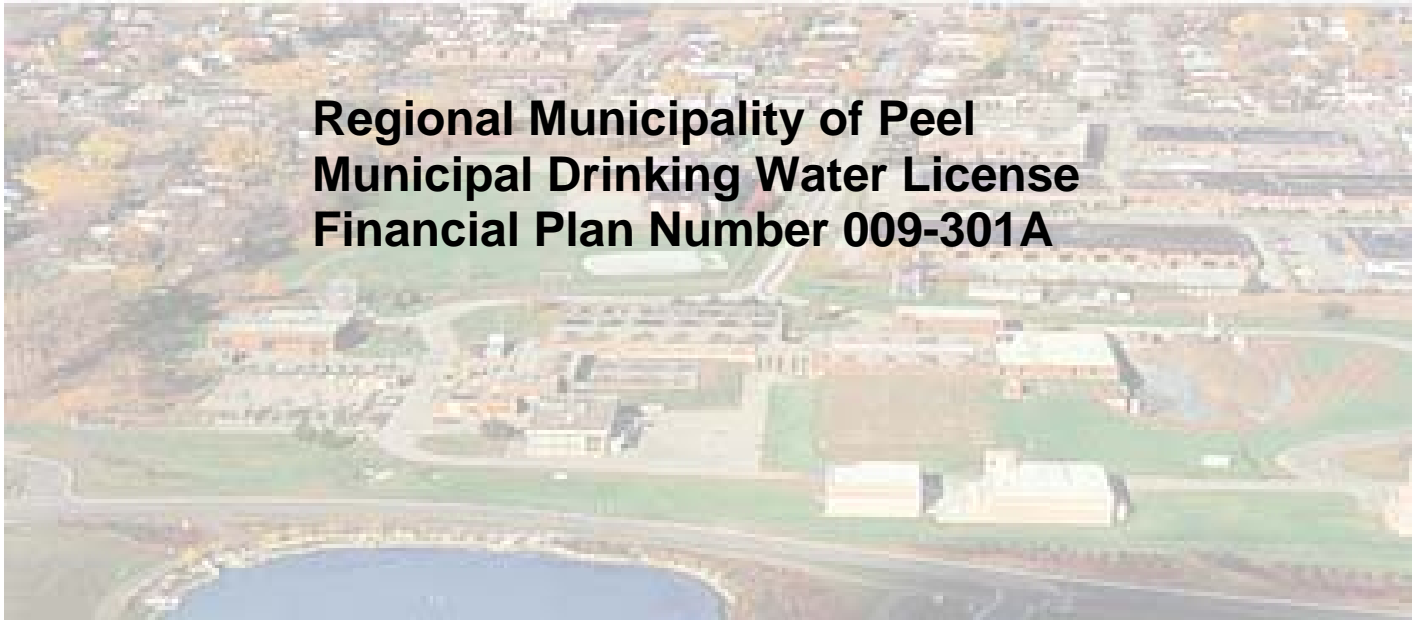




**Regional Municipality of Peel
Municipal Drinking Water License
Financial Plan Number 009-301A**



**Prepared by: Water Division
Date: April 20, 2010**

Executive Summary

The contents of this report will describe the six (6) year financial plan to sustain municipal drinking water systems in the Regional Municipality of Peel. The financial plan utilizes the guidelines of the Public Sector Accounting Board's new accounting standards PSAB 3150 for tangible capital assets in preparing this document required by Ontario Regulation 4543/07 under the Safe Drinking Water Act.

The plan will outline the processes in place within Peel that ensure the financial sustainability of the drinking water systems, financial funding for new infrastructure and financial funding for existing infrastructure maintenance. The plan will document current financial commitments and funding sources for the current budget year commencing with Peel's 2010 budget and projections for the subsequent five (5) years including both capital outlays and operational expenditures. The plan will also document the water infrastructure 10 year capital plan.

The plan is not an accounting summary nor does it describe water program specifics such as service levels, program processes, service delivery, etc. The plan is focussed on the means by which Peel assures financial sustainability of the physical asset and a high level summary of financial projections and position.

Overview

At the time of this document, the Region of Peel currently identifies six (6) municipal drinking water systems that service the area municipalities of the City of Mississauga, the City of Brampton, and the Town of Caledon all within the Region of Peel and a contractual arrangement to supply drinking water to the Regional Municipality of York.

The drinking water systems are described in detail in the Region of Peel's Operational Plan as prescribed under the Drinking Water Quality Management System and for which Limited Scope Accreditation and Drinking Water License have been granted.

The financial information the Region of Peel is able to provide as part of financial plan is as follows (See Appendix I, II and III for details)

- Complete projected statement of financial activities
- Tangible capital assets and changes in tangible capital assets in the projected statement of financial position
- Level of details related directly to the replacement of lead service pipes

As supplementary documents, Water program 2010-2019 10 year capital plan in high level and detail as well as two council reports on reserve sustainability are also attached

Some financial information required by the Regulation is consolidated on a municipal level across numerous departments and it is difficult for that information to be allocated to the drinking-water system. The financial information that the Region of Peel is unable to provide due to the unavailability of information breakdown in the current financial system is as follows:

- Projected statement of changes in financial position
- Financial assets, liabilities and non-financial assets except tangible capital assets

Region of Peel Financial Processes

The Region of Peel conducts an annual review and potential adjustment of the capital and operating budget. The process in place includes input and expertise from the finance department, drinking water system operations and capital works/design and final approval by Region of Peel Council.

The budget framework requires a budget plan and identifies and allocates funds for:

- operations and maintenance projections for one year
- major capital design and construction projections for one, five and 10 years forward which identifies infrastructure needs
 - to meet growth demands (new infrastructure and expansions)
 - major maintenance on treatment facility, transmission and storage systems
- capital design and construction projection for one year and 10 years forward for repair and replacement of the existing distribution system

- consideration and implementation of advancing technologies, continuous improvement and risk management¹ approaches in support of the drinking water infrastructure
- emergency situations for specific infrastructure events related to service disruption.

The budget and financial process identifies funding sources, funding allocations and cash flow projections. The Region of Peel manages its financial process through a Council approved financial by-law, which provides guidance and controls over the current budget, capital budget and reserve management.

Funding Sources

The Region of Peel has maintained a debt free status in the past through disciplined financial management and the maintenance of strong reserves through contributions and prudent asset management including the maintenance of Regional infrastructure. In early 2010, Standard & Poor's ratings services affirmed its 'AAA' issuer credit rating on the Region of Peel.

Water capital financing for the repairs and replacement on the existing infrastructure is funded by the internal reserve, which is sourced from contributions through the annual operating budget and recovered through water retail rate. Guided by Regional Council's "growth pays for growth" philosophy, the new infrastructure is financed from Development Charges, which are currently reviewed on a regular basis.² For any joint capital projects with other municipalities, the cost share is determined and agreed upon by both parties. In addition, a joint reserve is set up to address infrastructure repairs and replacements in the future and the reserve contribution is part of the annual operating budget and recovered through the wholesale rate.

Water existing infrastructure maintenance and operation financing is budgeted to recover fully through revenues from the water retail rate. Budgeting for revenues is based on projections and actual water revenue is subject to various influences such as climate changes, consumption patterns and maintenance and emergency response activities, In order to address these fluctuations a water rate stabilization reserve is set up to subsidize revenue shortfalls and accommodate surpluses.

Annual contributions to a variety of reserves have been assessed continuously in order to meet the future spending needs. Two latest reviews took place in 2008 and 2009 and were approved by Regional Council. In the council reports included in this plan, reserve contribution rates were recommended by the Management based on the comprehensive analyses and approved by Councillors under the context of maintaining water assets in a state-of-good-repair.

¹ Risk management approaches include but not limited to such items as source water protection initiatives, redundancy identification, social/geographic/nature risks

² Peel Management is proposing to raise capital through debt financing to fund accumulated shortfalls in development charges reserve fund. Development charge reserves are set up to finance growth-related infrastructure.

Recognizing the combined impacts of expansion and ageing of the water infrastructure, compounded by market pressures on maintenance and construction cost, the Region of Peel focuses on incorporating both asset management best practices and long-term planning, which allows the Region of Peel to sustain its drinking water infrastructure while minimizing exposure to financing risks and will continue to position the Region of Peel in ensuring long term sustainability of this essential public infrastructure.

The following lists the existing reserves and major policies in Region of Peel:

- Development charges policies are in place and reviewed on a regular basis
- 100% operating cost recovery through municipal water rates assessed annually
- Contributions to capital financing stabilization reserves assessed annually
- Contributions to York/Peel agreement reserve
- Contributions to operation Water Pumping Station reserve

Funding Drivers

Growth Demand

- New infrastructure is identified through development of the Master Plan that includes development of new or expansion of existing treatment facilities, transmission and storage facilities and follows the Region Official Plan.

Aging Infrastructure

- Existing infrastructure requires routine inspection, repair and maintenance and long term planning for eventual replacement.

Water Infrastructure Management Support Tools

Linear Asset Prioritization System

- This system provides for the condition assessment of the linear distribution system, identifying optimal life cycles and replacement program for existing assets, and identifies high risk assets related to soil conditions, pipe material, and operational impacts on pipe longevity.

Work Maintenance System

- This system records an inventory of all linear water infrastructure assets, their life span, maintenance and repair work performed and cost and records the history. It also records a history of reason for failure and number of failure/events for future replacement/repair schedule adjustments.
- The work maintenance system also records a high level inventory of all treatment, storage and transmission systems

Modelling System

- This system identifies opportunities for system redundancy and optimization related to new and existing infrastructure enhancements and upgrades leading to service improvement.

Water Infrastructure Management Sustainability Methodologies

Master Plans

- A 25 year plan that identifies projected growth and subsequent infrastructure requirements to assist in planning future financial requirements and identifying funding sources for treatment, storage and transmission. This plan is reviewed and revised every 5 years through the Environmental Assessment process and approved by Region Council.

- A 10 year Capital Plan that identifies existing infrastructure major repair and replacement for distribution systems based on projected life cycles, history of performance and economic and social opportunities.

The Capital Budget summaries included in this plan demonstrate Peel's 10 year Capital Plan which is reviewed annually through the budget process.

Corporate Asset Management Framework

Although the capital plan has proven itself adequate in the past, much longer range modeling is required to assess the more complex long-term challenges ahead and to mitigate against sudden and significant rate increase and/or major debt financing.

Peel Management recognizes that the key to improving infrastructure and reserve planning is more robust asset management. In 2008 the Region of Peel initiated a Corporate Asset Management approach, the objective of which is to develop strategies to:

- Standardize asset management practices across the organization
- Assess the current and future state of Peel's asset and reserves
- Prioritize infrastructure needs across the organization
- Perform optimized infrastructure and financial planning
- Maximize the performance of Peel's assets to meet required levels of services at the lowest overall costs

The framework has been well developed and major components have been identified such as service level, infrastructure risk profiles, asset components, corporate standards for asset management and required funding for sustainability. The implementation of this approach is scheduled to be in place across the organization in 2011, which is expected to put the Region of Peel in a better position of sustaining Peel water program service levels.

This portion of the plan concludes the summary of the processes and mechanisms in place to achieve financial sustainability for the Region of Peel's water infrastructure. The attached appendices I, II and III outline our current financial position with respect to asset value, cash position, current (2010) year operating and capital budget and our capital and operating projections for the next six (6) years.

