

DRAFT REPORT

PREPARED BY HEMSON FOR THE TOWNSHIP OF PERTH SOUTH

ASSET MANAGEMENT PLAN

June 30, 2026



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CONTENTS

EXECUTIVE SUMMARY	1
1. INTRODUCTION	4
A. Purpose of the Asset Management Plan	4
B. Regulatory Context	5
C. Asset Management Plan Structure	7
2. STATE OF LOCAL INFRASTRUCTURE	8
A. Replacement Cost of Infrastructure	8
B. Remaining Useful Life of the Infrastructure	9
C. Condition of the Infrastructure	10
3. LEVEL OF SERVICE	15
A. The Township's Level of Service Goals	15
B. Customer Levels of Service (CLOS)	15
C. Technical Levels of Service (TLOS)	16
D. Overview of the Township's Level of Service	16
4. ASSET MANAGEMENT STRATEGY	24
A. Overview of Full LifeCycle Cost Model	24
B. Lifecycle Costs for Tax Funded Services	25
C. Lifecycle Costs for Rate-Supported Assets	29
D. Risk Analysis	31
E. Managing Risk	33
F. Future Demand	34
G. Climate Change Integration	34
5. FINANCING STRATEGY	38
A. Analysis of Available Revenues	38
B. Benchmark Infrastructure Funding Gap for Tax-Supported Assets	40
C. Proposed Level of Service Infrastructure Funding Gap for Tax-Supported Assets	41
D. Funding Gap for Rate-Supported Assets	42
E. Financing Strategies and the Relationship to the Proposed Level of Service	44

6.	MONITORING AND IMPROVEMENT PLAN	46
A.	Asset Management Maturity Assessment	46
B.	Improvement Plan	48
APPENDIX A		51
APPENDIX B		6
APPENDIX C		62

EXECUTIVE SUMMARY

The Asset Management Plan (2026 AMP) has been developed to be consistent with the requirements of *Ontario Regulation 588/17 Asset Management Planning for Municipal Infrastructure* (O Reg. 588/17) and meet the 2025 proposed level of service requirements. This 2026 AMP includes current level of service measures for all core and non-core infrastructure assets and defines proposed levels of service over a ten-year period. A summary of the key results is noted below along with relevant reporting outputs provided in the summary dashboard. Note that all figures are in constant 2025 dollars.

- The Township's infrastructure has an estimated replacement value of \$401.3 million. The largest share is roads and related and accounts for about \$272.6 million (68%). The next highest share is bridges and culverts at \$93.7 million (23%), followed by buildings at \$23.6 million (6%). The remaining asset categories, including machinery and equipment, sidewalks, vehicles, land improvements, and water systems—collectively account for \$11.4 million (3%).
- About \$135.4 million (34%) of the assets are in Good to Very Good condition, while \$101.2 million (25%) of the assets are in Fair condition. The remaining \$164.7 million (41%) in Poor to Very Poor condition are largely related to roads and buildings.
- The proposed level of service is generally set to maintain the current level of service over the next 2025-2035 period.
 - Paved roads on average have a Surface Condition Rating of 8.3 out of 10 with the proposed level of service to maintain this level. Unpaved roads have an average Surface Condition rating of 7.2 with ongoing gravel road maintenance to maintain this average.
 - Currently, one bridge (3% of all bridges and culverts) in the Township has load restriction. The current average BCI for bridges is 63 (out of 100). For structural culverts, the average BCI is 72. Bridges and culverts are proposed to be maintained at a their current BCI or higher.
 - For water infrastructure, the number of connection days per year where a boil water advisory is in place compared to the total number of properties connected to the municipal water system is 1.32%. The number of connection days due to water main breaks compared to the total number of properties connected to the municipal

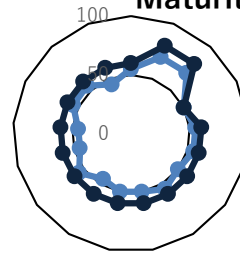
water system is also 0. The target for these two levels of service measures is to maintain the current performance over the 2025-2035 period.

- All other asset categories are proposed to be maintained at their current level of service or better.
- For tax-supported assets, the total 2025-2035 lifecycle costs to meet proposed levels of service amount to \$51.1 million (an average of \$4.6 million per year). To meet the proposed levels of service, the Township would be required to increase capital spending by about \$177,800 per annum (plus inflation) from the current 2025 tax levy of \$4.8 million.
- For rate-supported assets, the total 2025-2035 lifecycle costs to meet proposed levels of service amount to \$1.6 million (an average of \$149,900 per year). To meet the proposed levels of service, the Township would be required to increase its rate requirement by about \$4,500 per annum (plus inflation) from the current 2025 rate supported capital spending of \$13,600, translating to annual rate increases of about 3.8% over 2025-2035 period.
- Monitoring of the funding gap will need to continue going forward to ensure that funding levels remain sufficient to meet level of service objectives.

Summary of 2025 Asset Management Plan



Maturity Assessment



76/100

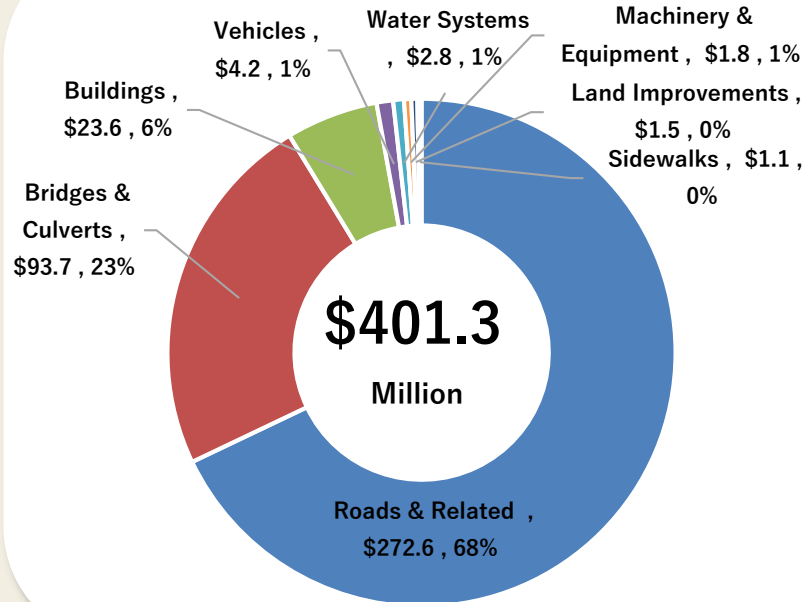
— Current Score
— Target Score

Total 10-Year Need to Meet PLOS

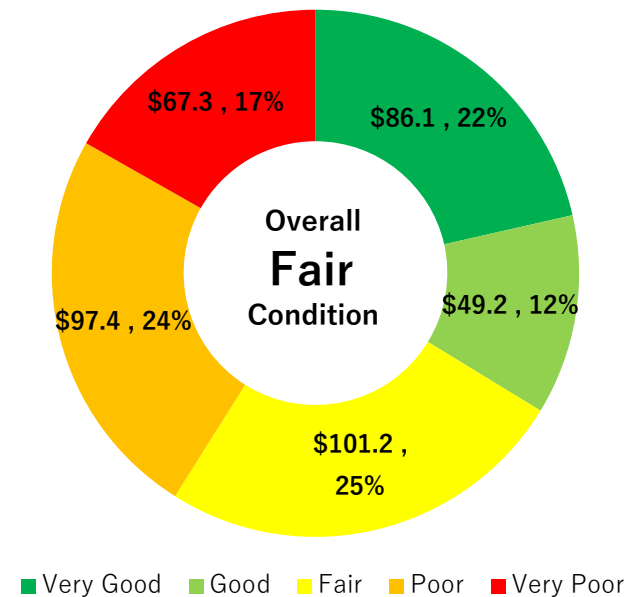
TAX
\$51.1
Million

RATE
\$1.6
Million

Summary of Total Replacement Value (\$M)



Summary of Asset Condition (\$Millions)



1. INTRODUCTION

The Township of Perth South's 2026 Asset Management Plan (2026 AMP) provides the Township with a tool to assist in asset management financing decisions. The AMP covers all Township owned and operated assets and follows the format set out by the Ministry of Infrastructure through the *Building Together: Guide for Municipal Asset Management Plans*, the requirements of *Ontario Regulation 588/17 Asset Management Planning for Municipal Infrastructure* and the Township's Strategic Asset Management Policy.

An Excel based asset management financial model has been developed as part of the 2026 AMP. The model contains the Township's detailed asset inventory and financing strategy used to develop this AMP. The model is provided to municipal staff and is intended to be updated on a regular basis to inform future capital investment decisions.

