Asset Management reinvestment plan Waste Management

The Waste Management infrastructure is in very good condition, supporting the safe removal of solid waste from the community.

On March 20, 2025, Regional Council approved the transfer of waste collection responsibilities from Peel Region to lower-tier municipalities, with implementation scheduled for October 1, 2027. Peel Region will continue to oversee Community Recycling Centres (CRCs), as well as transfer, processing, and disposal services.

The Plan reflects the current Peel Region service delivery model and includes assets associated with waste collection services that are expected to be transferred, such as garbage (grey) and organic (green) collection carts, which will continue to be procured and deployed up to the transition date. Recycling (blue) carts have been sold to producers and are therefore excluded from the analysis. Despite this transition, the Plan maintains a full 10 year reinvestment strategy and analysis, ensuring continuity in planning, responsible stewardship of assets, and sustained service delivery.

An Infrastructure Plan is being developed by staff to identify necessary new and modified infrastructure for efficient Waste Management operations. The portfolio analysis and outlook may change once this plan is completed.

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	$268.0	$60.1	$59.4	Very Good

Table 1 shows that the current overall infrastructure state for Waste Management is 'Very Good'. The estimated replacement value of these assets is $268.0 million, based on 2024 values. The 10 year Capital Plan includes reinvestments of $59.4

million to maintain the infrastructure in a SoGR. These planned investments are aligned with the forecasted needs of $60.1 million over the same period.

20 year SoGR outlook

Figure 1. 20 Year outlook of infrastructure reinvestment needs

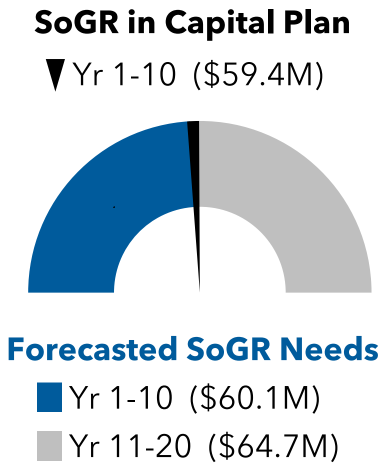


Figure 1 presents a 20 year outlook of infrastructure reinvestment needs to maintain the infrastructure in a SoGR. For the first 10 years, the planned reinvestments of $59.4 million aligns with the forecasted needs of $60.1 million. The chart also shows that SoGR needs are comparable to the following 10 years.

State of the infrastructure

Current infrastructure

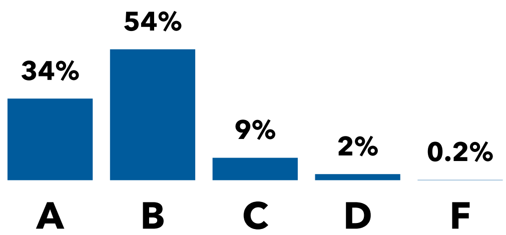
Waste Management infrastructure includes 6 community recycling centres, 2 composting and curing facility, 2 transfer stations, 1 leachate treatment facility, 11,768 multi residential carts and 690,807 curbside collection carts. The average age of the assets is 14 years.

Replacement value

The total replacement value of assets for Waste Management is estimated at $268.0 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.

Error! Reference source not found. shows:

- 34% of assets are rated Grade A, representing new or like new condition.
- 54% are rated Grade B, representing in a state of good repair.
- 9% 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.
- 0.2% are rated Grade F, indicating many critical defects requiring immediate repairs and replacements.

Current infrastructure Risk Management Rating

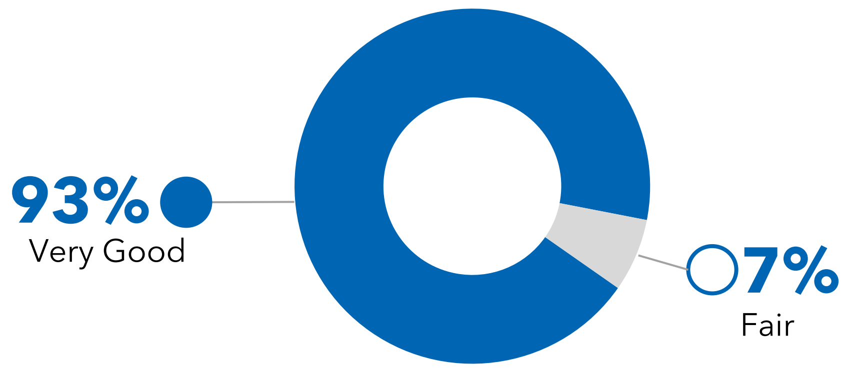
The current overall 2026 infrastructure Risk Management Rating for Waste Management is 'Very Good'.

Error! Reference source not found. 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:

- Community Recycling Centres operate during appropriate hours to meet community needs.
- Facilities are maintained within Environmental Compliance Approval (ECA) parameters, with no adverse impact on neighbouring areas.
- Weekly collection and processing of garbage, recyclables, and organics, with seasonal yard waste collection on a weekly or biweekly basis.
- Facilities are structurally sound, well maintained, and fully support 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
$60.1 million	$59.4 million

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

Table 2 shows that reinvestments of $59.4 million are included in the 10 year Capital Plan to maintain infrastructure in a SoGR. These planned reinvestments are in alignment with the forecasted needs of $60.1 million over the same period.

Table 3. Operations and maintenance expenses

Annual expenditure	Re investment rate
$5.7 million	2.1%

Table 3 shows that operations and maintenance expenses for Operations Yards and Equipment are approximately $5.7 million per year, representing 2.1% 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 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'. Error! Reference source not found. illustrates that within the portfolio, 100% of the asset classes are rated "very good".

Figure 4. 10 year infrastructure Risk Management Rating