Endorsed by

Dan Labrecque
Commissioner of Public Works,
Region of Peel

Norma Trim
Chief Financial Officer
And Commissioner of Corporate Services,
Region of Peel

WATER
2010 CAPITAL BUDGET & FORECAST TO 2019

Ten Year Capital Program Summary - Expenditure and Financing by Year (\$'000)

<u>Expenditures</u>	<u>2010</u>	<u>2011</u>	<u>2012</u>	<u>2013</u>	<u>2014</u>	<u>Yrs 6-10</u>	<u>TOTAL</u>
General	2,350	2,000	2,000	2,000	2,000	10,000	20,350
Water Treatment Plants, Reservoirs and Pumping Stations	54,982	217,909	74,779	44,087	15,164	71,619	478,540
Transmission System - Development	76,530	11,810	299,714	7,855	947	32,195	429,051
Feedermain Distribution System - Development	20,863	39,663	54,308	21,194	7,462	39,125	182,615
Distribution System - Rehabilitation and Upgrades	24,114	71,742	33,507	30,266	29,001	138,528	327,158
Groundwater Systems	1,280	3,774	18,978	6,792	330	13,264	44,418
Water Studies	2,110	2,170	170	170	170	7,050	11,840
Operating Capital	2,150	1,150	1,150	6,150	1,150	6,750	18,500

Total Expenditures	184,379	350,218	484,606	118,514	56,224	318,531	1,512,472
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Proposed Financing

DCA	76,382	171,969	332,063	64,208	11,348	125,474	781,444
External	54,362	92,830	105,675	7,315	0	4,554	264,736
Internal	53,635	85,419	46,868	46,991	44,876	188,503	466,292

Total Financing	184,379	350,218	484,606	118,514	56,224	318,531	1,512,472
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**APPENDIX IV
WATER
TEN YEAR CAPITAL PLAN**

Ten Year Combined Capital Program (\$'000)

<u>Sub Type</u>	<u>Description</u>	<u>2010</u>	<u>2011</u>	<u>2012</u>	<u>2013</u>	<u>2014</u>	<u>Yrs 6-10</u>	<u>Gross</u>
General	Miscellaneous works related to the overall regional water system.							
08-1015	REGULATORY COMPLIANCE INFORMATION MANAGEMENT IMPLEMENTATION OF NEW APPLICATIONS TO MANAGE REGULATORY COMPLIANCE AND QUALITY INFORMATION IN ACCORDANCE WITH NEW REGULATIONS.	350	0	0	0	0	0	350
10-1000	UNALLOCATED FUNDS UNALLOCATED FUNDS AVAILABLE FOR UNFORESEEN, UNPLANNED OR EMERGENCY WORKS.	1,500	1,500	1,500	1,500	1,500	7,500	15,000
10-1001	PRE-ENGINEERING AND DESIGN FUNDING FOR PRE-ENGINEERING AND DESIGN OF WORKS SCHEDULED FOR CONSTRUCTION THE FOLLOWING YEAR.	500	500	500	500	500	2,500	5,000
10 Year Totals For: General		2,350	2,000	2,000	2,000	2,000	10,000	20,350

Water Treatment Plants, Reservoirs and Pumping Stations

Growth and non-growth related works to upgrade, expand or add to new lake-based plant facilities.

02-1945	LAKEVIEW WATER TREATMENT PLANT EXPANSION (PHASE 1) EXPANSION OF THE FACILITY TO INCREASE CAPACITY BY 260 ML/D. APPROXIMATELY 43% FUNDED BY YORK REGION. ADDITIONAL FUNDS.	1,000	0	0	0	0	0	1,000
04-1935	TULLAMORE RESERVOIR AND PUMPING STATION CONSTRUCTION OF A NEW 40ML RESERVOIR AND PUMPING STATION IN THE VICINITY OF MAYFIELD ROAD AND INNIS LAKE ROAD.	0	51,806	0	0	0	0	51,806

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06-1906	LORNE PARK WATER TREATMENT PLANT EXPANSION EXPANSION OF THE FACILITY TO INCREASE CAPACITY TO 500 ML/D. APPROXIMATELY 19% FUNDED BY YORK REGION. ADDITIONAL FUNDS.	0	3,900	0	4,100	0	0	8,000
06-1922	STREETSVILLE RESERVOIR AND PUMPING STATION EXPANSION CONSTRUCTION OF A NEW 23ML RESERVOIR AND INSTALLATION OF ADDITIONAL LOW-LIFT AND HIGH-LIFT PUMPING CAPACITY. ADDITIONAL FUNDS.	0	5,000	0	0	0	0	5,000
07-1936	LAKEVIEW WATER TREATMENT PLANT EXPANSION (PHASE 2) EXPANSION OF THE FACILITY TO INCREASE CAPACITY TO 1150 ML/D. APPROXIMATELY 68% FUNDED BY YORK REGION.	0	135,000	0	3,000	0	0	138,000
07-1960	AIRPORT ROAD RESERVOIR AND PUMPING STATION EXPANSION CONSTRUCTION OF A NEW 17ML RESERVOIR AND INSTALLATION OF ADDITIONAL HIGH-LIFT PUMPING CAPACITY. 76% FUNDED BY YORK REGION.	20,574	0	0	0	0	0	20,574
08-1910	SOUTH PEEL ENERGY EFFICIENCY IMPROVEMENTS ENGINEERING DESIGN FOR ENERGY EFFICIENCY IMPROVEMENTS AT THE SOUTH PEEL WATER FACILITIES. ADDITIONAL FUNDS.	1,000	0	0	0	0	0	1,000
08-1985	WATER SYSTEM OPTIMIZATION PROGRAM PROGRAM TO IMPLEMENT AN OPTIMIZATION STRATEGY FOR THE SOUTH PEEL WATER SUPPLY SYSTEM.	143	41	0	0	0	0	184

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09-1937	LAKEVIEW WATER TREATMENT PLANT EXPANSION - STANDBY POWER INSTALLATION OF ADDITIONAL STANDBY POWER AT THE LAKEVIEW WATER TREATMENT PLANT IN COORDINATION WITH THE PHASE 2 EXPANSION. APPROXIMATELY 16% FUNDED BY YORK REGION. DESIGN IN 2011.	0	2,613	16,720	28,737	0	0	48,070
09-1970	NORTH BOLTON ELEVATED TANK CONSTRUCTION OF A NEW ELEVATED TANK IN THE VICINITY OF NORTH BOLTON.	0	9,888	0	0	0	0	9,888
10-1901	PROPERTY ACQUISITION FOR SOUTH PEEL WATER FACILITIES FUNDING FOR PROPERTY ACQUISITION FOR SOUTH PEEL WATER TREATMENT PLANTS, RESERVOIRS, PUMPING STATIONS AND ELEVATED TANKS.	1,936	0	0	0	0	2,180	4,116
10-1903	TRANSMISSION FACILITIES - MAJOR MAINTENANCE PLANNED MAJOR MAINTENANCE AT THE LAKE-BASED PUMPING STATIONS, RESERVOIRS, ELEVATED TANKS, GENERATION FACILITIES AND TRANSMISSION MAINS.	3,500	1,000	1,000	1,000	1,000	0	7,500
10-1904	TRANSMISSION FACILITIES - EQUIPMENT REPLACEMENT PLANNED EQUIPMENT REPLACEMENT AT THE LAKE-BASED PUMPING STATIONS, RESERVOIRS, ELEVATED TANKS, GENERATION FACILITIES AND TRANSMISSION MAINS.	3,500	2,000	1,000	1,000	1,000	0	8,500
10-1906	TREATMENT FACILITIES - MAJOR MAINTENANCE PLANNED MAJOR MAINTENANCE AT THE LAKE-BASED WATER TREATMENT PLANTS.	2,300	450	450	450	450	2,250	6,350

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10-1907	TREATMENT FACILITIES - EQUIPMENT REPLACEMENT PLANNED EQUIPMENT REPLACEMENT AT THE LAKE-BASED WATER TREATMENT PLANTS.	600	1,050	1,050	1,050	1,050	5,250	10,050
10-1908	TREATMENT PROCESS OPTIMIZATION PROJECTS WORKS RELATED TO THE OPTIMIZATION OF TREATMENT PROCESSES.	300	300	300	300	300	1,500	3,000
10-1911	TRANSIENT PROTECTION FOR THE SOUTH PEEL WATER SYSTEM IMPLEMENTATION OF TRANSIENT PROTECTION MEASURES FOR THE SOUTH PEEL WATER SUPPLY SYSTEM.	750	750	750	750	750	3,750	7,500
10-1916	VALVE REPLACEMENT PROGRAM VALVE REPLACEMENT PROGRAM FOR THE SOUTH PEEL PUMPING STATIONS IN ACCORDANCE WITH THE RECOMMENDATIONS OF THE 2005/2006 AUDIT.	250	250	250	250	250	1,250	2,500
10-1917	ENERGY MANAGEMENT SYSTEM FLOW METER REPLACEMENTS REPLACEMENT OF FLOW METERS AS RECOMMENDED BY THE ENERGY MANAGEMENT SYSTEM PROJECT.	2,453	0	0	0	0	0	2,453
10-1936	REPLACEMENT OF GRANULAR ACTIVATED CARBON FILTER MEDIA REPLACEMENT OF GRANULAR ACTIVATED CARBON FILTER MEDIA USED TO CONTROL TASTE AND ODOUR AT THE LAKE-BASED WATER TREATMENT PLANTS.	1,700	2,200	2,700	350	2,000	10,000	18,950

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10-1960	ALLOA RESERVOIR AND PUMPING STATION CONSTRUCTION OF A NEW 25ML RESERVOIR AND PUMPING STATION IN THE VICINITY OF MAYFIELD ROAD AND CREDITVIEW ROAD. DESIGN IN 2010.	4,300	0	28,665	0	0	0	32,965
10-1965	RESERVOIR OPTIMIZATION STRATEGY AND IMPLEMENTATION PROGRAM PROGRAM TO DEVELOP AND IMPLEMENT A RESERVOIR OPTIMIZATION STRATEGY FOR THE LAKE-BASED RESERVOIRS.	2,750	1,250	1,000	1,000	1,000	5,000	12,000
10-1966	ZONE 6 RESERVOIR CONSTRUCTION OF A NEW RESERVOIR IN THE VICINITY OF DIXIE ROAD AND KING STREET. DESIGN IN 2010.	2,926	0	19,508	0	0	0	22,434
10-1983	MEADOWVALE NORTH PUMPING STATION - STANDBY POWER INSTALLATION OF STANDBY POWER AND A NEW GENERATOR SET AT THE FACILITY.	5,000	0	0	0	0	0	5,000
11-1912	PUMPING STATION ENERGY MONITORING IMPROVEMENTS IN THE METERING OF ELECTRICITY AT THE REGION'S PUMPING STATIONS.	0	411	1,161	0	0	0	1,572
12-1971	NORTH STREETSVILLE ELEVATED TANK HYDRAULIC IMPROVEMENTS IMPLEMENTATION OF HYDRAULIC IMPROVEMENTS AT THE ELEVATED TANK, INCLUDING THE INSTALLATION OF A STATIC MIXING SYSTEM. DESIGN IN 2012.	0	0	225	1,500	0	0	1,725
13-1984	SILVERTHORN RESERVOIR AND PUMPING STATION IMPROVEMENTS AND UPGRADES MAJOR IMPROVEMENTS AND UPGRADES AT THE SILVERTHORN RESERVOIR AND PUMPING STATION. DESIGN IN 2013.	0	0	0	600	4,000	0	4,600

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14-1987	DIXIE ROAD BOOSTER PUMPING STATION UPGRADES UPGRADES AT THE DIXIE ROAD BOOSTER PUMPING STATION. DESIGN IN 2014.	0	0	0	0	600	4,000	4,600
14-1988	WEST BRAMPTON RESERVOIR AND PUMPING STATION EXPANSION EXPANSION OF THE RESERVOIR AND INSTALLATION OF ADDITIONAL LOW-LIFT PUMPING CAPACITY. DESIGN IN 2014.	0	0	0	0	2,764	17,662	20,426
15-1999	FUTURE WATER FACILITIES PROJECTS ALLOCATIONS FOR WATER FACILITIES PROJECTS IN YEARS 6-10 OF THE REGION'S 10-YEAR WATER PROGRAM CAPITAL PLAN.	0	0	0	0	0	18,777	18,777
10 Year Totals For: Treatment Facilities		54,982	217,909	74,779	44,087	15,164	71,619	478,540

Transmission System - Development

Installations of lake-based transmission mains to sustain Peel's growth.