A. PURPOSE OF THE ASSET MANAGEMENT PLAN

The main purpose of the 2026 AMP is to advance the Township's asset management practices by developing a set of asset management strategies to the specific needs of each service area. At the same time, these strategies align with the objectives of the requirements of O. Reg. 588/17. This plan is focused on achieving several key objectives:

- **Ensuring Long-Term Sustainability** – management of Township assets is a long-term commitment that must be sustainable to ensure effective service delivery for future generations.
- **Lowest Cost of Ownership** – long-term sustainability is only possible by ensuring costs are minimized through efficient management of assets by developing service area and asset specific objectives.
- **Minimizing Risk** – risk is minimized through the assessment, management and long-term planning of assets at more focused levels and through consultation with service area staff.
- **Enhancing Service Delivery** – the Township strives for continual improvement in its asset management strategies as outlined in the Strategic Asset Management Policy and therefore tailored approaches to assessing long-term needs unique to each asset category is captured through this AMP.

- **Supporting Informed Decision-Making** – development of a set of asset management tools that help the decision-making process make evidence-based decisions. The Excel based financial model can be used to continually keep asset information up to date.

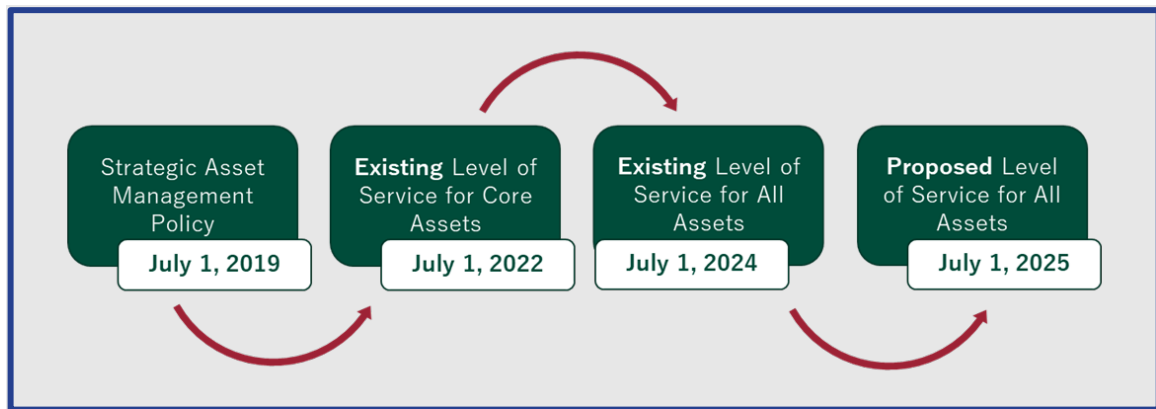
By following the key objectives above, the AMP establishes a “clear line of sight” from the service being provided to residents and businesses in the Township. Any investment requirements included in the AMP are clearly linked to a well-defined need. These needs over the 2025-2035 period are set to meet the proposed level of service, which in the case of Perth South, is largely related to maintaining or exceeding the current levels of service. Furthermore, the needs should be aligned with strategic objectives through capital and operating decisions made in the budget process.

B. REGULATORY CONTEXT

In 2015, the Province of Ontario passed the *Infrastructure for Jobs and Prosperity Act*. The purpose of this Act is to establish mechanisms to encourage principled, evidence-based and strategic long-term infrastructure planning that supports job creation and training opportunities, economic growth, protection of the environment, and incorporate design excellence into infrastructure planning.

In December 2017, *Ontario Regulation 588/17 Asset Management Planning for Municipal Infrastructure* was passed under the *Infrastructure for Jobs and Prosperity Act*. The regulation requires municipalities to develop a Strategic Asset Management Policy, which will help municipalities document the relationship between their Asset Management Plan and existing policies and practices as well as provide guidance for future capital investment decisions. The regulation also contains more specific requirements on the type of analysis municipal asset management plans should contain, including policies, levels of service, lifecycle management and financing strategies. The aim is to provide guidance to municipalities so that asset management plans are more consistent across the Province. Furthermore, in March 2021 the Province amended the regulation to extend the regulatory timelines by one year. A summary timeline of the requirements of the regulation is outlined in Figure 1.

Figure 1 – Ontario Regulation 588/17 Requirements



A high-level summary of the technical requirements to be addressed for July 1, 2025 include¹:

- An AMP for all municipal infrastructure assets that builds upon the previous requirements for all asset categories (core and non-core).
- Identification of the proposed levels of service for each of the next 10-years (core and non-core).
- The lifecycle activities required to meet proposed levels of service.
- The risks associated with the lifecycle activities to meet proposed levels of service and their associated costs.

The 2026 AMP meets the requirements of the regulation as it includes the proposed levels of service requirement to meet the 2025 deadline for all assets considered in this AMP. The 2026 AMP builds on the work completed in the Township's 2022 Asset Management Plan which included all asset categories (core and non-core) and reported on the current level of service. Through this update, the Township has updated the current level of service utilizing more recent engineering reports, updated inventories and datasets.

¹ There are additional requirements of the regulation not explicitly stated here, however this AMP meets all requirements needed. Only the most relevant reporting requirements are listed for simplicity. See

<https://www.ontario.ca/laws/regulation/r17588#BK7>.

C. ASSET MANAGEMENT PLAN STRUCTURE

The 2026 AMP is developed to be consistent with the structure recommended through the *2013 Building Together: Guide for Municipal Asset Management Plans*. At the same time, it has been developed to meet the requirements of O Reg. 588/17. Table 1 provides a guide to the sections of the 2026 AMP.

Table 1 – AMP Report Structure

Section	Requirement
Main Body	
Section 2 - State of Local Infrastructure	Summarizes the state of the Township's infrastructure with reference to infrastructure quantity and quality. Additional details are provided in Appendix A.
Section 3 - Level of Service	A summary of the current and proposed levels of service summarized for each asset category. This section is consistent with the reporting requirements of O. Reg. 588/17.
Section 4 - Asset Management Strategy	Sets out several strategies and lifecycle costs that will assist the Township in maintaining assets so that proposed levels of service can be met. This section also includes a risk analysis of Township assets.
Section 5 - Financing Strategy	Establishes how asset management can be delivered in a financially sustainable way for all services. Outlines the lifecycle costs and funding strategy to meet proposed levels of service. Additional detailed calculations are provided in Appendix B.
Section 6 – Monitoring and Improvement Plan	Provides key recommendations on how to improve the asset management plan and related practices over the long-term.
Appendices	
Appendix A – State of Local Infrastructure Report Cards	Detailed reports on the state of local infrastructure by asset category including the asset portfolio, replacement values, age and condition.
Appendix B – Levels of Service Tracker	Detailed table of all customer, technical, current, and proposed levels of service for all asset categories and service areas.
Appendix C – Detailed Financing Strategy Tables	Additional detailed tables related to the lifecycle cost and financing strategy.

2. STATE OF LOCAL INFRASTRUCTURE

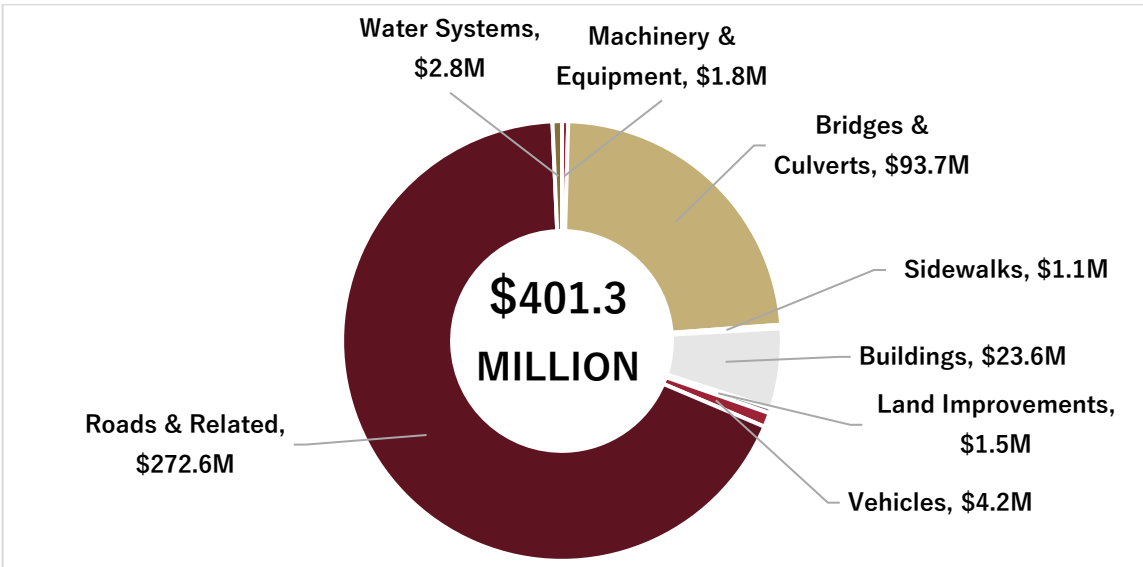
This section provides a summary of Township assets with reference to asset quantity and quality. Most assets have condition assessments based on engineering inspections, while the balance of asset conditions are based on the useful life of the asset relative to its age or a high-level condition assessment developed in consultation with Township staff. Detailed technical information on the asset inventory, remaining useful life and conditions for each asset category is provided in Appendix A.

