
REPORT TITLE: Enterprise Asset Management Program Update 2025

FROM: Davinder Valeri, CPA, CA, Chief Financial Officer and Commissioner of Corporate Services

RECOMMENDATION

That the amendments to the asset classes and asset levels of service, outlined in Appendix III in the report of the Chief Financial Officer and Commissioner of Corporate Services, listed on the November 13, 2025 Regional Council agenda titled “Enterprise Asset Management Program Update 2025”, be approved.

REPORT HIGHLIGHTS

- Peel’s Enterprise Asset Management (EAM) Program is guided by industry best practices, as well as regulatory requirements. This report provides an update on the EAM Program and identifies emerging issues and opportunities.
 - The 2025 Enterprise Asset Management Plan (EAMP) highlights Peel’s commitment to maintaining existing assets in a state of good repair and building new infrastructure and is published on Peel’s website. The report meets *Accessibility for Ontarians with Disabilities Act, 2025* (AODA) requirements.
 - The 2025 Infrastructure Status and Outlook Report (Appendices I and II) provides an overview of the current state of Peel’s infrastructure, highlighting its alignment with service delivery, and actions to sustain or improve service levels.
 - Peel’s infrastructure portfolio value has increased to \$51.5 billion and is achieving a “Good” rating.
 - Peel Housing Corporation infrastructure accounts for \$3.4 billion and its assets are achieving a “Good” rating.
 - Peel Regional Police accounts for \$501 million and its assets are achieving a “Good” rating.
 - Current infrastructure assessments and valuations do not yet reflect climate-related risks that pose significant challenges to long-term affordability and service delivery.
 - Several asset levels of service have been revised as outlined in Appendix III.
 - The EAM Program has achieved several milestones to modernize systems and tools and continues to support the rollout of the Work Management System (IBM Maximo) implementation.
 - A short-term roadmap has been developed to support the Strategic Agenda, which includes a Maturity Assessment and a long-term plan and strategy to align with international best practices, regulatory requirements and continued service delivery.
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DISCUSSION

1. Background

Enterprise Asset Management is an integral part of Peel's strategic and long-term planning practices. The responsible management of Peel's infrastructure supports term of Council outcomes that achieve the vision of "Community for Life". Roads, water and wastewater pipes, paramedic equipment, long term care facilities and housing are all examples of critical assets that ensure a healthy, vibrant, and safe community.

As an asset intensive organization, Peel Region recognizes that keeping these assets in good working order is essential to providing high quality and affordable municipal services. Assets in good state of repair create a place where everyone enjoys a sense of belonging and has access to the services they need to flourish.

Peel's infrastructure is a public investment worth over \$51.5 billion. This total includes Peel Housing Corporation assets valued at \$3.4 billion and Peel Regional Police assets valued at \$501 million. Peel is committed to effective stewardship of this public infrastructure through good asset management. Peel's EAM Program supports the Long-Term Financial Planning Strategy and the Strategic Agenda.

The Strategic Agenda is structured around five key pillars: Housing and Social Impact, Sustainability, Service Excellence, Our People, and Future Ready. Each pillar includes corresponding outcomes and key initiatives that address Peel's unique challenges and opportunities, focusing on delivering sustainable and impactful services. Asset Management is a key component of the Sustainability pillar. Updating and implementing the Long-Term EAMP and Strategy is key to ensuring Peel's services are sustainable. As infrastructure is required for the many services Peel provides, the asset management strategy and work impacts all pillars of the Strategic Agenda.

Peel's EAM Program is guided by industry best practices, as well as regulatory requirements. As such, the Program is continuously evolving to leverage opportunities, enhance service delivery and address challenges. This report provides an update on the status of Peel's EAM Program and identifies any emerging issues or opportunities.

2. 2025 Enterprise Asset Management Plan

Peel released the 2025 Enterprise Asset Management Plan (EAMP) earlier this year. The EAMP is in alignment with the 2025 budget and forecast and is fully compliant with AODA requirements. The 2025 EAMP is available on the Peel Region's website, under the Enterprise Asset Management webpage.

The EAMP highlights Peel's commitment to maintaining existing assets in a state of good repair and building new infrastructure which meets current and future service needs. The Plan is predicated on several factors, including:

- Peel's comprehensive Asset Management Policy and long-range strategic planning of its infrastructure requirements.
- Steady and prudent levels of reinvestments to maintain state of good repair.

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- Council's priority to maintain Peel's existing assets without incurring long term debt.

Posting the EAMP on Peel's website is a requirement under Ontario's *Infrastructure for Jobs and Prosperity Act, 2015*. The EAMP includes assets owned and operated directly by Peel, as well as assets owned through PHC and Peel Police. In accordance with the provincial regulatory requirements, Peel has developed an asset management roadmap which will be included in the 2026 EAMP. This roadmap reflects Peel's commitment to continuous improvement in asset management practices with key initiatives such as: updating the Asset Management Policy and Asset Management Strategy, integrating decarbonization standards and climate impacts to infrastructure, and embedding equity and inclusion into infrastructure planning and decision making.