04-1205	BECKETT SPROULE TRANSMISSION MAIN CONSTRUCTION OF A 2100MM ZONE 3 TRANSMISSION MAIN FROM THE HANLAN PUMPING STATION TO THE BECKETT SPROULE RESERVOIR. APPROXIMATELY 70% FUNDED BY YORK REGION. ADDITIONAL FUNDS.	36,100	0	0	0	0	0	36,100
08-1230	NORTH BOLTON TRANSMISSION MAIN (PHASE 1) CONSTRUCTION OF A 1050MM ZONE 6 TRANSMISSION MAIN FROM THE BOLTON ELEVATED TANK TO THE FUTURE NORTH BOLTON ELEVATED TANK. PHASE 1 IS PROPOSED ON COLERAINE DRIVE. IN CONJUNCTION WITH THE TOWN OF CALEDON'S ROAD PROGRAM. ADDITIONAL FUNDS.	2,400	0	0	0	0	0	2,400

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09-1231	NORTH BOLTON TRANSMISSION MAIN (PHASE 2) CONSTRUCTION OF A 1050MM ZONE 6 TRANSMISSION MAIN FROM THE BOLTON ELEVATED TANK TO THE FUTURE NORTH BOLTON ELEVATED TANK. PHASE 2 IS PROPOSED ON THE FUTURE BOLTON ARTERIAL BY-PASS ROAD. IN CONJUNCTION WITH THE REGION OF PEEL'S ROAD PROGRAM.	0	11,810	0	0	0	0	11,810
10-1205	HANLAN TRANSMISSION MAIN CONSTRUCTION OF A 2400MM ZONE 2 TRANSMISSION MAIN FROM THE LAKEVIEW WATER TREATMENT PLANT TO THE HANLAN RESERVOIR. APPROXIMATELY 42% FUNDED BY YORK REGION. DESIGN IN 2010.	31,039	0	248,355	0	0	0	279,394
10-1210	ZONE 6 TRANSMISSION MAIN CONSTRUCTION OF A 1200MM ZONE 6 TRANSMISSION MAIN ON DIXIE ROAD FROM THE NORTH BRAMPTON PUMPING STATION TO THE PROPOSED ZONE 6 RESERVOIR. DESIGN IN 2010.	3,513	0	26,933	0	0	0	30,446
10-1215	ALLOA TRANSMISSION MAIN (PHASE 2) CONSTRUCTION OF A 1200MM ZONE 5 TRANSMISSION MAIN ON MISSISSAUGA ROAD FROM BOVAIRD DRIVE TO THE PROPOSED ALLOA RESERVOIR. IN CONJUNCTION WITH THE REGION OF PEEL'S ROAD PROGRAM. DESIGN IN 2010.	3,478	0	23,188	0	0	0	26,666
12-1220	MAYFIELD ROAD TRANSMISSION MAIN (PHASE 1) CONSTRUCTION OF A 750MM ZONE 6 TRANSMISSION MAIN FROM CREDITVIEW ROAD TO VAN KIRK DRIVE. DESIGN IN 2012.	0	0	1,238	7,713	0	0	8,951

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13-1221	MAYFIELD ROAD TRANSMISSION MAIN (PHASE 2) CONSTRUCTION OF A 1050MM ZONE 6 TRANSMISSION MAIN FROM THE ALLOA PUMPING STATION TO CREDITVIEW ROAD. DESIGN IN 2013.	0	0	0	142	947	0	1,089
15-1299	FUTURE TRANSMISSION SYSTEM PROJECTS ALLOCATIONS FOR TRANSMISSION SYSTEM PROJECTS IN YEARS 6-10 OF THE REGION'S 10-YEAR WATER PROGRAM CAPITAL PLAN.	0	0	0	0	0	32,195	32,195
10 Year Totals For: WTS-Development		76,530	11,810	299,714	7,855	947	32,195	429,051

Feedermain Distribution System - Development

Installations of distribution feeder mains to sustain Peel's growth.

04-1180	400MM FEEDERMAIN - HIGHWAY 50 FROM FOGAL ROAD TO QUEEN STREET EAST. ADDITIONAL FUNDS.	200	0	0	0	0	0	200
05-1119	600MM FEEDERMAIN - MISSISSAUGA ROAD FROM QUEEN STREET WEST TO THE FUTURE FINANCIAL DRIVE. ADDITIONAL FUNDS.	250	0	0	0	0	0	250
05-1182	400MM FEEDERMAIN - CONFEDERATION PARKWAY FROM RATHBURN ROAD WEST TO BURNHAMTHORPE ROAD WEST. ADDITIONAL FUNDS.	403	0	0	0	0	0	403
07-1124	400MM FEEDERMAIN - MISSISSAUGA ROAD FROM THE FUTURE FINANCIAL DRIVE TO STEELES AVENUE WEST. IN CONJUNCTION WITH THE WIDENING OF MISSISSAUGA ROAD.	75	0	0	0	0	0	75
08-1150	600MM FEEDERMAIN - DIXIE ROAD FROM COUNTRYSIDE DRIVE TO MAYFIELD ROAD. ADDITIONAL FUNDS.	375	0	0	0	0	0	375

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08-1156	400MM FEEDERMAIN - FUTURE STREET (BRAM EAST) FROM HIGHWAY 50 TO THE GORE ROAD. ADDITIONAL FUNDS.	527	0	0	0	0	0	527
08-1175	600MM FEEDERMAIN - MISSISSAUGA ROAD FROM BOVAIRD DRIVE TO THE FUTURE EXTENSION OF SANDALWOOD PARKWAY.	5,477	0	0	0	0	0	5,477
09-1115	750MM FEEDERMAIN - BOLTON ARTERIAL BY-PASS ROAD FROM THE PROPOSED NORTH BOLTON ELEVATED TANK TO COLUMBIA WAY AND KINGSVIEW DRIVE.	2,676	19,355	0	0	0	0	22,031
09-1140	400MM FEEDERMAIN - THE GORE ROAD FROM CASTLEMORE ROAD TO COUNTRYSIDE DRIVE. IN CONJUNCTION WITH THE REGION OF PEEL'S ROAD PROGRAM.	0	3,615	0	0	0	0	3,615
10-1101	PROPERTY ACQUISITION FOR DISTRIBUTION FEEDERMAINS FUNDING FOR PROPERTY ACQUISITION FOR DISTRIBUTION FEEDERMAINS IN THE SOUTH PEEL WATER SUPPLY SYSTEM.	1,294	0	0	0	0	0	1,294
10-1105	400MM FEEDERMAIN - FUTURE JAMES POTTER ROAD (MOUNT PLEASANT) FROM BOVAIRD DRIVE TO CREDITVIEW ROAD.	2,840	0	0	0	0	0	2,840
10-1113	400MM FEEDERMAIN - FUTURE ARGENTIA ROAD FROM TENTH LINE WEST TO NINTH LINE.	1,864	0	0	0	0	0	1,864
10-1115	750MM FEEDERMAIN - COUNTRYSIDE DRIVE FROM GOREWAY DRIVE TO THE GORE ROAD. DESIGN IN 2010.	1,087	7,243	0	0	0	0	8,330

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TEN YEAR CAPITAL PLAN**

Ten Year Combined Capital Program (\$'000)

<u>Sub Type</u>	<u>Description</u>	<u>2010</u>	<u>2011</u>	<u>2012</u>	<u>2013</u>	<u>2014</u>	<u>Yrs 6-10</u>	<u>Gross</u>
10-1121	MISSISSAUGA CITY CENTRE FEEDERMAIN CONSTRUCTION OF A 1200MM ZONE 3 FEEDERMAIN ON TOMKEN ROAD FROM THE HANLAN PUMPING STATION TO EASTGATE PARKWAY, ON EASTGATE PARKWAY FROM TOMKEN ROAD TO CAWTHRA ROAD AND ON CAWTHRA ROAD FROM EASTGATE PARKWAY TO BURNHAMTHORPE ROAD EAST. DESIGN IN 2010.	2,900	0	41,500	0	0	0	44,400
10-1135	400MM FEEDERMAIN - HERITAGE ROAD FROM STEELES AVENUE WEST TO THE FUTURE EXTENSION OF FINANCIAL DRIVE. IN CONJUNCTION WITH THE CITY OF BRAMPTON'S ROAD PROGRAM. DESIGN IN 2010.	263	1,755	0	0	0	0	2,018
10-1136	400MM FEEDERMAIN - HERITAGE ROAD FROM THE FUTURE EXTENSION OF FINANCIAL DRIVE TO EMBLETON ROAD. IN CONJUNCTION WITH THE CITY OF BRAMPTON'S ROAD PROGRAM. DESIGN IN 2010.	279	1,860	0	0	0	0	2,139
10-1156	600MM FEEDERMAIN - TORBRAM ROAD FROM MAYFIELD ROAD TO COUNTRYSIDE DRIVE. IN CONJUNCTION WITH THE CITY OF BRAMPTON'S ROAD PROGRAM. DESIGN IN 2010.	353	2,351	0	0	0	0	2,704
11-1107	400MM FEEDERMAIN - FUTURE STREET (MAYFIELD WEST) FROM KENNEDY ROAD TO HURONTARIO STREET.	0	1,931	0	0	0	0	1,931
11-1125	400MM FEEDERMAIN - WANLESS DRIVE FROM CREDITVIEW ROAD TO MISSISSAUGA ROAD. IN CONJUNCTION WITH THE CITY OF BRAMPTON'S ROAD PROGRAM. DESIGN IN 2011.	0	418	1,391	0	0	0	1,809

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11-1146	600MM FEEDERMAIN - MISSISSAUGA ROAD FROM THE FUTURE EXTENSION OF SANDALWOOD PARKWAY TO MAYFIELD ROAD. IN CONJUNCTION WITH THE REGION OF PEEL'S ROAD PROGRAM. DESIGN IN 2011.	0	1,135	3,784	0	0	0	4,919
12-1133	400MM FEEDERMAIN - FUTURE EXTENSION OF FINANCIAL DRIVE (BRAM WEST) FROM HERITAGE ROAD TO WINSTON CHURCHILL BOULEVARD.	0	0	2,147	0	0	0	2,147
12-1140	750MM FEEDERMAIN - CREDITVIEW ROAD FROM MAYFIELD ROAD TO WANLESS DRIVE. DESIGN IN 2012.	0	0	758	2,528	0	0	3,286
12-1147	400MM FEEDERMAIN - FUTURE EXTENSION OF SANDALWOOD PARKWAY (MOUNT PLEASANT) FROM CREDITVIEW ROAD TO MISSISSAUGA ROAD. IN CONJUNCTION WITH THE CITY OF BRAMPTON'S ROAD PROGRAM.	0	0	2,185	0	0	0	2,185
12-1150	400MM FEEDERMAIN - FUTURE STREET (MOUNT PLEASANT) FROM THE FUTURE EXTENSION OF JAMES POTTER ROAD TO THE FUTURE EXTENSION OF SANDALWOOD PARKWAY.	0	0	1,557	0	0	0	1,557
12-1152	400MM FEEDERMAIN - CHINGUACOUSY ROAD FROM MAYFIELD ROAD TO WANLESS DRIVE. DESIGN IN 2012.	0	0	252	1,679	0	0	1,931
12-1176	600MM FEEDERMAIN - MAYFIELD ROAD FROM GOREWAY DRIVE TO THE GORE ROAD. IN CONJUNCTION WITH THE REGION OF PEEL'S ROAD PROGRAM. DESIGN IN 2012.	0	0	607	5,276	0	0	5,883

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12-1181	400MM FEEDERMAIN - HEART LAKE ROAD FROM MAYFIELD ROAD TO THE FUTURE EAST-WEST ROAD IN MAYFIELD WEST. DESIGN IN 2012.	0	0	127	842	0	0	969
13-1130	750MM FEEDERMAIN - BOVAIRD DRIVE FROM MISSISSAUGA ROAD TO HERITAGE ROAD. IN CONJUNCTION WITH THE REGION OF PEEL'S ROAD PROGRAM. DESIGN IN 2013.	0	0	0	750	2,428	0	3,178
13-1131	400MM FEEDERMAIN - BOVAIRD DRIVE FROM HERITAGE ROAD TO THE FUTURE NORTH-SOUTH COLLECTOR ROAD. IN CONJUNCTION WITH THE REGION OF PEEL'S ROAD PROGRAM. DESIGN IN 2013.	0	0	0	215	717	0	932
13-1142	400MM FEEDERMAIN - FUTURE STREET (MOUNT PLEASANT) FROM THE FUTURE EXTENSION OF SANDALWOOD PARKWAY TO WANLESS DRIVE.	0	0	0	2,142	0	0	2,142
13-1143	400MM FEEDERMAIN - FUTURE STREET (MOUNT PLEASANT) FROM CREDITVIEW ROAD TO MISSISSAUGA ROAD.	0	0	0	2,185	0	0	2,185
13-1145	900MM FEEDERMAIN - MAYFIELD ROAD FROM THE ALLOA PUMPING STATION TO MISSISSAUGA ROAD. DESIGN IN 2013.	0	0	0	439	2,924	0	3,363
13-1168	400MM FEEDERMAIN - NEW EAST-WEST ROAD (NORTHEAST BRAMPTON) FROM THE GORE ROAD TO CLARKWAY DRIVE. IN CONJUNCTION WITH THE CITY OF BRAMPTON'S ROAD PROGRAM.	0	0	0	1,638	0	0	1,638