A. REPLACEMENT COST OF INFRASTRUCTURE

The replacement cost for all Township assets considered in the 2026 AMP is estimated at approximately \$401.3 million (2025 dollars) based on the values presented in the table.

Roads and related infrastructure represent the largest share of this asset group, with an estimated replacement value of \$272.6 million, accounting for approximately 68% of the total value shown. Bridges and culverts comprise the second-largest asset category, with a replacement value of \$93.7 million (approximately 23%). Buildings represent \$23.6 million (approximately 6%) of the total, while vehicles account for \$4.2 million (approximately 1%). The remaining asset categories make up a relatively small portion of the portfolio, including water systems at \$2.8 million, machinery and equipment at \$1.8 million, land improvements at \$1.5 million, and sidewalks at \$1.1 million, each representing less than 1% of the total replacement value.

Figure 2 - Summary of Assets by Total Replacement Value (\$2025 millions)



Replacement values are used to estimate the cost of replacing an asset when it reaches the end of its engineered design life. For this reason, the replacement values represent an important input into the lifecycle cost analysis. The total replacement cost of assets of \$401.3 million has been determined utilizing different methods that are appropriate for each asset category and dependent on data available at the time of developing this AMP.

Table 2 – Methodology Used for Replacement Values

Asset Category	Methodology
Roads	▪ Based on replacement costs per kilometer of road section provided in the 2023 Roads Management Study, inflated to 2025 dollars based on average NRBCPI.
Bridges & Culverts	▪ Based on 2023 OSIM Report replacement values adjusted to 2025 dollars based on NRBCPI.
Buildings	▪ Replacement cost as detailed in the 2025 Building Condition Assessment Report
Vehicles	▪ Replacement cost provided by staff (reflecting true acquisition cost in 2025 dollars)
Sidewalks	▪ Cost per square meter of sidewalk provided in the 2023 Road Management Study
All Remaining Asset Categories	▪ Based on combined approach of using Township inventories from AM software, inflating historical costs to 2025 dollars.

B. REMAINING USEFUL LIFE OF THE INFRASTRUCTURE

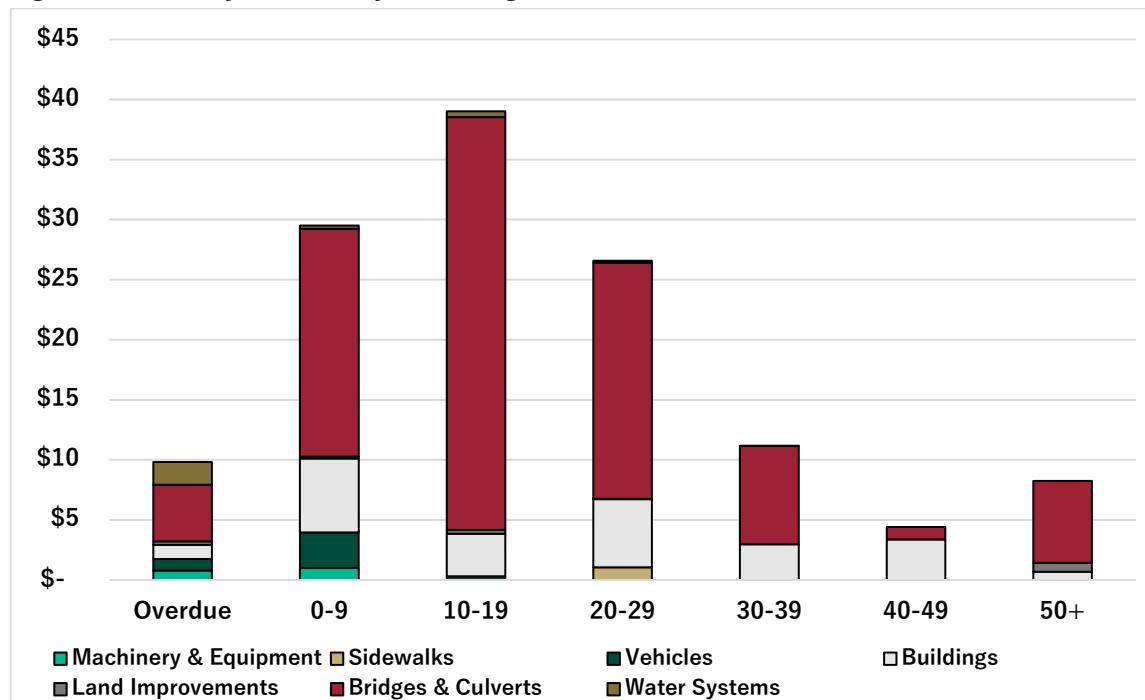
Figure 3 provides a summary of the Township assets included in the remaining useful life analysis by replacement value and age. Based on the available data (excluding Roads and Related assets, which were not provided), approximately \$128.7 million in assets are included in this analysis.

Of this total, about \$8.2 million (6%) has greater than 50 years of remaining useful life. Assets with 10 to 49 years of remaining useful life represent the largest share, totaling approximately \$81.1 million (63%). Infrastructure with 0 to 9 years of remaining useful life accounts for about \$29.5 million (23%), indicating a significant portion of assets approaching the end of their service life.

The remaining \$9.8 million (approximately 8%) of assets is considered overdue and past its design life, representing a backlog of renewal needs. A significant portion of these overdue assets relates to bridges and culverts, which account for approximately \$4.7 million of the overdue total, highlighting a key area of risk and priority for future capital planning. Although

these assets are considered past their design life, their condition continues to be monitored through OSIM reporting and are maintained regularly and in fair condition overall.

Figure 3 - Summary of Assets by Remaining Useful Life (\$2025)



C. CONDITION OF THE INFRASTRUCTURE

Consistent with the Canadian National Infrastructure Report Card, as well as other major organization and institution reporting formats, a five-point rating scale was used to assign a condition to all assets. This methodology provides a standard and easy to understand way of reporting on the condition of assets. Table 3 summarizes the assumed parameters.

Table 3 - Condition Assessment Parameters

Condition Rating	Definition
Very Good	Well maintained, good condition, new or recently rehabilitated asset.
Good	Good condition, few elements exhibit existing deficiencies.
Fair	Some elements exhibit significant deficiencies. Asset requires attention.
Poor	A large portion of the system exhibits significant deficiencies. Asset mostly below standard and approaching end of service life.
Very Poor	Widespread signs of deterioration, some assets may be unusable. Service is affected.

Assets were categorized in the 5-tier rating system on an asset-by-asset basis. Three approaches have been utilized for the assets considered in this AMP. The approaches for each of these methods is outlined.

1. Engineered Conditions

Condition rating systems based on engineered and professional standards. These measures can then be translated into a 5-tier rating system. The Township aims to continually update the asset inventory to reflect changes in conditions or when assets are replaced.

- Condition assessments for roads are based on the engineered assessments developed through the 2023 Roads Management Study. This study rates the roads utilizing a 10-point scale for surface condition. The condition of the roads has been translated to the 5-point scale based on the scale in Table 4.

Table 4 – Road Surface Condition Parameters

Condition Rating	Surface Condition Range
Very Good	9-10
Good	8-9
Fair	7-8
Poor	6-7
Very Poor	Less than 6

- Condition assessments for bridges and culverts are based on the engineered assessments developed through the 2023 OSIM report (Ontario Structure Inspection Manual). The OSIM report rates the culverts utilizing a 100-point Bridge Condition Index scale (BCI). The condition of the culverts has been translated to the 4-point scale based on the scale in Table 5 below. Note, the OSIM Report used for this report does not delineate between Poor and Very Poor bridges. All BCI's less than 40 are reported in Poor Condition and therefore this report categorizes them in a similar way.