3. 2025 Infrastructure Status and Outlook Report

The 2025 Infrastructure Status and Outlook Report (Appendices I and II), provides an overview of the current state of Peel's infrastructure, including assets owned by Peel Housing Corporation and Peel Regional Police. For the first time, two versions of the Infrastructure Status and Outlook Report have been provided: one maintains consistency with the existing reporting format, and the other meets AODA accessibility requirements. Both versions contain the same information and highlight key organizational priorities for improvement.

This year, the current value of the infrastructure Peel is responsible for has increased by 1.5 percent, reaching \$51.5 billion in 2024 values, as shown in Table 1. Peel updates its infrastructure replacement values annually through established industry best practices. The primary driver of the increase is the addition of new assets, which improves our planning and projection capabilities and illustrates continuous improvement in asset management practices. Rising infrastructure costs also impact the valuation. It is important to plan for continued reinvestment in these critical assets. As the value of the assets continues to rise, increased infrastructure levies will be required to maintain them in a state of good repair.

Table 1: Peel's Infrastructure Replacement Values

Peel's Infrastructure Replacement Values (\$'s Million)			
Service Area	2023 Value	2024 Value	Change
Lake Based Water Treatment	\$1,803.1	\$1,849.8	2.6%
Groundwater Systems	\$82.8	\$95.3	15.1%
Water Pumping and Storage	\$1,569.4	\$1,771.6	12.9%
Water Linear	\$15,997.5	\$16,111.2	0.7%
Water Facilities	\$945.8	\$1,003.1	6.1%
Wastewater Treatment	\$2,135.6	\$2,277.3	6.6%
Wastewater Linear	\$16,673.9	\$16,675.8	0.0%
Wastewater Treatment Facilities	\$351.5	\$373.2	6.2%
Wastewater Collection Facilities	\$31.8	\$44.0	38.3%

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Wastewater Pumping & Odour Control	\$513.4	\$533.3	3.9%
Ops. Yards & Fleet	\$194.3	\$336.6	73.2%
Waste Management	\$284.2	\$268.0	-5.7%
Roads & Transportation	\$4,657.5	\$4,457.0	-4.3%
TransHelp Fleet	\$11.0	\$13.0	17.7%
Health	\$611.9	\$653.6	6.8%
Human Services	\$565.4	\$655.2	15.9%
Headquarters	\$367.9	\$381.8	3.8%
PAMA	\$44.4	\$49.0	10.4%
Peel Housing Corp.	\$3,492.9	\$3,392.3	-2.9%
Peel Police	\$357.8	\$501.1	40.1%
Information Technology	-	\$20.2	-
Total Infrastructure	\$50,692.1	\$51,462.4	1.5%

The current infrastructure replacement value analysis does not account for the significant incremental capital investment required to decarbonize existing assets and retrofit or build resilient infrastructure capable of withstanding future climate conditions, such as higher temperatures and more severe weather events. Infrastructure valuations will be updated as more information on the costs becomes available for constructing and maintaining Net Zero or low carbon and climate resilient assets.

The Infrastructure Status and Outlook Report also provides Risk Management Ratings that rate how well Peel is managing the state of the assets in relation to service delivery risks and whether level of service targets are being met. Council has set an overall target of a "Good" rating which indicates that most assets within a portfolio are achieving the desired levels of service.

Currently, Peel's infrastructure portfolio is in "Good" state, achieving Council's target. This is the result of ongoing capital programs to replace outdated and deficient assets with new, modernized infrastructure. An investment of approximately \$5.9 billion over the next 10 years is necessary to maintain the infrastructure in a "Good" state. Council has also set a target that 70 percent of asset classes within Peel's infrastructure portfolio achieve a Risk Management Rating of "Good" or better. This target has been met with 78 percent of the asset classes currently meeting or surpassing the benchmark.

The current assessment does not yet account for climate related risks and impacts to infrastructure such as rising temperatures and more frequent extreme weather events. Infrastructure currently rated as "Good" may not rate the same in future assessments as climate related risks continue to evolve rapidly.

The Condition Grades and Risk Management Ratings measure Peel's ability to meet service objectives. While the set targets are currently met or exceeded, over the long-term Peel's assets will age and the portfolio will grow, placing increased pressure on funding in order to continue to meet these targets. Additionally, integrating climate change considerations into

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asset management planning is expected to amplify the risks and funding needs to meet service objectives and targets.

4. New and Amended Asset Levels of Service

Peel's asset categorizations and levels of service require periodic amendments to respond to current challenges and opportunities. Updating asset classes and asset levels of service improves staff's ability to evaluate and quantify asset needs and prioritize asset management actions.

As part of its continuous improvement journey, staff have added and amended several asset levels of service which will be reflected in the 2026 EAMP. It is therefore proposed that Peel's Asset Management Policy be updated to incorporate the revisions outlined in Appendix III.