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13-1169	400MM FEEDERMAIN - NEW EAST-WEST ROAD (NORTHEAST BRAMPTON) FROM CLARKWAY DRIVE TO COLERAINE DRIVE. IN CONJUNCTION WITH THE CITY OF BRAMPTON'S ROAD PROGRAM.	0	0	0	1,862	0	0	1,862
13-1182	400MM FEEDERMAIN - FUTURE EAST-WEST ROAD (MAYFIELD WEST) FROM HEART LAKE ROAD TO DIXIE ROAD.	0	0	0	1,638	0	0	1,638
14-1137	400MM FEEDERMAIN - FUTURE STREET (MOUNT PLEASANT) FROM WANLESS DRIVE TO CREDITVIEW ROAD.	0	0	0	0	1,393	0	1,393
15-1199	FUTURE DISTRIBUTION FEEDERMAIN PROJECTS ALLOCATIONS FOR DISTRIBUTION FEEDERMAIN PROJECTS IN YEARS 6-10 OF THE REGION'S 10-YEAR WATER PROGRAM CAPITAL PLAN.	0	0	0	0	0	39,125	39,125
10 Year Totals For: WDS-Development		20,863	39,663	54,308	21,194	7,462	39,125	182,615

Distribution System - Rehabilitation and Upgrades

Replacements, repairs and upgrades related to the lake-based distribution system.

08-1311	MILL STREET SOUTH REPLACEMENT OF THE EXISTING WATERMAIN ON MILL STREET SOUTH FROM AMBLESIDE DRIVE TO ELIZABETH STREET SOUTH (UPGRADE TO 300MM). ADDITIONAL FUNDS.	615	0	0	0	0	0	615
09-1311	REPLACEMENT OF WATERMAINS AT INTERSECTION IMPROVEMENTS REPLACEMENT OF WATERMAINS IN CONJUNCTION WITH INTERSECTION IMPROVEMENTS AT DERRY ROAD EAST AND GOREWAY DRIVE AND AT STEELES AVENUE EAST AND ADVANCE BOULEVARD. ADDITIONAL FUNDS.	963	0	0	0	0	0	963

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09-1322	BRAMPTON INDUSTRIAL SOUTH REPLACEMENT OF EXISTING WATERMAINS ON ATLAS COURT, WEST DRIVE AND ELROSE ROAD. ADDITIONAL FUNDS.	945	0	0	0	0	0	945
09-1330	MALTON JUSTINE DRIVE, DORCAS STREET, MINOTOLA AVENUE, BRAMALEA ROAD (DREW ROAD TO CITY LIMIT) AND ETUDE DRIVE (GOREWAY DRIVE TO LANCASTER AVENUE). ADDITIONAL FUNDS.	250	0	0	0	0	0	250
09-1335	KENNEDY ROAD REPLACEMENT OF THE EXISTING WATERMAIN ON KENNEDY ROAD FROM MAYFIELD ROAD TO SOMERSET DRIVE (UPGRADE TO 600MM). ADDITIONAL FUNDS.	3,943	0	0	0	0	0	3,943
09-1390	STREETSVILLE REPLACEMENT OF THE EXISTING 400MM WATERMAINS ON QUEEN STREET SOUTH (OLD PINE STEET TO REID DRIVE) AND ON THOMAS STREET (CHURCH STREET TO DURIE ROAD). ADDITIONAL FUNDS.	1,970	0	0	0	0	0	1,970
10-1300	DISTRIBUTION SYSTEM - MAJOR MAINTENANCE PLANNED MAJOR MAINTENANCE OF THE REGIONAL WATER DISTRIBUTION SYSTEM.	1,000	1,000	1,000	1,000	1,000	5,000	10,000
10-1301	REPLACEMENT OF WATER SERVICES UPGRADE OF 13-MM (1/2-INCH) WATER SERVICES WITH 20-MM (3/4-INCH) WATER SERVICES.	100	100	100	100	100	500	1,000

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10-1302	CORROSION PROTECTION FOR VALVES IN CHAMBERS WORKS TO PROVIDE CORROSION PROTECTION FOR VALVES IN CHAMBERS.	100	100	100	100	100	500	1,000
10-1313	DESIGN FOR THE REPLACEMENT OF WATERMAINS IN PEEL FUNDS FOR THE DESIGN OF WATERMAIN REPLACEMENT PROJECTS IN PEEL FOR THE FOLLOWING YEAR.	4,000	4,000	4,000	4,000	4,000	20,000	40,000
10-1314	CONTINGENCY FOR WATERMAIN DESIGN AND CONSTRUCTION FUNDS FOR CONTINGENCY FOR WATERMAIN REPLACEMENT PROJECTS APPROVED UNDER THE INFRASTRUCTURE STIMULUS FUND.	6,000	0	0	0	0	0	6,000
10-1331	REPLACEMENT OF WATERMAINS IN CALEDON REPAIR AND REPLACEMENT OF WATERMAINS IN CALEDON AND LOOPING OF DEAD-END MAINS TO IMPROVE WATER QUALITY AND RELIABILITY OF THE DISTRIBUTION SYSTEM. SOME OF THE WATERMAINS INCLUDED IN THIS PROGRAM ARE TIED TO THE TOWN OF CALEDON'S ROAD RESURFACING PROGRAM.	1,008	0	0	0	0	0	1,008
10-1351	400MM FEEDERMAIN - FUTURE EXTENSION OF DREW ROAD FROM TOMKEN ROAD TO DIXIE ROAD. DESIGN IN 2010.	386	2,571	0	0	0	0	2,957
10-1352	400MM FEEDERMAIN - QUEENSWAY CORRIDOR FROM THE HERRIDGE PUMPING STATION TO DOULTON DRIVE. DESIGN IN 2010.	551	3,673	0	0	0	0	4,224

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10-1353	BURNHAMTHORPE ROAD EAST REPLACEMENT OF THE EXISTING WATERMAIN ON BURNHAMTHORPE ROAD EAST FROM THE WEST SIDE OF THE LITTLE ETOBICOKE CREEK TO WEST OF GOLDEN ORCHARD DRIVE (UPGRADE TO 400MM).	698	0	0	0	0	0	698
10-1383	EAST-WEST TRANSFER SUB-TRANSMISSION MAIN DESIGN OF A 750MM SUB-TRANSMISSION MAIN TO FACILITATE EAST-WEST TRANSFER OF WATER IN BRAMPTON.	1,000	0	0	0	0	0	1,000
10-1384	HUTTONVILLE WATER SYSTEM IMPROVEMENTS IMPROVEMENTS TO THE WATER DISTRIBUTION SYSTEM IN HUTTONVILLE IN CONJUNCTION WITH THE COMMISSIONING OF THE WEST BRAMPTON RESERVOIR AND PUMPING STATION.	585	0	0	0	0	0	585
11-1345	REPLACEMENT OF WATERMAINS IN MISSISSAUGA REPAIR AND REPLACEMENT OF WATERMAINS IN MISSISSAUGA AND LOOPING OF DEAD-END MAINS TO IMPROVE WATER QUALITY AND RELIABILITY OF THE DISTRIBUTION SYSTEM. SOME OF THE WATERMAINS INCLUDED IN THIS PROGRAM ARE TIED TO THE CITY OF MISSISSAUGA'S ROAD RESURFACING PROGRAM.	0	32,082	17,239	13,199	19,801	86,517	168,838

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11-1375	REPLACEMENT OF WATERMAINS IN BRAMPTON REPAIR AND REPLACEMENT OF WATERMAINS IN BRAMPTON AND LOOPING OF DEAD-END MAINS TO IMPROVE WATER QUALITY AND RELIABILITY OF THE DISTRIBUTION SYSTEM. SOME OF THE WATERMAINS INCLUDED IN THIS PROGRAM ARE TIED TO THE CITY OF BRAMPTON'S ROAD RESURFACING PROGRAM.	0	28,216	11,068	11,867	4,000	26,011	81,162
10 Year Totals For: WDS-Imp. & Upgrades		24,114	71,742	33,507	30,266	29,001	138,528	327,158
Groundwater Systems								
Replacements, upgrades, and new facilities related to groundwater based systems.								
10-1801	PROPERTY ACQUISITION FOR GROUNDWATER SYSTEM PROJECTS FUNDING FOR PROPERTY ACQUISITION FOR GROUNDWATER SYSTEM PROJECTS.	0	792	0	0	0	1,650	2,442
10-1805	WELL FACILITIES - MAJOR MAINTENANCE AND EQUIPMENT REPLACEMENT PLANNED MAJOR MAINTENANCE AND EQUIPMENT REPLACEMENT FOR THE WELL FACILITIES.	150	150	150	150	150	750	1,500
10-1806	GROUNDWATER SYSTEMS - MAJOR MAINTENANCE AND EQUIPMENT REPLACEMENT PLANNED MAJOR MAINTENANCE AND EQUIPMENT REPLACEMENT FOR THE GROUNDWATER SYSTEMS.	100	100	100	100	100	500	1,000
10-1809	PRIVATE WELL ABANDONMENT PROGRAM PRIVATE WELL ABANDONMENT PROGRAM IN CALEDON AND RURAL AREAS OF BRAMPTON TO ELIMINATE DIRECT PATHWAYS TO GROUNDWATER CONTAMINATION AND TO PROTECT PEEL AQUIFERS.	80	80	80	80	80	0	400

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10-1859	STANDPIPE CORROSION PROTECTION CORROSION PROTECTION IMPROVEMENTS FOR THE ALTON AND MONO MILLS STANDPIPES.	950	0	0	0	0	0	950
11-1831	ALTON/CALEDON VILLAGE - NEW WELL CONSTRUCTION OF A NEW WELL TO SERVICE GROWTH IN ALTON AND CALEDON VILLAGES. DESIGN IN 2011.	0	951	6,340	0	0	0	7,291
11-1832	CHELTENHAM VILLAGE - NEW WELL CONSTRUCTION OF A NEW WELL TO SERVICE GROWTH IN CHELTENHAM VILLAGE. DESIGN IN 2011.	0	915	6,097	0	0	0	7,012
11-1835	CALEDON EAST - NEW WELL CONSTRUCTION OF A NEW WELL TO SERVICE GROWTH IN CALEDON EAST. DESIGN IN 2011.	0	786	5,242	0	0	0	6,028
12-1850	CHELTENHAM RESERVOIR EXPANSION EXPANSION TO INCREASE STORAGE CAPACITY TO SERVICE GROWTH IN CHELTENHAM VILLAGE. DESIGN IN 2012.	0	0	146	975	0	0	1,121
12-1855	CALEDON EAST - NEW RESERVOIR EXPANSION OF THE EXISTING RESERVOIR OR CONSTRUCTION OF A NEW RESERVOIR TO SERVICE GROWTH IN CALEDON EAST. DESIGN IN 2012.	0	0	823	5,487	0	0	6,310
15-1899	FUTURE GROUNDWATER SYSTEMS PROJECTS ALLOCATIONS FOR GROUNDWATER SYSTEMS PROJECTS IN YEARS 6-10 OF THE REGION'S 10-YEAR WATER PROGRAM CAPITAL PLAN.	0	0	0	0	0	10,364	10,364
10 Year Totals For: Groundwater Systems		1,280	3,774	18,978	6,792	330	13,264	44,418