Table 5 – Culvert Condition Parameters

Condition Rating	BCI Range
Very Good	90 - 100
Good	70 - 89
Fair	40 - 69
Poor	0 - 40

2. Age Based Approach

For some asset types where the Township was not able to provide a condition assessment based on existing knowledge or inspection, the condition is estimated based on age and the remaining useful life of the asset. It is the intention that the Township move towards a condition assessment methodology using approach 1 and 2 wherever possible. The age-based condition methodology is more appropriate for lower valued assets that have a shorter useful life. Table 6 shows the methodology where the condition is assigned based on the remaining useful life of the assets.

Table 6 – Age Based Condition Parameters

Condition Rating	Percentage of Remaining Useful
Very Good	80% - 100%
Good	60% - 80%
Fair	40% - 60%
Poor	20% - 40%
Very Poor	Less than 20%

Summary of the Condition of Assets

Figure 4 summarizes the condition of Township assets which are determined to be in Fair condition on average. Overall, about \$135.4 million (34%) of the assets are in Good to Very Good condition, while \$101.2 million (25%) of the assets are in Fair condition. The remaining \$164.7 million (41%) in Poor to Very Poor condition are largely related to roads and buildings.

Figure 4 - Summary of Asset Condition (\$2025)

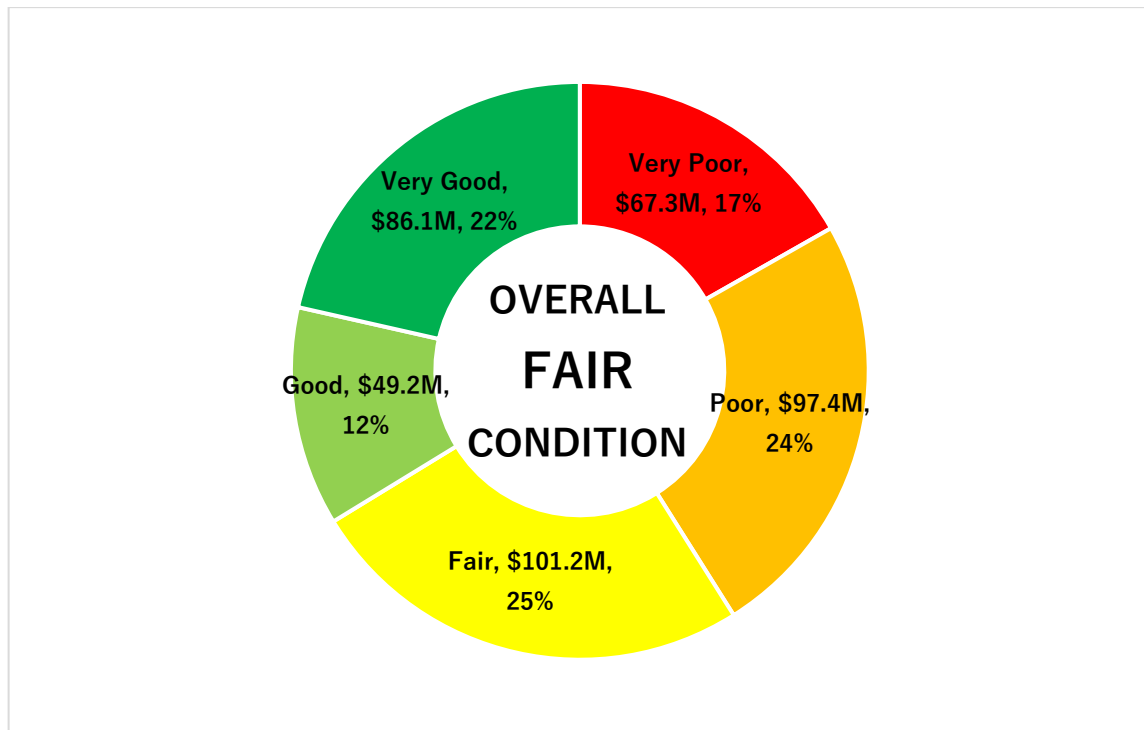


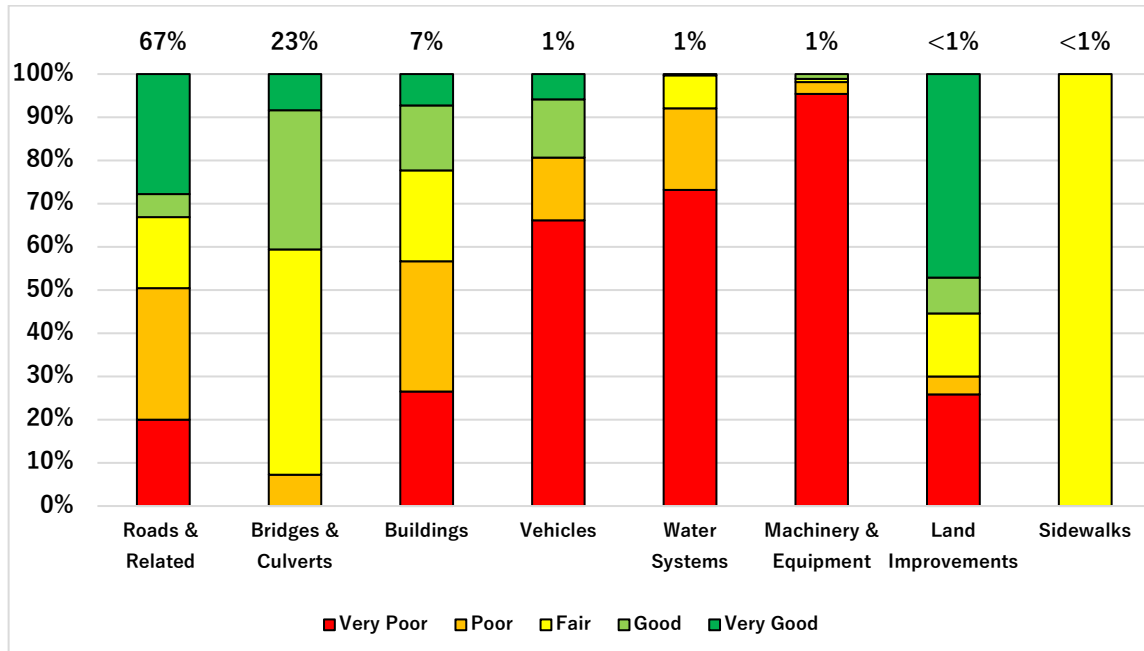
Figure 5 shows the condition of assets delineated by each asset category. Figure 5 shows the following for assets with larger shares in Poor or Very Poor condition:

- Roads and Related Infrastructure represent the largest asset category and are generally in Good condition overall. Approximately \$137.5 million (50%) of roads and related assets are in Poor to Very Poor condition, while about \$44.9 million (17%) are in Fair condition. The remaining \$90.2 million (33%) are in Good to Very Good condition.
- Bridges and Culverts are generally in Fair condition, with approximately \$48.9 million (52%) of assets falling within this category. About \$6.8 million (7%) are in Poor condition, while the remaining \$38.0 million (41%) are in Good to Very Good condition.
- Water Systems are in Very Poor condition overall, with approximately \$2.6 million (92%) of assets rated Poor or Very Poor. About \$0.2 million (8%) are in Fair condition, with only a negligible portion in Good condition. The condition for these assets was determined based on age, and the Poor overall condition of these assets reflects the fact that many of them have run beyond their useful lives.
- Vehicles are predominantly in Poor to Very Poor condition, with approximately \$3.4 million (81%) falling within these categories. The remaining \$0.8 million (19%) are in

Good to Very Good condition, with no assets rated Fair, indicating a polarized condition distribution.

- Machinery and Equipment have the largest proportional share of assets in Very Poor condition, with approximately \$1.7 million (95%) rated Very Poor. However, this category accounts for only about 1% of the Township's total replacement value (\$401.3 million) and therefore does not materially affect the overall asset condition profile.
- For buildings, approximately \$12.3 million (52%) fall within Poor to Very Poor condition, while \$5.9 million (25%) are in Fair condition, and \$5.4 million (23%) are in Good or Very Good condition.

Figure 5 - Summary of Asset Condition by Asset Category



Note 1: The percentages above the bars represent the shares of replacement value relative to the total replacement value of Township assets at \$401.3 million.

Note 2: OSIM scale for bridges does not have a very poor category, therefore, the illustration for bridges only illustrates the poor category.

Note 3: Condition ratings for Vehicles, Water Systems, Machinery & Equipment, and Land Improvements are based on the age and useful life of each asset

3. LEVEL OF SERVICE

Levels of service (LOS) describe the outputs or objectives the Township intends to deliver to its residents, which includes measures from a customer, technical and community perspective. LOS provides a description of a particular activity or asset metric where performance may be measured to benchmark the current state and set targets to ensure resident's needs are met.

