and precise customer billing.

Infrastructure reinvestment plan

Table 2. 10 year state of good repair reinvestments

Forecasted needs	Capital Plan
$133.7 million	$126.5 million

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

Table 2 shows that reinvestments of $126.5 million are included in the 10 year Capital Plan to maintain infrastructure in a SoGR. These planned reinvestments are below the forecasted needs of $133.7 million over the same period.

Table 3. Operations and maintenance expenses

Annual expenditure	Re investment rate
$34.2 million	10.2%

Table 3 shows that operations and maintenance expenses for Operations Yards and Equipment are approximately $34.2 million per year, representing 10.2% 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 Risk Management Rating with Capital Plan reinvestments

In 10 years (2035), the overall infrastructure Risk Management Rating for the Operations Yards and Equipment is forecasted to remain 'Very Good'. Figure 3 illustrates that within the portfolio, 100% of the asset classes are rated "very good".

Figure 4. 10 year infrastructure Risk Management Rating