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Water Studies								
Water Studies, Environmental Assessments and Planning.								
06-1580	CALEDON EAST - NEW WELL AND RESERVOIR - CLASS EA CLASS EA FOR A NEW WELL AND RESERVOIR TO SERVICE GROWTH IN CALEDON EAST. ADDITIONAL FUNDS.	340	0	0	0	0	0	340
07-1506	ZONE 6 WATER SUPPLY - CLASS EA CLASS EA FOR A NEW RESERVOIR AND TRANSMISSION MAIN TO SERVICE GROWTH IN PRESSURE ZONE 6. ADDITIONAL FUNDS.	275	0	0	0	0	0	275
07-1540	NORTH BOLTON ELEVATED TANK AND TRANSMISSION MAIN - CLASS EA CLASS EA FOR A NEW ELEVATED TANK AND TRANSMISSION MAIN IN NORTH BOLTON. ADDITIONAL FUNDS.	200	0	0	0	0	0	200
08-1506	ALTON/CALEDON VILLAGE - NEW WELL - CLASS EA CLASS EA FOR A NEW WELL TO SERVICE GROWTH IN ALTON AND CALEDON VILLAGES. ADDITIONAL FUNDS.	315	0	0	0	0	0	315
08-1507	CHELTENHAM VILLAGE - NEW WELL - CLASS EA CLASS EA FOR A NEW WELL TO SERVICE GROWTH IN CHELTENHAM VILLAGE. ADDITIONAL FUNDS.	310	0	0	0	0	0	310
10-1520	WATER ASSET MANAGEMENT COLLECTION OF DATA AND DEVELOPMENT OF AN ASSET MANAGEMENT PROGRAM FOR THE REGION'S WATER INFRASTRUCTURE.	500	500	0	0	0	0	1,000

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10-1545	REGIONAL GROUNDWATER INFORMATION MANAGEMENT AND YPDT PROJECT ISSUES REGIONAL GROUNDWATER INFORMATION MANAGEMENT SYSTEM INCLUDING PROJECT MANAGEMENT AND ANALYSIS ARISING FROM THE YPDT GROUNDWATER MANAGEMENT STRATEGY.	50	50	50	50	50	250	500
10-1550	SOURCE WATER PROTECTION, LAND MANAGEMENT AND WELLHEAD PROTECTION GROUNDWATER-RELATED SOURCE WATER PROTECTION, LAND MANAGEMENT AND WHPA ISSUES IN PEEL RELATING TO PROVINCIALLY LEGISLATED REQUIREMENTS UNDER THE CLEAN WATER ACT, 2006.	120	120	120	120	120	600	1,200
11-1511	STREETSVILLE TRANSMISSION MAIN TWINNING - CLASS EA CLASS EA FOR A NEW 2100MM ZONE 2 TRANSMISSION MAIN FROM THE HERRIDGE PUMPING STATION TO THE STREETSVILLE RESERVOIR.	0	1,500	0	0	0	0	1,500
15-1599	FUTURE WATER STUDIES PROJECTS ALLOCATIONS FOR WATER STUDIES PROJECTS IN YEARS 6-10 OF THE REGION'S 10-YEAR WATER PROGRAM CAPITAL PLAN.	0	0	0	0	0	6,200	6,200
10 Year Totals For: Water Studies		2,110	2,170	170	170	170	7,050	11,840

Operating Capital

10-1005	RESTORATION WORKS INVESTIGATIONS AND REMEDIATION WORKS RELATED TO POST-CONTRACT ISSUES.	50	50	50	50	50	250	500
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10-1405	INSPECTION AND CONDITION ASSESSMENT OF THE SOUTH PEEL WATER SUPPLY SYSTEM EXTENSION OF THE CURRENT PROGRAM TO COMPLETE AN ASSESSMENT OF THE ENTIRE SOUTH PEEL WATER SUPPLY SYSTEM.	750	750	750	750	750	3,750	7,500
10-1504	WATER SERVICING MASTER PLAN UPDATE REVIEW AND UPDATE OF THE REGIONAL WATER SERVICING MASTER PLAN.	500	0	0	0	0	500	1,000
10-1505	DISTRIBUTION SYSTEM MASTER PLAN UPDATE REVIEW AND UPDATE OF THE REGIONAL DISTRIBUTION SYSTEM MASTER PLAN.	500	0	0	0	0	500	1,000
10-1530	WATER INFRASTRUCTURE PLANNING WATER INFRASTRUCTURE PLANNING, STUDIES AND LOCAL IMPROVEMENT INVESTIGATIONS.	350	350	350	350	350	1,750	3,500
13-1406	FLOW MONITORING PROGRAM FOR THE SOUTH PEEL TRANSMISSION SYSTEM PRESSURE AND FLOW MONITORING PROGRAM FOR THE SOUTH PEEL TRANSMISSION SYSTEM.	0	0	0	5,000	0	0	5,000
10 Year Totals For: Operating Capital		2,150	1,150	1,150	6,150	1,150	6,750	18,500
Totals for 10 Year Capital Plan:		184,379	350,218	484,606	118,514	56,224	318,531	1,512,472

For Information

DATE: October 28, 2009**REPORT TITLE: RESERVE SUSTAINABILITY****FROM:** Norma Trim, Chief Financial Officer and Commissioner of Corporate Services

OBJECTIVE

The objective of this report is to provide Council with an update on the overall sustainability of working funds and capital non-growth related reserves as well as to provide Council with potential actions to ensure future financial viability.

REPORT HIGHLIGHTS

- Peel's Financial Control By-law establishes the framework for managing reserves
- Reserves include: Working Funds, Capital Financing, Capital Construction, Specialty Funds and Development Charge Fund reserves
- In 2007 Peel adopted a portfolio approach to reserve management
- Reserves provide financial flexibility to meet long term financing requirements and maintain Peel's debt free status
- Analysis demonstrates adequate working fund reserves are available to offset recessionary impacts driving 2009 operating deficit and the 2010 Budget
- Analysis of the capital reserves and Capital Plan supports the continued requirement for one percent tax rate increase for tax supported capital reserves
- Rate supported non-growth related reserves – due to infrastructure funding stimulus, previously suggested three percent annual rate increase for reserves can be suspended for 2010 budget but would be required again in 2011 Budget

DISCUSSION**1. Background**

On June 3, 2004, Council authorized a Financial Control By-law (FCBL) establishing financial controls related to the Current Budget, Capital Budget and reserve management of the Regional Municipality of Peel. The by-law defines Reserves as unrestricted accumulation, at the discretion of Council, of appropriations from net revenues. Reserves include Working Funds, Capital Financing, and Capital Construction.

In the fall of 2007 staff presented Council with a perspective of the Region's tax supported non-growth related capital financing needs utilizing portfolio approach to reserve management. The report highlighted the need to substantially increase reserve contributions in order to continue to sustain both the state of Region's capital infrastructure and its debt free status. The report proposed one per cent tax rate increase over a period of

October 28, 2009

RESERVE SUSTAINABILITY

ten years for capital financing purposes as a first step to achieving financial sustainability. The strategy was adopted by Council as part of the 2008 and 2009 budget.

In the fall of 2008 staff presented Council with a report outlining the need for increasing utility rate to finance the expanding state of good repair budget and mitigate debt financing. The long-term modeling of capital financing forecast predicted the need to immediately increase utility rates by a minimum of three percent annually. The strategy was adopted by Council as part of the 2009 budget.

On June 5, 2009, the Region was awarded \$98.6 million in Infrastructure Stimulus Funding (ISF). The Region is committed to fund 1/3 or \$50.7 million of the total eligible project cost as well as all ineligible project costs. Peel's share will be made available from a number of reserve funds, non growth related capital financing reserves as well as working funds thus impacting the reserve balance.

The status of Development Charge Reserve Funds will be addressed in a separate report. The analysis also excludes a review of specialty funds (e.g. WSIB reserves)

2. Working Fund Reserves

a) Overview

Working fund, as defined in the FCBL, is a reserve arising from the operation of programs funded from property taxation to minimize annual fluctuations in property tax rates. The Chief Administrative Officer (CAO) is authorized to make contributions to or withdrawals from working fund reserves to adjust a surplus or deficit in tax supported programs at the end of the current year with a purpose of reducing or eliminating changes in future property tax rates which would otherwise result from an adjusted surplus or deficit. In addition, the CAO is authorized to approve contributions to or withdrawals from the Working Funds Reserve of a Department of up to \$250,000 as transitional funding to meet an unanticipated expenditure pressure or a revenue receipt that was not budgeted. Given this, working fund reserves allow for added flexibility and prudent financial planning. Following are some specific examples of past utilizations of working fund reserves:

- In order to deal with recessionary impacts on Human Services' clients, in May 2009 Council endorsed utilizing working fund reserves in the amount of \$7.2 million to address increasing caseload and \$2.1 million for expansion of current program service levels and new service delivery initiatives.
- In September 2009 Council approved a draw from working fund reserves of up to \$1.65 million to provide interim funding for the costs associated with pandemic preparedness and response for pandemic (H1N1).
- In October 2009 Council directed staff to utilize working fund reserves in the amount of \$1.2 million to increase funding of Senior's Low-Income Dental Program in 2010 to address a large program wait list.

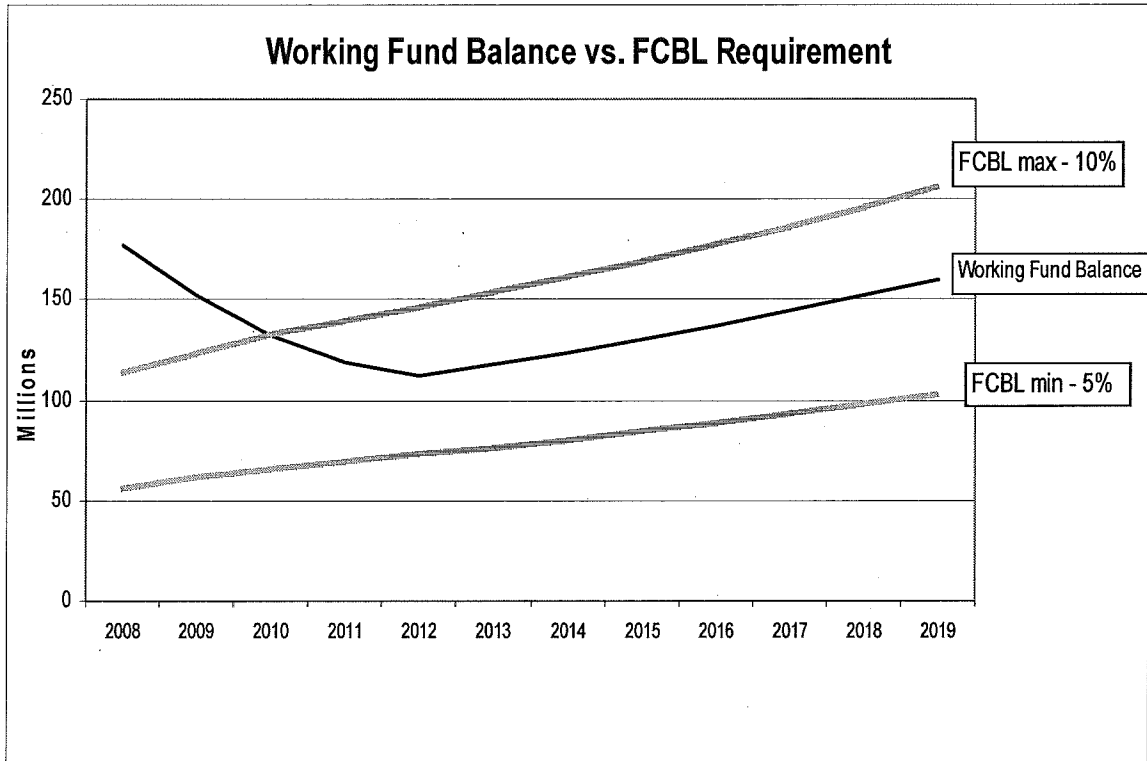
In order to exhibit more flexibility and promote fiscal responsibility, just as with the tax supported capital financing reserves previously presented to Council, staff also adopted a portfolio approach to the working funds reserve management. With a portfolio approach, reserve adequacy and compliance with the FCBL is assessed at the Regional level as opposed to individual reserve level. This allows healthy reserves to offset the ones with lower balances before overall reserve contributions are increased.