Levels of service measure how well the Township is meeting business needs, and this information can be utilized as key drivers to inform future investment decisions. Having well-defined service levels will allow the Township to be transparent with its stakeholders to find the appropriate balance between affordability and service expectations.

A. THE TOWNSHIP'S LEVEL OF SERVICE GOALS

The LOS Framework helps support and achieve key asset management goals:

- Develop and continuously improve asset management related documentation to provide evidence-based level of service linkages between the customer and technical levels with integration directly into service-based activities as it relates to both the operational and capital expenditures. This objective is achieved through development of the AMP financial model, and the Township expects to continue to make improvements to its available asset data over the longer-term.
- Develop a clear relationship between the level of service and the costs associated to meeting level of service objectives by integrating the AMP LOS framework into the budget process. This integration is expected to be achieved over the longer-term however, the financing strategy makes recommendations on the financial needs to meet the proposed level of service which can be utilized to help inform the budget process.
- Meet the requirements of O. Reg. 588/17 for 2025 to define the proposed level of service, identify costs to meet the proposed level of service and identify any risks of not meeting these targets.

B. CUSTOMER LEVELS OF SERVICE

Customer Levels of Service (CLOS) are specific parameters that describe the extent and quality of services that the Township provides to residents from the resident's perspective. CLOS is comprised of qualitative measures such as the description of assets or the related

service provided. CLOS can be evaluated through an understanding of the wants and needs of residents while understanding the assets the Township owns and operates. The CLOS are documented as high-level qualitative statements that capture these characteristics. For the purposes of meeting O. Reg. 588/17 requirements, the Community Levels of Service (outlined in the regulation) are also included under the CLOS.

C. TECHNICAL LEVELS OF SERVICE

Technical Levels of Service (TLOS) are specific parameters that measure asset performance. TLOS is comprised of quantitative measures such as asset age, condition or service performance. Part of the TLOS is to consider both the individual asset capability and how the assets are scheduled to be utilized as part of a system of service delivery. These measures are developed through a review of the Township's asset data, engineering reports and in consultation with staff.

The technical levels of service have been defined to meet the following criteria:

- TLOS measures are relevant to the operation of Township services
- TLOS are feasible to track and the data to inform the technical measures are readily available or will be tracked for future iterations of the AMP
- TLOS are developed recognizing the public as the main driver of service, they are designed to track internal asset specific performance, but the resulting quality of service will continue to be based on public input

TLOS measures are crucial for tracking levels of service as they provide quantifiable measures to evaluate the effectiveness and efficiency of service delivery. By systematically monitoring these measures, the Township can assess whether service standards are being met, identify areas for improvement, and allocate resources effectively. An iterative staff consultation process facilitated the development of an internal tracking tool to capture the necessary data for calculating current and proposed levels of service, while monitoring future trends.

D. OVERVIEW OF THE TOWNSHIP'S LEVEL OF SERVICE

The Township's 2022 Asset Management Plan was prepared for all Township infrastructure assets under the "current level of service" framework as required by O. Reg. 588/17. The Township defined its current levels of service in accordance with qualitative and technical metrics that have been established through the regulation and in consultation with staff. In

general, the measures were derived from data collected in 2022, and the process ensured that the current level of service accurately reflected the performance and condition of infrastructure assets given the available data at the time.

Current Level of Service

For the purposes of this 2026 Asset Management Plan, the customer and technical level of service reporting measures remain generally consistent with those established through the 2022 process, with some changes to the structure for legibility, and a few additional measures included for the non-core asset categories. The “current” baseline data has been updated with information that has been made available since 2022. Furthermore, improvements have been made to streamline the measures to focus in areas that are relevant and useful for service level monitoring and meeting the regulatory reporting requirements.

Proposed Level of Service

O. Reg 588/17 requires municipalities to define its proposed levels of service by July 1st, 2025. These proposed levels of service (PLOS) are intended to provide the Township with a measurable future target state for the services it provides. The proposed level of service focuses on asset specific measures that capture the performance of infrastructure which forms part of the services provided by the Township. Best efforts have been made to maintain the focus of the proposed level of service to infrastructure assets that support the service rather than the overall services provided by any specific service area. However, it is noted that in general the proposed level of service outlined in this AMP are required to continue to provide the overall level of service objectives of the Township.

For every level of service that the Township measures, a corresponding set of PLOS measures have been developed. Consultation with Township staff was conducted to develop the proposed levels of service based on the needs of the community, existing data and assessing their appropriateness for the Township. Overall, the proposed levels of service outlined in this report have been carefully evaluated based on the following criteria:

- **Options & Associated Risk** - Staff assess various options for the proposed levels of service and analyze the risks associated with each option to the long-term sustainability of the Township. This assessment considers factors such as service quality, operational efficiency, and financial sustainability.
- **Differences from Current Levels of Service** – The analysis looks at a comparison of the proposed levels of service with the current levels to identify areas where adjustments or enhancements are necessary. While some proposed levels of service may mirror the

current levels outlined in this AMP, adjustments or enhancements to the current procedures may still be necessary to ensure alignment with longer-term goals.

- **Achievability** - The feasibility of achieving the proposed levels of service considering factors such as available resources, technological capabilities, and operational constraints have been evaluated. Efforts have been made to ensure that the proposed targets are realistic and attainable within the Township's operational capacity. Notwithstanding the Township's intended ability to achieve the targets, it is expected that the proposed levels of service continue to be reviewed and monitored - further adjustments may be warranted moving forward.
- **Affordability** - The affordability of the proposed levels of service is assessed as part of the budget process to ensure alignment with available financial resources and fiscal capacity. This process inherently involves review and approval by Council and the organization, with affordability considerations integrated into budgetary decisions.

Summary of the Level of Service

Table 7 summarizes the customer levels of service for the core assets only while Table 8 shows the technical levels of service as required by O. Reg. 588/17. A detailed version of the LOS table can be found in Appendix B which includes the customer, technical, current, and proposed LOS for all assets and service areas. Table 8 shows the following:

- Local road lane kilometres as a proportion of the Township's land area is about 1.44. The number of lane kilometres of collector roads as a proportion of the Township's land area is 0.03. The Township does not maintain any arterial roads. The proposed level of service for both these measures is to maintain the current level of service as the Township does not expect to construct new roads for the foreseeable future.
- Paved roads in the Township are on average in Good condition with an average Surface Condition Rating of 8.3 out of 10. This information is based on the Township's 2023 Roads Management Study. The proposed level of service is to maintain the current average.
- Unpaved roads are in Fair condition with an average Surface Condition Rating of 7.2. This information is based on the Township's 2023 Roads Management Study. The proposed level of service is to maintain a minimum of the current condition. The PCI for unpaved roads is expected to fluctuate on an ongoing basis as gravel roads conditions will vary from year to year largely due to weather conditions. However, the Township's roads work recommendations from the 2023 Roads Management Study would ensure

that these fluctuations in conditions can be managed and the cost implications of achieving this target are included in the financing strategy section of this report.

- Township bridges are on average in Fair condition (63 BCI) with one structure currently having a loading or dimensional restriction. Township culverts are in Good condition on average (72 BCI). The Township aims to maintain its bridges and culverts in Fair condition or better and aims to continue to perform legislated inspections every two years.
- Township of Perth South owns two separate drinking water systems, the St. Pauls Water System and the Sebringville Water System. These systems supply water to about 43 users and 33 users respectively. For water infrastructure, only about 5.2% of properties are connected to the municipal water system. Fire flow is available at less the 1% of properties in the Township. The number of connection days per year where a boil water advisory is in place compared to the total number of properties connected to the municipal water system is estimated to be 1.32%. The number of connection days due to a water main breaks compared to the total number of properties connected to the municipal water system is 0. The target for these levels of service measures is proposed to be maintained at the current performance (or better) over the 2025-2035 period.
- While Table 8 provides a snapshot of the technical levels of service as required by the O. Reg. 588/17, additional measures developed through staff consultation for core assets can be found in the full LOS table in Appendix B.
- The levels of service for the non-core asset categories, as outlined in Appendix B, were developed in collaboration with staff and are based on high-level average condition assessments for these assets. Where information was not available, the age of the assets was used. The proposed level of service is to either maintain or exceed the current level of service.