Approval of the additions to the asset levels of service will not alter what is presented in the 2026 Capital Budget and Forecast. The revised asset levels of service will more accurately reflect Peel's current and potential risk to services. They serve as a foundation for planning infrastructure improvements and ensure that newly identified capital requirements and corresponding funding are accommodated in future plans.

As updates to asset standards are undertaken to align with goals of reducing greenhouse gas emissions and increasing resilience, new asset levels of service will be proposed and integrated into asset management planning and reporting. This ensures long term funding is adequate to maintain 'state of good repair' and meet service objective targets under future climate realities.

5. Peel Asset Management Program Maturity Implementation and Continuous Improvement

Peel is committed to aligning its Asset Management Program with international standards and best practices. A structured plan has been developed to advance the Asset Management Program and embed best practice activities as standard operating procedures.

The EAM Program has achieved several milestones, including the rollout of new business processes and technology solutions which will enable more efficient management of assets and modernize existing systems, enhancing the organization's overall asset management capabilities.

In the current environment, focus has been placed on two key areas to support the advancement of asset management in alignment with the Council approved principles. These include:

1. Aligning the Integrated EAM strategy and roadmap with regulatory requirements and service continuity.

To meet evolving regulatory requirements and ensure best practices are consistently applied, Peel is re-evaluating its asset management maturity. This includes assessing how well Peel aligns with international standards and defining a continuous improvement journey.

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Maturity assessments play a key role in guiding the prioritization of work and initiatives within the EAM roadmap, supporting both program and service delivery. As part of this process, all asset management reporting will be aligned with future service delivery models to maintain ongoing compliance with Ontario Regulation 588/17.

2. Embedding climate change considerations and risks into infrastructure planning and decision making.

In accordance with the principle of 'Initiatives to pursue the Climate Change Master Plan', decarbonization project costs have been integrated into the 10 year 'state of good repair' capital plan for Peel Housing Corporation assets. These updates will be presented to Council to inform the 2026 budget process and forecast. Similar assessments will be conducted across other asset and infrastructure service portfolios to inform long term capital planning and infrastructure reporting through application of the Net Zero Emissions Building Retrofit Standard approved by Council (Resolution No. 2025-502).

In parallel, work is underway to improve climate change analytics for critical and vulnerable infrastructure that provides better insight with regards to climate hazards and the risks they pose to infrastructure networks and service delivery. Based on these risk assessments, adaptation measures will be identified and costs estimated. It is expected that this insight will inform future capital plans and ensure that infrastructure resiliency is embedded in both the rehabilitation of existing assets and the construction of new ones.

RISK CONSIDERATIONS

Continuing to align the EAM work and reporting in accordance with any future service delivery models is critical to maintaining compliance with Ontario's *Infrastructure for Jobs and Prosperity Act, 2015 (Act)* and Ontario Regulation 588/17.

The revised asset levels of service will more accurately reflect Peel's current and potential risk to service delivery. Council has adopted a balanced approach to infrastructure risk, selecting a "Moderate" tolerance level, prioritizing safe service delivery with limited acceptance of uncertainty. The current state of the infrastructure is consistent with Council's risk tolerance.

BILL 45 RISKS AND IMPLICATIONS

On June 4, 2025, Bill 45, the *Peel Transition Implementation Act, 2025*, was introduced by the provincial government. If passed as currently worded, Bill 45 will transfer jurisdiction over regional roads, including related stormwater infrastructure, from Peel Region to Mississauga, Brampton and Caledon on July 1, 2026. Jurisdiction over waste collection services from Peel Region to the three lower-tier municipalities is scheduled to transfer on January 1, 2026 in accordance with Bill 45 if passed, unless the Minister prescribes a different date before January 1, 2026.

Notwithstanding the introduction of Bill 45, Regional Council passed Resolution No. 2025-621 on September 11, 2025 approving October 1, 2027 as the date for the transfer of waste collection responsibilities to the local municipalities in accordance with the requirements of the

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Municipal Act, 2001. This information has been provided to the Province. Staff will monitor any developments as they relate to Bill 45 and will report back to Council when additional details become available.

FINANCIAL IMPLICATIONS

There are no financial implications related to the recommendations of this report.

CONCLUSION

Peel's \$51.5 billion infrastructure portfolio is rated "Good" in relation to Council targets and assets are currently in a good state of repair. Regional Council's proactive policy of ensuring adequate funds to support Peel's long-term state of good repair infrastructure needs has positioned Peel to manage the risks and challenges to date. Future budgets will continue to review the financial needs to support a good state of repair alongside growing pressures on the Region's capital program. Staff will continue to align the Asset Management roadmap to the current environment and implement appropriately to ensure the sustainability of Peel's infrastructure.

APPENDICES

Appendix I – 2025 Infrastructure Status and Outlook Report (Standard Format)

Appendix II – 2025 Infrastructure Status and Outlook Report (Accessible Format)

Appendix III – 2025 New and Amended Asset Levels of Service and Asset Classes



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