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b) Analysis

The FCBL which requires the balance of the Working Funds Reserve be maintained within a range of a minimum of 5 per cent and a maximum of 10 per cent of the total budget for programs funded from property taxation. Due to past prudent financial decisions, Council built a healthy working fund balance over the years. A healthy working fund balance provides Council with flexibility to stabilize the impact of the global recession on Peel's programs. The graphs below outlines the financial position of the working funds reserves in relation to the stipulated range of 5 – 10 per cent.



Staff anticipate the recessionary impacts will extend into year 2012 at which point the cumulative recessionary impact since year 2009 will be approximately \$53 million. The model assumes that the conditions will improve beyond 2012 and as such doesn't build any future budget draws beyond this point. The following table shows anticipated recessionary reserve draws.

Year	Amount of Draw (in millions)
2009	\$10
2010	\$18
2011	\$15
2012	\$10
Total	\$53

Assumptions utilized in the above analysis may understate a number of risks to Peel. For example, Ontario Works caseload forecast included in the 2010 Budget is based on

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information available to-date. Given the nature of the information, it is fairly difficult to predict the actual impact on Peel; as such, staff used fairly conservative estimates. In addition, the assumptions do not incorporate potential municipal costs associated with Peel's response to H1N1 nor does it account for possible Provincial and Federal initiatives to address burgeoning provincial and federal deficits, that may result in reduced transfers to Peel. In addition, the analysis does not incorporate an unfunded liability to GO Transit in the range of \$17.7 million.

c) Summary

Based on the above analysis the working fund reserve balance will decline from current levels to approximately 7.6 per cent by 2012; levels still within the FCBL limits. If required, staff will utilize the balance to offset additional risks (outlined above). During better economic times, operating surpluses can be utilized to replenish working funds reserves.

3. Region's Tax Supported Non-growth Related Capital Reserves**a) Overview**

During the 2008 Budget process, staff brought forward a report in regards to the sustainability of Region's longer term capital financing for the tax supported program. Based on this report, the 2008 budget included an annual increase to reserve contributions equivalent to one per cent tax increase in each of the next 10 years which was expected to provide over \$400 million in additional funding for the tax supported capital program. This was recognized to be the first step toward achieving financial sustainability. Additional tactics such as continued advocacy with the provincial government were recognized to be an integral part of the plan in order to facilitate long term financial viability of the tax supported reserves.

During 2009 Budget, Council acknowledged continued need for the "1 per cent solution" and included the additional contribution within the overall approved budget

As indicated above, in order to exhibit more flexibility and promote fiscal responsibility, tax supported capital financing reserves are managed through a portfolio approach. The net available balance is summarized as follows:

	In Millions (\$)
Portfolio Reserve Balance	\$599.8
Outstanding Commitments	(379.4)
Net Available Balance	\$223.3

Since Capital Asset Management Initiative (CAM) for tax supported non-growth related capital assets is in the process of being developed, as an interim step, staff utilized the following assumptions to predict future capital commitments: long term inflation at 2% (Bank of Canada target for core inflation) and 1.5% annual growth in assets, in order to come up with a reserve status and future reserve requirements. Historically, the first three years of Peel's 10-Year Capital Plan have been reasonably accurate however, years four to seven have been understated. In future CAM will better inform Peel's capital planning requirements. The modeling utilized is not capable of including complex factors which will drive the costs and regional commitments in the future and as such may provide a fairly understated picture.

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Aside from future asset replacement costs, which ensures Peel's assets are maintained in a state of good repair, there are other drivers. As technology becomes more complex and sophisticated, environmental sustainability becomes more central, regulations change and become more stringent (e.g. Places to Grow intensification requirements) and as Peel's services evolve and improve, there will be added pressures to enhance the infrastructure base to accommodate these changes. These enhancements to the existing infrastructure base will compound the pressure to increase contributions to the reserves to meet the many known and unknown challenges ahead.

In the future, once CAM is complete, staff will be able to provide longer range modeling including better assessment of financial needs.

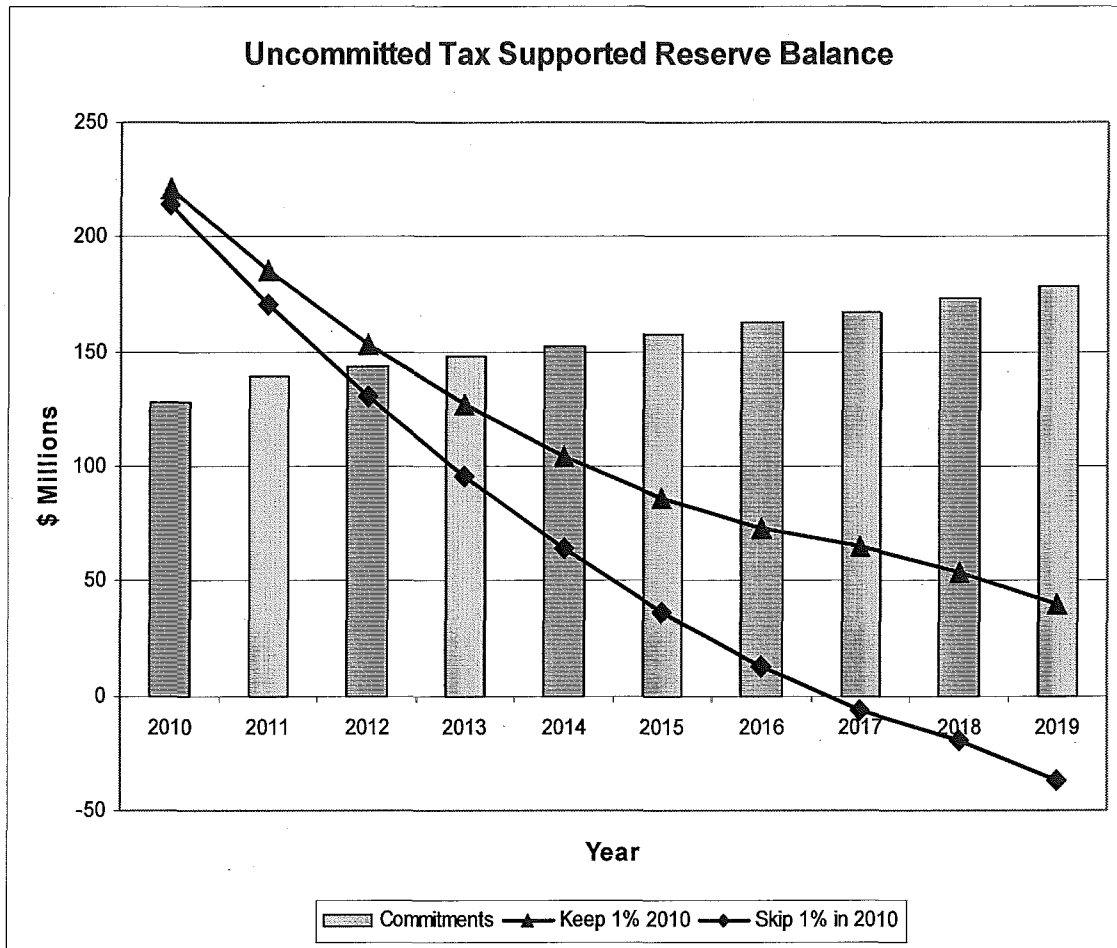
b) Analysis

The model incorporates funds received through the ISF which resulted in a net benefit to the tax supported reserves of \$6.8 million. Since future works will be completed under CAM, the current reserve model only extends for a period of ten years, a timeline consistent with working fund reserve model.

The graph below displays future commitments related to tax supported regionally controlled programs (bars) compared to uncommitted reserve balance under two scenarios (lines); one with the continued "1% Solution" and the other with "1% Solution" foregone in 2010. The graph takes into consideration net available reserve balance of \$223 million (as per summary table above). The graph demonstrates the impact of foregoing the "1% Solution" in 2010.

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Based on the assumptions the chart above demonstrates the negative impact a one-year suspension of the “1% Solution” will have on the uncommitted reserve balance. As the economic recovery takes hold, commodity prices will begin to increase and may return to pre-recession levels, having a further negative impact on the uncommitted reserve balance. Although work is progressing on CAM, true replacement costs for existing assets is not fully understood. These are potentially significant risks and need to be better understood prior to changing course. As a result the recommendation is to continue to apply the “1% Solution” as the planned commitments are not yet fully understood.

c) Summary

Suspending the additional reserve contribution for one year will have a cumulative impact of \$95 million over the next 10 years. Peel’s future financial flexibility will be a greater risk and may result in the need to issue debt for future capital works. Based on the above analysis, staff proposes that Council continues to support the “1% Solution” in the upcoming 2010 Budget in order to ensure long term financial sustainability of the tax supported programs.

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RESERVE SUSTAINABILITY**4. Region's Rate Supported Non-growth Related Capital Reserves****a) Overview**

In the fall of 2008 staff presented Council with a report outlining the need for increasing utility rate to finance the expanding state of good repair budget, findings identified through CAM. The long-term modeling of capital financing forecast predicted the need to immediately increase utility rates by a minimum of three percent ("3% Solution") in order to ensure financial viability of rate supported reserves.

The rate supported reserve analysis also uses a portfolio approach. The net available balance is summarized as follows:

	In Millions (\$)
Portfolio Reserve Balance	\$385.8
Outstanding Commitments	(319.6)
Net Available Balance	\$66.3

The summary indicates that majority of the reserve balance (83 per cent) has been committed to finance previously approved projects. Only \$66 million of the existing reserve balance is available to fund future needs of the Region's aging utility system with a 2008 replacement cost in the range of 12.3 billion.

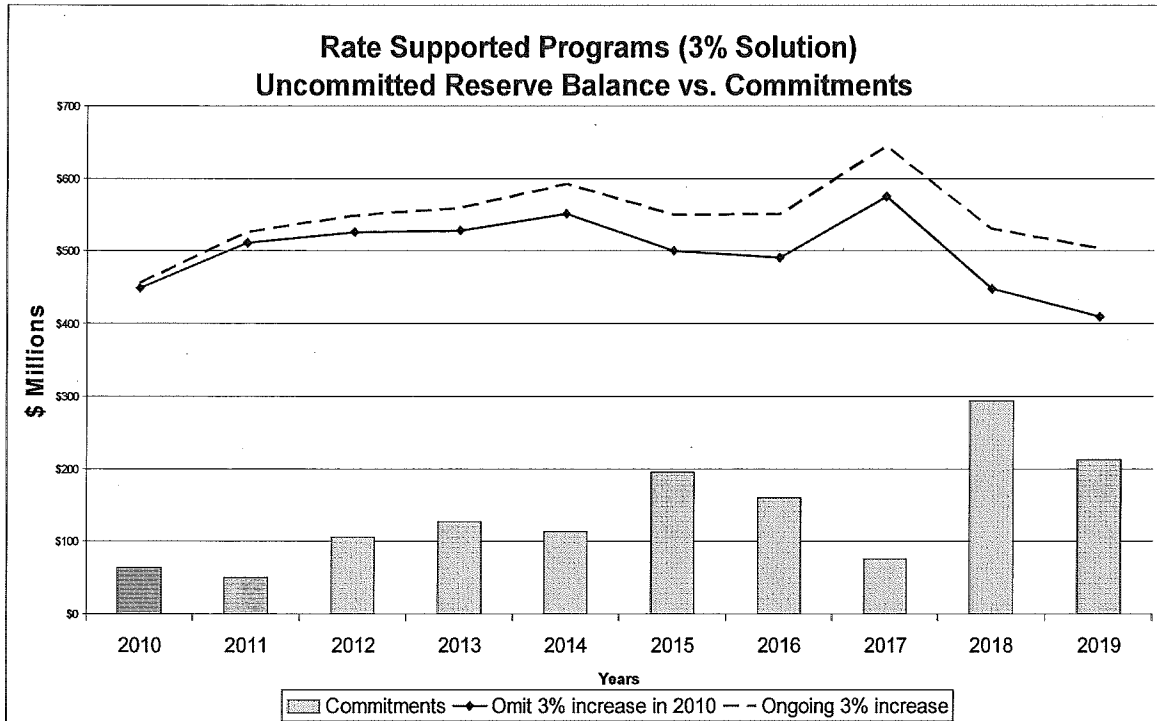
The rate reserve sustainability analysis benefits from and builds on year-to-date preliminary results obtained through CAM.

b) Analysis

The model incorporates funds received through the ISF which provide a significant net benefit of \$45.4 million to the rate supported programs.