Table 7 – Customer Levels of Service

Asset Category	Customer LOS	Community Level of Service	
Roads	Maintain safe and reliable roads and to meet reporting requirements of O. Reg. 588/17.	1. Description, which may include maps, of the road network in the Township and its level of connectivity.	The Township's 2023 Roads Management Study provides maps of its road network under different classifications in Appendix B.
		2. Description or images that illustrate the different levels of road class pavement condition.	The Township's 2023 Roads Management Study provides a map of its road network by roads class.
Bridges and Culverts	Maintain safe and reliable culverts and to meet reporting requirements of O. Reg. 588/17	1. Description of the traffic that is supported by municipal bridges (e.g., heavy transport vehicles, motor vehicles, emergency vehicles, pedestrians, cyclists).	The Township's 2023 Bridge Inspection Report provides a full listing of the bridges and culverts maintained by the Township and identifies any load restrictions that may prevent specific vehicle types on some structures.
		2. Description or images of the condition of bridges and how this would affect use of the bridges.	Page 6 of the Township's 2023 Bridge Inspection Report provides descriptions of the condition that would be expected from different BCI ranges.
		3. Description or images of the condition of culverts and how this would affect use of the culverts.	
Water Infrastructure	To provide safe drinking water to residents and to meet reporting requirements of O. Reg. 588/17	1. Description, which may include maps, of the user groups or areas of the Township that are connected to the municipal water system.	The Township has 43 properties connected to the St Pauls water system and 33 properties connected to the Sebringville Water system.
		2. Description, which may include maps, of the user groups or areas of the Township that have fire flow.	Staff have estimated that less than 1% of total residences in the Township have access to Fire Flow. The properties with Fire Flow are limited to the properties in close proximity to the St. Marys fire hydrants, rural properties with water storage tanks, and one commercial property with it's own water tower.
		3. Description of boil water advisories and service interruptions.	The Township averages about one boil water advisory or service interruptions due to water main breaks per year.

Asset Category	Customer LOS	Community Level of Service	
Stormwater	To provide reliable stormwater management services and meeting reporting requirements of O. Reg. 588/17.	1. Description, which may include maps, of the user groups or areas of the municipality that are protected from flooding, including the extent of the protection provided by the municipal stormwater management system.	Storm sewers collect rain and run off from melting snow on properties to help prevent flooding and redirect this wastewater to nearby stormwater management ponds and waterways. Through a combination of landscape and structural features, stormwater management ponds allow sediment and contaminants to settle out of runoff before it is released into a natural watercourse. Stormwater ponds also hold back water in order to release it at a controlled rate during large storms. Controlling the flow of stormwater protects downstream lands from erosion and flooding.

Table 8 – Technical Levels of Service

Asset Category	Technical Level of Service	Source	Current LOS	Proposed LOS
Roads	Number of lane-kilometres of arterial roads as a proportion of square kilometres of land area of the Township (O. Reg. 588/17)	2023 Road Needs Study & 2021 Census	0.00	Maintain Current Level of Service
	Number of lane-kilometres of collector roads as a proportion of square kilometres of land area of the Township (O. Reg. 588/17)	2023 Road Needs Study & 2021 Census	0.03	
	Number of lane-kilometres of local roads as a proportion of square kilometres of land area of the Township (O. Reg. 588/17)	2023 Road Needs Study & 2021 Census	1.44	
	1. For paved roads in the Township, the average pavement condition index value (O. Reg. 588/17)	2023 Road Needs Study (RNS)	8.3 (GOOD)	Maintain Minimum of 8 (GOOD)
	2. For unpaved roads in the Township, the average surface condition (O. Reg. 588/17)	2023 Road Needs Study	7.2 (FAIR)	Maintain Minimum of 7 (FAIR)
Bridges and Culverts	Percentage of bridges in the Township with loading or dimensional restrictions (O. Reg. 588/17)	2023 OSIM Report	3%	Maintain Current Level of Service
	For bridges in the Township, the average bridge condition index value (O. Reg. 588/17)	2023 OSIM Report	63	Maintain Minimum of 60
	For structural culverts in the Township, the average bridge condition index value (O. Reg. 588/17)	2023 OSIM Report	72	Maintain Minimum of 70
Water Infrastructure	Percentage of properties connected to the municipal water system (in the serviced area) (O. Reg. 588/17)	Staff Consultation	5.23%	Maintain Current Level of Service
	Percentage of properties where fire flow is available (O. Reg. 588/17)	Staff Consultation	Less than 1%	
	The number of connection-days per year where a boil water advisory notice is in place compared to the total number of properties connected to the municipal water system (O. Reg. 588/17)	Staff Consultation	1.32%	
	Number of connection-days per year due to water main breaks compared to the total number of properties connected to the municipal water system (O. Reg. 588/17)	Staff Consultation	0.00%	Maintain Current Level of Service

Asset Category	Technical Level of Service	Source	Current LOS	Proposed LOS
Stormwater	Percentage of properties in municipality resilient to a 100-year storm (O. Reg. 588/17)	Staff Consultation & Asset Mapping	Approximately 80%-90%	Maintain Current Level of Service
	Percentage of properties in municipality resilient to a 5-year storm (O. Reg. 588/17)	Staff Consultation & Asset Mapping	Approximately 80%-90%	
Buildings	Average weighted condition assessment (“Very Poor” to “Very Good”)	AMP Model	FAIR	Maintain Minimum of FAIR
	Percentage of assets at or above “Good” condition	AMP Model	23%	Maintain Minimum of 20%
	Percentage of assets beyond their useful life	AMP Model	5%	Maintain Maximum of 10%
Vehicles	Average weighted condition assessment (“Very Poor” to “Very Good”)	AMP Model	POOR	Increase to FAIR
	Percentage of assets at or above “Good” condition	AMP Model	19%	Maintain Minimum of 10%
	Percentage of assets beyond their useful life	AMP Model	22%	Maintain Maximum of 30%
Machinery & Equipment	Average weighted condition assessment (“Very Poor” to “Very Good”)	AMP Model	VERY POOR	Increase to FAIR
	Percentage of assets at or above “Good” condition	AMP Model	1%	Maintain Minimum of 0%
	Percentage of assets beyond their useful life	AMP Model	44%	Maintain Maximum of 50%
Land Improvements	Average weighted condition assessment (“Very Poor” to “Very Good”)	AMP Model	FAIR	Maintain Minimum of FAIR
	Percentage of assets at or above “Good” condition	AMP Model	55%	Maintain Minimum of 50%
	Percentage of assets beyond their useful life	AMP Model	19%	Maintain Maximum of 20%

4. ASSET MANAGEMENT STRATEGY

This section sets out an action plan that will assist the Township in maintaining assets to meet proposed level of service objectives. The asset management strategy includes current practices and potential future practices related to non-infrastructure solutions, maintenance activities, renewal/rehabilitation, disposal, and expansion activities. It outlines the lifecycle costs needed to meet proposed levels of service over the 2025-2035 period for each lifecycle activity and the methodology used to develop the costs. The final component of this section includes a risk analysis, which outlines a summary of assets that can be prioritized for repair/replacement if needed.

For the purposes of this section, the costs and revenues are illustrated over an 11-year period, which includes the 2025 base year plus a 10-year forecast period to 2035.

A. OVERVIEW OF FULL LIFECYCLE COST MODEL

As part of the Asset Management Plan, the Township, along with Hemson, have identified the total full lifecycle costs that correspond to the requirements of the regulation. This would entail a cost estimation throughout the asset's life including planning, design, construction, acquisition, operation, maintenance, renewal (and disposal). In addition, the analysis also takes into consideration the inclusion of expansion related infrastructure into the lifecycle management strategy. This approach ensures that the additional lifecycle costs associated with newly constructed/acquired assets are accounted for in the long-term forecast, if any.

A “lifecycle management approach” in asset management planning not only includes estimating future lifecycle costs based on a set of lifecycle activities. These lifecycle activities can be segmented into six (6) categories: non-infrastructure solutions, operations/maintenance, renewal/rehabilitation, replacement, disposal, and expansion activities. Table 9 provides a description of each lifecycle category. The Township undertakes all the activities described in Table 9, however, the Township's budget generally accounts for these expenditures in different categories.

Table 9 - Overview of the Full Lifecycle Activities

Category	Description
Non-Infrastructure Solutions	Actions or policies that can lower costs or extend asset life (e.g., better integrated infrastructure planning and land use planning, demand management, insurance, process optimization, etc.). Associated to work needed to manage assets but not necessarily direct work on those assets.
Maintenance Activities	Servicing assets on a regular basis to fully realize the original service potential. Maintenance will not extend the life of an asset or add to its value. Not performing regular maintenance may reduce an asset's useful life.
Renewal/Rehabilitation Activities	Mostly associated to significant repairs designed to extend the useful life of an asset. These types of activities are typically done at key points in the lifecycle of an asset to ensure the asset reaches its designed useful life.
Replacement Activities	Activities that are expected to occur once an asset has reached the end of its useful life and renewal/rehabilitation is no longer an option.
Disposal Activities	The activities associated with disposing of an asset once it has reached the end of its useful life or is otherwise no longer needed.
Expansion Activities	Planned activities required to extend or expand municipal services to accommodate the demands of growth.

As the Township's infrastructure assets are long-lived, the starting point for the lifecycle costs analysis covers a 40-year planning period. However, consistent with O. Reg. 588/17, the planning period focuses on a 10-year period to meet proposed levels of service. In this period, various methodologies have been utilized to determine the long-term lifecycle costs to maintain, repair and replace assets under an "ideal" investment scenario. This means that the recommendations from all engineering reports are considered, and assets are replaced at the end of their useful life with no adjustments or considerations for existing municipal asset practices or relationship to the target level of service. These costs are referred to as the "benchmark" lifecycle costs.

B. LIFECYCLE COSTS FOR TAX FUNDED SERVICES

Table 11 outlines the methodologies and lifecycle costs to meet this ideal scenario. Over the 2025-2035 period, the total lifecycle costs needed to maintain the infrastructure is estimated at \$93.3 million (an average of about \$8.5 million per year). Of the total lifecycle costs, most costs can be attributed to saving for the renewal, rehabilitation or replacement of infrastructure, making up about 85%. The average annual need specifically for renewal, rehabilitation or replacement of infrastructure is about \$7.2 million per year (see Table 10).

To determine the total lifecycle costs to meet proposed levels of service over the 2025-2035 planning period, consultations with Township staff were undertaken to determine the best approach. Table 11 outlines the 2025-2035 lifecycle costs needed to meet the proposed level of service for tax-supported assets relative to the benchmark expenditure need. Over the 2025-2035 period, a total need of about \$51.1 million is identified (an average of about \$4.6 million per year). Of the total lifecycle costs, most costs can be attributed to saving for the renewal, rehabilitation or replacement of infrastructure, making up about 73%. The average annual need specifically for renewal, rehabilitation or replacement of infrastructure is about \$3.4 million per year (see Table 10).

Table 10 – Average Annual Renewal/Rehabilitation/ Replacement Need by Asset Category for Tax-Supported Assets

Asset Category	2025-2035 Benchmark Annual Average	2025-2035 PLOS Annual Average
Bridges & Culverts	\$2,585,000	\$618,500
Roads & Related	\$3,669,300	\$1,834,700
Machinery & Equipment	\$250,600	\$250,600
Sidewalks	\$36,700	\$18,300
Vehicles	\$381,500	\$381,500
Buildings	\$232,700	\$232,700
Land Improvements	\$47,100	\$31,400
Total	\$7,202,900	\$3,367,700

Note: figures have been rounded and represented in constant 2025\$

Table 11 - Overview of the Full Lifecycle Activities and AMP Approach for Tax-Supported Assets (2025\$)

Category	Lifecycle Cost Approach to Meet PLOS	2025-2035 Cumulative Benchmark Lifecycle Costs	2025-2035 Cumulative Lifecycle Costs to Meet PLOS
Non-Infrastructure Solutions	Provision of \$50,000 per year to undertake various activities to manage assets (studies, software, resources, etc.).	\$550,000	\$550,000
Operations and Maintenance Activities	- Based on a review of recent budgets by service area. Includes costs that can be reasonably attributed to asset specific maintenance – estimated at \$1.1 million per annum using the 2025 budget - In most instances, does not include general operating costs associated to staffing	\$12.4 million	\$12.4 million
Renewal/ Rehabilitation/ Replacement Activities	- Renewal expenditures for paved roads are calculated based on the estimated cost per metre of road work identified in the 2023 Roads Needs Study. The total cost of road improvements was about \$255 per metre, which, when applied to all roads in the Townships inventory, and annualized over 20 years, was estimated to be \$3.7 million per year. - The Proposed Level of Service lifecycle costs consider works identified in the 2023 RNS relating to resurfacing, surface treatment, partial/full pulverize and pave, and rural paving (excludes reconstruction costs). These costs total \$1.8 million, which was applied to the 2025-2035 period. - Benchmark renewal needs for Bridges and Culverts was calculated based on the risk-based provision schedule for the eventual full replacement of each structure, at the end of each structure's useful life. This totals \$2.6 million per annum. - The Proposed Level of Service Lifecycle costs was set equal to the annualized 10-year recommendations from 2023 OSIM report plus an allocation to save for repair costs associated with structures not identified in the current OSIM Need.	\$79.2 million	\$37.0 million

Category	Lifecycle Cost Approach to Meet PLOS	2025-2035 Cumulative Benchmark Lifecycle Costs	2025-2035 Cumulative Lifecycle Costs to Meet PLOS
	- For buildings, the Proposed Level of Service and Benchmark asset needs were set to be the same. This figure was recently calculated in the Township's Building Condition Assessment Report as \$232,700 per annum. - Risk-based replacement schedule for all other asset categories. - For the PLOS lifecycle costs for sidewalks, only 50% of the benchmark lifecycle costs has been used to recognize repair activities rather than full replacement. - For vehicles, machinery, and equipment, the PLOS and benchmark need have been set equal to recognize the service level improvement that is proposed for these assets. - For land improvements, only 2/3rds of the replacement value has been used to recognize repair activities rather than full replacement of some of the assets.		
Expansion Activities	Annual provision of \$100,000 per annum for the purchase of new infrastructure related to expanding servicing capacity. This amount is also intended to consider the long-term lifecycle costs of these assets. This amount would be reviewed during the next AMP.	\$1.1 million	\$1.1 million
Cumulative Total		\$93.3 million	\$51.1 million
Average per Year		\$8.5 million	\$4.6 million
Average per Annum (for Renewal/ Rehabilitation/ Replacement)		\$7.2 million	\$3.4 million

1: Based on an 11-year period (2025 base year + 10-year forecast to 2035)

C. LIFECYCLE COSTS FOR RATE-SUPPORTED ASSETS

Table 13 outlines the methodologies and costs to meet the ideal benchmark scenario. Over the 2025-2035 period, the total lifecycle costs needed to maintain the infrastructure is estimated at \$2.6 million (an average of about \$237,800 per year). Of the total benchmark lifecycle costs, most costs can be attributed to saving for the renewal, rehabilitation or replacement of infrastructure, making up about 57%. The 2025-2035 average annual need specifically for renewal, rehabilitation or replacement of infrastructure is about \$135,300 per year (see Table 12).

To determine the total lifecycle costs to meet proposed levels of service over the 2025-2035 planning period, consultations with Township staff were undertaken to determine the best approach. Table 13 outlines the 2025-2035 lifecycle costs needed to meet the proposed level of service for rate-supported assets relative to the benchmark expenditure need. Over the 2025-2035 period, a total need of about \$1.6 million is identified (an average of about \$149,900 per year). Of the total lifecycle costs, the costs that can be attributed to saving for the renewal, rehabilitation or replacement of infrastructure make up about 32%. The average annual need specifically for renewal, rehabilitation or replacement of infrastructure is about \$47,400 per year (see Table 10).

Table 12 – Average Annual Renewal/Rehabilitation/ Replacement Need by Asset Category

Asset Category	2025-2035 Benchmark Annual Average	2025-2035 PLOS Annual Average
Water Systems	\$135,300	\$47,400
Total	\$135,300	\$47,400

Table 13 - Overview of the Full Lifecycle Activities and AMP Approach for Rate-Supported Assets (2025\$)

Category	Lifecycle Cost Approach to Meet PLOS	2025-2035 Cumulative Benchmark Lifecycle Costs	2025-2035 Cumulative Lifecycle Costs to Meet PLOS
Non-Infrastructure Solutions	Provision of \$10,000 per year starting in 2025 to undertake activities to manage assets.	\$110,000	\$110,000
Operations and Maintenance Activities	- Based on a review of recent budgets by service area. Includes costs that can be reasonably attributed to asset specific maintenance – estimated at \$92,500 on average per annum using the 2025 budget - In most instances, does not include general operating costs associated to staffing	\$1.0 million	\$1.0 million
Renewal/ Rehabilitation/ Replacement Activities	- For water infrastructure, the risk-based provision schedule is utilized to calculate benchmark: - This amounts to \$135,300 million per year on average for water systems. - PLOS Scenario was estimated to require 35% of the benchmark need which considers the level of investment outlined from the Township Water Rate Study	\$1.5 million	\$520,900
Cumulative Total		\$2.6 million	\$1.6 million
Average per Year ⁽¹⁾		\$237,800	\$149,900
Average per Year (for Replacement) ⁽¹⁾		\$135,300	\$47,400

1: Based on an 11-year period (2025 base year + 10-year forecast to 2035)

D. RISK ANALYSIS

It is important to assess the risk associated with each asset and the likelihood of asset failure. Asset failure can occur as the asset reaches its limits and can affect the level of service. In addition, certain assets have a greater consequence of failure than others. A risk matrix can help prioritize which assets should be repaired/replaced, even those which the Township has already identified to be in Poor or Very Poor condition. The evaluation rating is then linked to the condition assessment parameter discussed in Section 2. The formula to determine asset risk is as follows:

$$(\text{Likelihood of Failure}) \times (\text{Consequence of Failure}) = (\text{Risk Rating})$$

Each of the components of the Risk Rating methodology is defined as follows:

Likelihood of Failure: is directly linked to the condition of an asset. For example, an asset in Very Poor condition would have the probability of asset failure in the short-term be high. This type of asset may be near the end of its useful life or has deteriorated significantly. Conversely, it would be considered rare for an asset to fail in the short-term if it is in Good or Very Good condition. Table 14 outlines the definition of likelihood of failure used for the Township's assets.