The graph below displays future commitments related to rate supported regionally controlled programs (bars) compared to uncommitted reserve balance under two scenarios (lines); one with the continued "3% Solution" and the other with "3% Solution" suspended in 2010 but re-introduced in 2011. The graph takes into consideration net available reserve balance of \$66.3 million (as per summary table above).

The graph indicates that even though the uncommitted reserve balance remains positive, the cumulative impact of the suspension of the "3% Solution" in 2010 will translate into approximately \$94 million reduction in reserve balance over period of ten years. This impact can be compared to ISF funding of \$45.4 million.



As reported to Council in a report on the utility rate process staff continue to explore other approaches which will result in alleviating pressures from Peel's rate payers. Past efforts have included bulk purchasing, energy saving process improvements and an improved contract with OCWA to allocate risk and reduce future operating costs. Over the next year, Public Works and Finance will partner on a more thorough Utility Rate Study. Results of the rate study will be brought forward to Council at a later date.

In addition, staff continues to diligently work through CAM, to ensure that Peel's \$12 billion worth of aging utility infrastructure is maintained in a state of good repair.

C) Summary

The above analysis indicates that the suspension of the "3% Solution" in 2010 will not jeopardize Peel's long term financial flexibility in the near future. In future, the amount required to sustain reserves will be reassessed to take into account changing economic conditions, evolving program infrastructure requirements as well as will incorporate results of the Utility Rate Study.

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CONCLUSION

Past actions of Council have provided today's Council with financial flexibility to withstand pressures such as currently experienced by the global recession and H1N1 preparation efforts underway. Staff will continue to monitor changing economic conditions to assess Peel's reserves and financing requirements to sustain both the state of Region's capital infrastructure and its debt free status.



Norma Trim
Chief Financial Officer
and Commissioner of Corporate Services

Approved for Submission:



D. Szwarc, Chief Administrative Officer

*For further information regarding this report, please contact
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Authored By: Stephen VanOfwegen

c. Legislative Services

DATE: September 17, 2008

SUBJECT: **CAPITAL INFRASTRUCTURE RENEWAL - WATER/WASTEWATER PROGRAM**

FROM: Dan Labrecque, Acting Commissioner of Environment, Transportation and Planning Services
Norma Trim, Acting Chief Financial Officer

OBJECTIVE

The purpose of this report is to provide Council with a high-level assessment of its capital financing needs for the utility rate supported Programs and to outline how the organization plans to meet the challenges.

REPORT HIGHLIGHTS

- Peel has an estimated \$12.3 billion of existing utility rate supported capital infrastructure.
- Long-term modeling of capital financing forecasts predict the need to immediately increase utility rates by a minimum of three percent annually to finance the expanding state-of-good-repair budget and mitigate against debt financing.
- There is much uncertainty and risk in the long-term forecast related to recent significant increases in construction prices.
- Reinforces the value of Corporate Asset Management initiative.

DISCUSSION

1. Background

In the fall of 2007 staff presented Council a perspective of the Region's tax supported capital financing needs. The report highlighted the need to significantly increase reserve contributions in order to continue to sustain both the state of the Region's capital infrastructure and its debt free status.

The 2007 report noted that details with respect to the utility rate program would come forward ahead of the 2009 budget process. This report presents a number of preliminary findings to be considered as part of Council's decision-making processes for the long-term sustainability of Peel's water and wastewater infrastructure. This report is one of several that will be brought forward over the next weeks with respect to the overall sustainability of Peel's capital financing:

- **Increasing capital construction price trends** – Broader market trends are having a significant impact on tender prices. An assessment of the increasing trends based

CAPITAL INFRASTRUCTURE RENEWAL - WATER/WASTEWATER PROGRAM

on discussions and feedback from staff contractors, developers and municipal peers is being prepared.

- **Update on the “One Percent” solution** – The strategy adopted by Council as part of the 2008 budget called for an annual one per cent tax increase over the next ten years for purposes of building up our capacity to sustain the tax supported state-of-good-repair program. This strategy is currently being reviewed in light of the recent \$67 million Provincial grant and the significant inflationary impacts of rising construction costs. Preliminary analysis suggests a continuing deterioration in our fiscal capacity to sustain the capital program despite the Provincial grant and the annual one percent tax increase.
- **Potential DC By-Law amendments** – The government announcements with respect to the joint Provincial/municipal review are anticipated to include some changes to the Development Charges Act (DCA) that may provide more capacity towards meeting Council’s objective of “growth pays for growth”. As well, recent tender awards suggest that the statutory cost index included in the DCA and Peel’s bylaw is continuing to fall well short of capturing our realized costs. While the 2009 Budget was originally scheduled to include a formal review of our development charge financing status, we may be required to go directly back to the public with a further update; after only eighteen months into our new by-law.

2. Water and Wastewater Capital Financing – Strategic Challenges

Over the last decade the Region of Peel has undergone extensive expansions to its water and wastewater infrastructure base. Coupled with all the new infrastructure is the fact that Peel has been proactive in replacing/rehabilitating its existing infrastructure base. The net result is a vast inventory of complex infrastructure worth approximately \$12.3 billion that is in a good state of condition. However, long-term planning and key early decisions are necessary to address many strategic challenges that lie ahead in maintaining the sustainability of the infrastructure at a cost Peel’s residents can afford and at a level of service our customers have come to expect:

- **Peel’s infrastructure continues to grow, age and become more complex** – Peel’s infrastructure needs will transition over the next 25 years from investing an additional \$5.5 billion (2008 dollars) in new infrastructure to meet growth needs to planning and investing in state-of-good-repair needs to maintain \$17.8 billion (2008 dollars) worth of infrastructure. Furthermore, the older infrastructure being replaced usually requires significant upgrades in terms of technology and materials to bring them up to current standards.
- **Many social, economic and environmental uncertainties** – These uncertainties include the costs of construction which are rapidly rising beyond the current average inflationary increases; greater avoidance of community and environmental disruptions using more expensive, less intrusive construction methods (e.g. tunneling rather than open cut construction); increasingly extensive regulations/measures to protect and reduce risk to the public’s water supply.
- **Residents are better informed and expect good services and value** – There is less customer tolerance for sudden rate increases without having demonstrated good rationale or due diligence of thorough planning. Furthermore, Peel’s residents have come to expect high quality, reliable services that they can afford.

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- **Aging Demographics** – The average age of our society is increasing, which means there will be less flexibility and ability by Peel's residents to afford sudden rate increases.

3. Improved Planning and Asset Management

Peel's infrastructure is a key component of the services we deliver. Sustaining our services at the levels our customers have come to expect requires that our infrastructure and financing remain sustainable. This is the driver behind the Corporate Asset Management initiative.

Our traditional approach in reviewing capital financing adequacy revolves around the ten year capital plan and ongoing infrastructure assessments. While this has proven itself adequate in the past, much longer range modeling is required to assess the more complex long-term challenges ahead and to mitigate against sudden and significant rate increases and/or major debt financing.

The key to improving infrastructure and reserve planning is more robust asset management. The objective of Peel's Corporate Asset Management initiative is to develop strategies to:

- standardize asset management practices across the organization
- assess the current and future state of Peel's assets and reserves
- prioritize infrastructure needs across the organization
- perform optimized infrastructure and financial planning
- maximize the performance of Peel's assets to meet required levels of service at the lowest overall costs

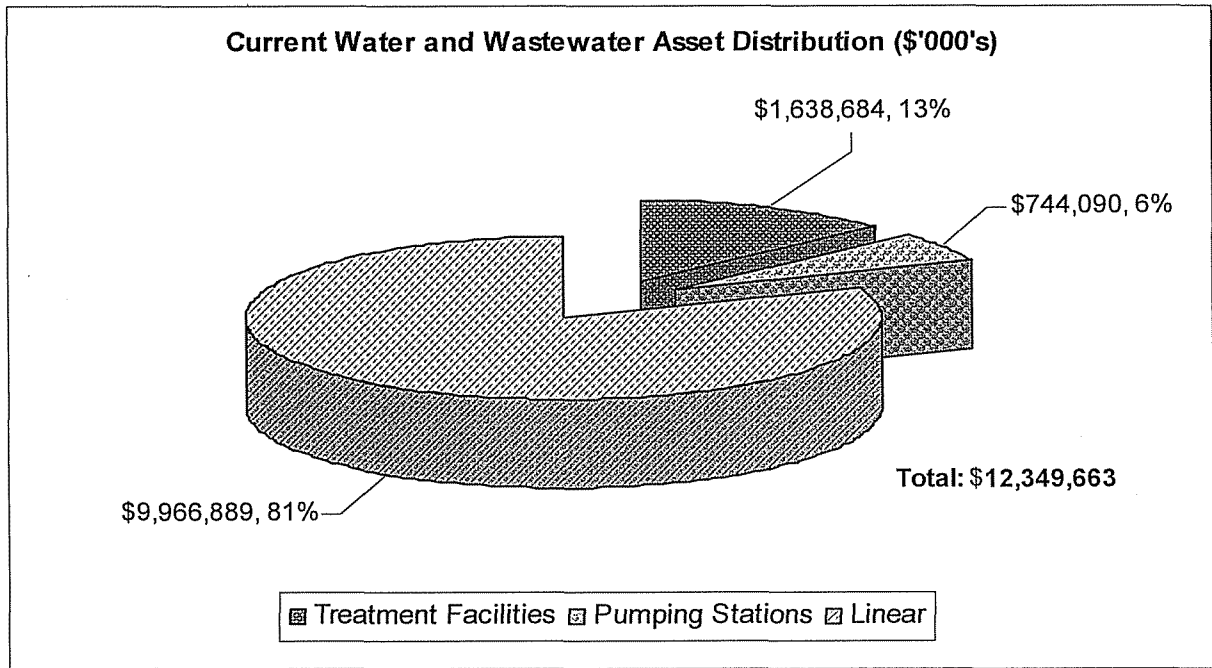
4. Analysis – Long-Range Capital Financing Needs

While Peel is several years away from having a comprehensive asset management system in place, staff have been able to capitalize on existing data and systems to develop a high-level preliminary view of the long-term capital financing needs necessary to maintain our existing and future water and wastewater assets in the condition they are today. Many variables exist and many options still need to be explored which can alter the long-range picture. Full exploration of all options will require additional tools, analyses and policy discussions developed through the Corporate Asset Management initiative.

a) Infrastructure Value – 2008

Our preliminary valuation of the replacement of our utility system is in the range of \$12.3 billion. As noted on the following chart, the linear assets (which are the most difficult to maintain and replace) represents the largest portion of our infrastructure investment.

CAPITAL INFRASTRUCTURE RENEWAL - WATER/WASTEWATER PROGRAM

**b) Infrastructure Value – 2031**

It is estimated that our system will require a further \$5.5 billion (2008 dollars) in future infrastructure investments primarily to meet forecasted growth in our customer base. While development funding is the key source of this investment, the replacement liability for the total \$17.8 billion (2008 dollars) worth of infrastructure will be the utility ratepayers' responsibility.

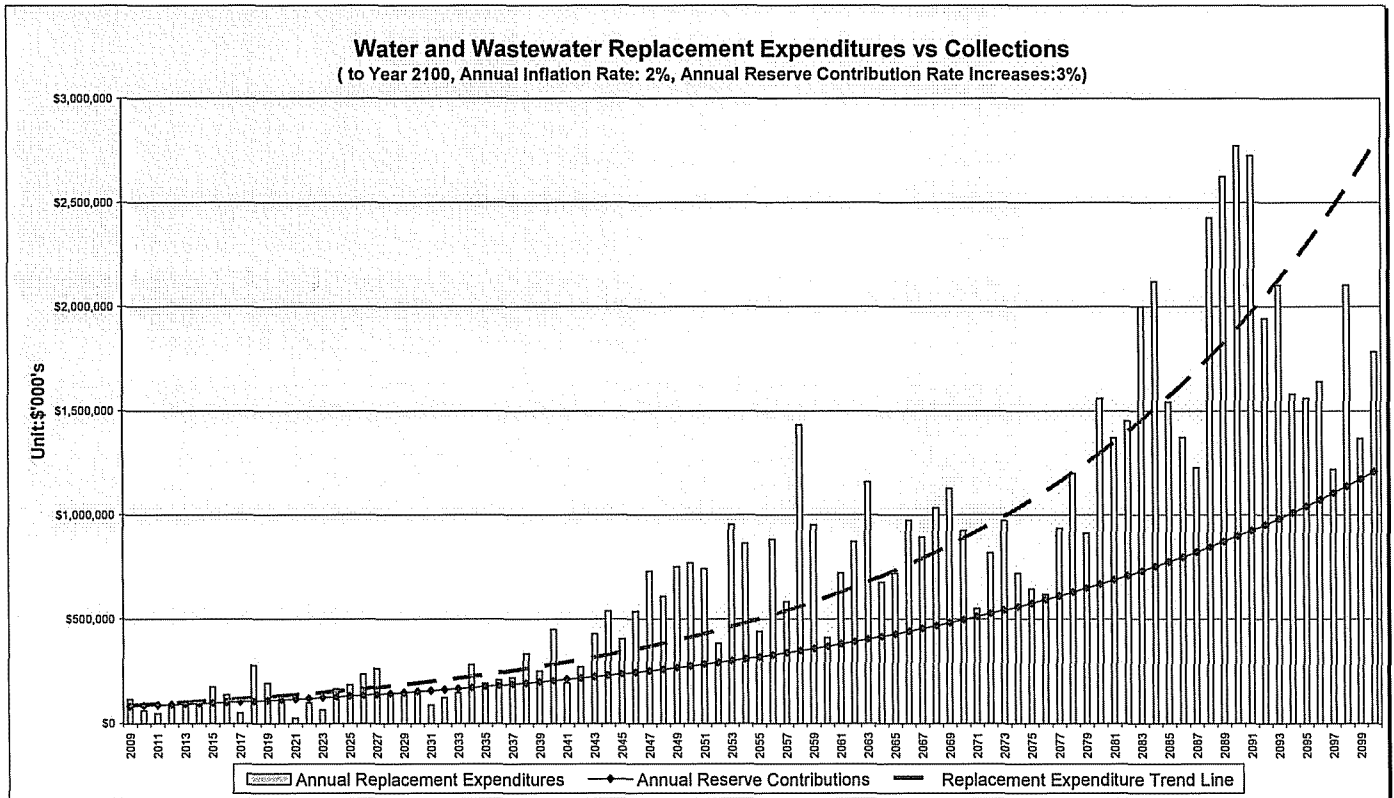
c) Impact of Construction Prices on Asset Valuation

The analysis reflects both growth of the system and the impact of rising construction costs to 2008. The result of our update is that the value of our system grew by over 50 percent in the last two and a half years. This factor alone has materially impacted the adequacy of our existing reserve contributions in sustaining our infrastructure needs and maintaining a debt free position.

d) Forecasted Utility Infrastructure Replacement Plan

The bars on following chart project the approximate level of funding required each year to sustain all of Peel's utility capital assets in a state-of-good-repair over the balance of this century. This forecast is based on assumptions of average life cycles experienced by our system components and reflects our first attempt at reviewing this critical issue from a longer strategic point of view. Many assumptions have been used that will require further analysis and refinements through the Corporate Asset Management initiative.

CAPITAL INFRASTRUCTURE RENEWAL - WATER/WASTEWATER PROGRAM

**e) Forecasted Rate Supported Capital Financing**

The upper dashed line indicates the overall trend in expenditures required to maintain the water and wastewater assets in a state-of-good-repair. A minimal two percent annual inflation rate has been applied to the annual expenditures. While a two percent rate does not come close to reflecting recent increases in construction price trends, it reflects a more standard rate of inflation for long-term analysis. The lower dotted line on the graph indicates the affects of an annual three percent rate increase to the reserves as compared to the projected expenditures. It is apparent that even with a minimal two percent annual inflation rate and a three percent annual rate increase, there is an increasing funding gap over the long-term.

The three percent rate was selected for several reasons:

- It serves as a reasonable starting point for rate increases.
- It draws awareness to the need for early transitioning of rate increases and demonstrates due diligence in avoiding sudden more dramatic increases in the future.
- Based on the preliminary nature of the analysis, the rate represents what can be confidently projected as a minimum of what is required to meet state-of-good repair needs.

CAPITAL INFRASTRUCTURE RENEWAL - WATER/WASTEWATER PROGRAM

- It will help to supplement financing needs for the interim until better assessments of our infrastructure needs can be made and financing and policy options can be further explored with Council.
- It allows room for the potential of additional financing from other levels of government.

5. Summary Observations and Next Steps

The analysis undertaken has identified a number of critical issues which we must address in our longer term business planning:

- Utility infrastructure requires a longer term focus than that provided within the existing ten year capital planning process.
- Existing reserve contributions need to be increased to reflect long-term challenges and recently experienced construction price increases.
- Emphasizes the value of the Corporate Asset Management initiative to improve financial and infrastructure planning and to further develop long-range funding strategies to ensure Peel's sustainability.

Therefore the next steps are proposed:

- The proposed three percent rate increase will be included as part of the targeted seven percent utility rate increase for 2009.
- Additional analysis of the long-term capital financing requirements will be carried out as part of the Corporate Asset Management initiative and additional information will be brought back to Council.

CONCLUSION

Peel's water and wastewater capital infrastructure is well maintained and relatively young, as compared to other major utility systems in North America, if not the world. Council's previous decisions have enabled these outcomes while maintaining a debt free status. The combined impacts of the expansion and natural ageing of the system, compounded by market pressures on the replacement costs will challenge future utility rate budgets. For now, a three percent rate increase will help to manage those challenges.

September 17, 2008

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CAPITAL INFRASTRUCTURE RENEWAL - WATER/WASTEWATER PROGRAM

Council's strategic focus in incorporating both asset management and long-term planning will continue to position this organization well for ensuring the long term sustainability of this essential public infrastructure.



Dan Labrecque
Acting Commissioner of Environment, Transportation
and Planning Services



Norma Trim
Acting Chief Financial Officer

Approved for Submission:



D. Szwarc. Chief Administrative Officer

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c. Legislative Services

REGIONAL MUNICIPALITY OF PEEL-Drinking Water System

Projected Statement of Financial Position

(All Dollars in \$000)

Note: This financial statement is part of the requirements by the Financial Plan Regulation (O.Regulation 435/07). The regulation recognizes that some financial information may be consolidated on a municipal level across numerous departments and it may be difficult for that information to be allocated to the drinking-water system. "N/A" below is left intentionally due to the fact that the financial system in Peel Region currently doesn't facilitate further breakdown.

	2011(E)	2012(E)	2013(E)	2014(E)	2015(E)	2016(E)
ASSETS						
Financial Assets						
Cash and Cash equivalents						
Account Receivables						
<i>Water Billings</i>				N/A*		
<i>User Fees</i>						
<i>Investment Income</i>						
Long-term Investment						
Gross Financial Assets						
LIABILITIES						
Account Payable						
Deferred Revenue-Development Charges				N/A*		
Employee Benefits and Other Liabilities						
Long-Term Debt						
Total Liabilities						
NET FINANCIAL ASSETS						
Non-Financial Assets						
Tangible Capital Assets	2,448,826	2,574,341	2,817,967	3,012,763	3,292,729	3,314,612
Inventory						
Prepaid Expenses				N/A*		
TOTAL NET ASSETS						

In 000s	2010(E)	2011(E)	2012(E)	2013(E)	2014(E)	2015(E)	2016(E)
CHANGES IN TANGIBLE CAPITAL ASSETS							
Opening Balance	2,348,841	2,437,603	2,448,826	2,574,341	2,817,967	3,012,763	3,292,729
<i>Addition</i>	135,534	56,007	173,229	294,370	244,287	331,641	66,941
<i>Donations</i>	-	-	-	-	-	-	-
<i>Write downs</i>	-	-	-	-	-	-	-
<i>Disposals</i>	-	-	-	-	-	-	-
<i>Depreciation Expense</i>	(46,772)	(44,784)	(47,715)	(50,743)	(49,491)	(51,675)	(45,057)
Ending Balance	2,437,603	2,448,826	2,574,341	2,817,967	3,012,763	3,292,729	3,314,612

Level of Details related to the replacement of lead service pipes

The new addition includes the amount set aside to replace aging infrastructure, including cast iron lead-joint watermain and associated services to the property line. However, the details of the amount directly to the replacement of lead service pipes are not further broken down.

REGIONAL MUNICIPALITY OF PEEL-Drinking Water System

Projected Statement of Changes in Financial Position

(All Dollars in \$000)

Note: This financial statement is part of the requirements by the Financial Plan Regulation (O.Regulation 435/07). The regulation recognizes that some financial information may be consolidated on a municipal level across numerous departments and it may be difficult for that information to be allocated to the drinking-water system. "N/A" below is left intentionally due to the fact that the financial system in Peel Region currently doesn't facilitate further breakdown.

	2011(E)	2012(E)	2013(E)	2014(E)	2015(E)	2016(E)
OPERATIONS						
Increase in Net Financial Resources						
Uses						
<i>Increase in Accounts Receivable</i>						
<i>Decrease in Accountable Payable</i>						N/A*
<i>Decrease in Deferred Revenue-Development Charges</i>						
<hr/>						
Sources						
<i>Decrease in Account Receivable</i>						
<i>Increase in Account Payable</i>						N/A*
<i>Increase in Employee Benefits and Other Liabilities</i>						
<hr/>						
Net Change in Cash from Operations						
<hr/>						
CAPITALS						
Increase in Net Tangible Capital Asset						
Uses						
<i>Cash to construct/acquire capital asset</i>						
Sources						N/A*
<i>Cash Proceeds from capital disposal</i>						
<hr/>						
Net Change in Cash from Capitals						
<hr/>						
INVESTMENTS						
(Increase) Decrease in Net Investment						N/A*
<hr/>						
FINANCING						
Increase/Decrease in Net Debt						N/A*
<hr/>						
Net Change in Cash and Cash Equivalents						
Opening Cash and Cash Equivalents						N/A*
<hr/>						
Closing Cash and Cash Equivalents						
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REGIONAL MUNICIPALITY OF PEEL-Drinking Water System*Projected Statement of Financial Activities*

(All Dollars in \$000)

Note: This financial statement is part of the requirements by the Financial Plan Regulation (O.Regulation 435/07). The regulation recognizes that some financial information may be consolidated on a municipal level across numerous departments and it may be difficult for that information to be allocated to the drinking-water system. "N/A" below is left intentionally due to the fact that the financial system in Peel Region currently doesn't facilitate further breakdown.

	2011(E)	2012(E)	2013(E)	2014(E)	2015(E)	2016(E)
REVENUES						
Water Billings (Peel +York)	(139,415)	(143,117)	(146,859)	(150,679)	(154,586)	(158,585)
User Fees	(1,106)	(1,139)	(1,174)	(1,209)	(1,245)	(1,282)
Total Revenue	(140,521)	(144,256)	(148,033)	(151,888)	(155,831)	(159,867)
EXPENDITURES						
Operating Expenditures	81,686	83,657	85,615	87,598	89,612	91,662
Reserve Contributions	58,834	60,600	62,418	64,290	66,219	68,205
Interest Expenditures	-	-	-	-	-	-
Other Expenditures	-	-	-	-	-	-
Total Expenditures before Amortization	140,521	144,256	148,033	151,888	155,831	159,867
ANNUAL SURPLUS/DEFICIT BEFORE AMORTIZATION						
Accumulated Surplus/Deficit before Amortization	-	-	-	-	-	-
Annual Amortization Expenses	44,784	47,715	50,743	49,491	51,675	45,057