Table 14 - Probability of Failure

Condition	Probability of Failure	Description
Very Good	1	Rare
Good	2	Unlikely
Fair	3	Possible
Poor	4	Likely
Very Poor	5	Almost Certain

Note: Definitions are based on the MFOA Asset Management Framework.

Consequence of Failure: refers to the impact on the Township if an asset were to fail to provide the desired level of service. The consequence of failure has been determined separately for each asset category, as the impact to the Township differs greatly by asset type. For example, if a fire emergency vehicle was not available for service, the potential impact could be severe compared to a vehicle used for administrative purposes. For the purposes of this analysis, assets were assigned a consequence of failure based on a review of the assets and the service area they are attributed to. Table 15 below outlines the definition of consequence of failure used for Township assets. The consequence of failure,

rated on a 1-5 scale, was weighted relative to each category in Table 15 depending on how impactful the consequence may be to the Township.

Table 15 - Consequence of Failure

Consequence of Failure	Description
1 - Insignificant	No impact to operations.
2 - Minor	Minor impact to operations, all major operations can continue to function.
3 - Moderate	Moderate impact to operations some critical operations may need to stop functioning temporarily.
4 - Major	Major operations seize and some damage control necessary.
5 - Significant	All operations seize to function and major damage control is necessary.

Risk Rating: categorizes assets based on the level of risk to the Township. The risk rating provides a guide to prioritize assets by determining which assets require attention first and which capital works can be deferred. Higher risk assets should be prioritized for attention in the short term by determining which of the lifecycle actions is required to be performed on the asset. Table 16 below provides a summary of the risk matrix.

Table 16 - Risk Matrix

Evaluation Rating		Consequence of failure					Color Code
		1	2	3	4	5	
Likelihood of Failure	1	1	2	3	4	5	Very Low Risk
	2	2	4	6	8	10	Low Risk
	3	3	6	9	12	15	Moderate Risk
	4	4	8	12	16	20	High Risk
	5	5	10	15	20	25	Very High Risk

Table 17 presents the findings of the risk analysis and illustrates the Township's asset risk rating. Most of the Township's assets continue to have relatively low risk, an indication of good maintenance practices overall.

The risk of each asset and asset category has been determined with reference to the parameters outlined in Table 16. It is important to note, that the Township will need to continue regular maintenance activities and capital works to ensure that the proposed level of service can be met, or otherwise additional risk can be expected. Please note roads, bridges and culverts have been excluded from the risk analysis in Table 17 as the infrastructure needs and timing of repair and replacement has been informed based on detailed engineered assessments outlined through the 2023 RNS and 2024 OSIM reports respectively.

Table 17 - Summary Risk Assessment (excluding Roads, Buildings, Bridges and Culverts)

Asset Type	Replacement Cost (\$2025)	Risk (Weighted Average)
Vehicles	\$4.2 M	Moderate
Water Systems	\$2.8 M	Moderate
Machinery & Equipment	\$1.8 M	Moderate
Land Improvements	\$1.5 M	Very Low
Sidewalks	\$1.1 M	Very Low
Total	\$11.4 M	Low

Note: Roads, Bridges and Culverts, and Buildings are excluded from the risk analysis as risk factors and prioritization have been addressed through the 2023 RNS, bi-annual OSIM reports, and building condition assessments, respectively.

Further to Table 17, the 2026 AMP includes an estimate of the timing for replacement of all assets. Using the risk assessment, a schedule for the replacement of assets has been developed on an asset-by-asset basis. Assets with a higher risk rating are prioritized earlier in the schedule to reflect a higher priority, while assets with lower risk ratings are moved further out into the future forecast to reflect a more “smoothed” expenditure outlook. The timing is based on a percentage of the useful life of the asset. Table 18 below provides a summary of the risk thresholds used to calculate timing of replacement needs. Section 5 discusses the results of the lifecycle cost analysis and financing strategy.

Table 18 - Risk Threshold for Asset Life Extension

Percentage of Useful Life Added					Color Code
100%	80%	60%	40%	20%	Very Low Risk
80%	65%	50%	30%	16%	Low Risk
60%	50%	35%	25%	10%	Moderate Risk
40%	30%	25%	15%	2%	High Risk
20%	16%	10%	2%	0%	Very High Risk

E. MANAGING RISK

It is important to recognize the risk associated with the Township’s ability to deliver the plan while recognizing that any deviation may affect the overall ability to deliver service. Table 19 below provides a summary of the identified risks, potential impacts and mitigating actions associated with the asset management program. Table 19 is intended to provide the Township with a framework that can be continually updated. This framework can be used to track potential asset related risks and document mitigation actions so that they can be implemented into the Township’s asset management practices.

Table 19 -Risk Associated to the Plan

Risk Associated to the Plan		
Identified Risk	Potential Impact	Mitigating Action
Failed Infrastructure <i>(Condition or Level of Service Needs)</i>	▪ Delivery of service ▪ Asset and equipment damage	▪ Repair and rehabilitate as necessary ▪ Increase investment
Inadequate Funding	▪ Delivery of service ▪ Increased risk of failure ▪ Shorten asset life ▪ Defer funding to future generations	▪ Reductions of service by reviewing the current level of service ▪ Find additional revenue sources
Regulatory Requirements	▪ Non-compliance ▪ Mandatory investments ▪ Increased costs	▪ Find additional revenue sources ▪ Lobby actions
Plan is not followed or not undertaking required lifecycle activities	▪ Shorten asset life ▪ Inefficient investments ▪ Prioritization process failure ▪ Failure to deliver service	▪ Monitor and review levels of service ▪ Implement process to implement AMP ▪ Investigate alternative lifecycle management options

F. FUTURE DEMAND

This 2026 Plan largely focuses on the assets that the Township currently owns and operates. According to Statistics Canada census data, the Township of South Perth experienced a modest decrease in population growth over the last decade, moving from approximately 3,993 residents in 2011 to 3,776 residents in 2021. Since growth has stagnated, the Township is not expected to continue attracting new residents and development over the coming years. Should growth occur, additional infrastructure investments may be required to support new residential and employment development and to maintain service levels for the community.

G. CLIMATE CHANGE INTEGRATION

The management of municipal assets play a fundamental role in the delivery of services, which depends on the infrastructure available to deliver the service. Corporate asset management in municipalities largely relates to the management of existing assets to keep them in a state of good repair while planning for future repair and/or replacement of their assets across all service areas. Impacts of climate change are already being experienced

around the world, including Canada. It is important for municipalities to begin considering and planning for future climates to ensure the delivery of services, especially as it pertains to the maintenance of key municipal infrastructure. As per Ontario Regulation 588/17 s3(5), municipalities must include a commitment in their asset management planning to address the vulnerabilities of climate change with respect to operations, levels of service and lifecycle management. There must also be consideration for anticipated costs, mitigation and adaptation approaches and disaster planning to meet all regulatory requirements in Ontario municipal asset management. In response to the regulatory requirements, the Township adopted its first Strategic Asset Management Policy in 2019 and committed to integrating climate change as part of its asset management planning.

Expected climate change impacts include hotter, drier summers, warmer winters with increased precipitation, increased frequency and intensity of storms and increased intensity of extreme winds. These changes in climate will likely lead to increased risks associated with flooding, heatwaves, risk of infrastructure damage, health and safety of residents, the alteration or loss of habitats, etc.

Many of these risks are associated with municipal assets and may impact the levels of service. Climate change mitigation and adaptation planning is an important step for municipalities to take to begin managing risks associated with climate change. Therefore, the Township is taking steps towards the integration of climate change considerations into their asset management planning framework moving forward.

The table below considers municipal owned and operated assets, although, regional critical infrastructure related to roads or public health may also be impacted by the noted hazards. Table 20 provides a risk summary at this time for information purposes to help further propel climate change integration with asset management, although, recognizing the full utilization would still need to be applied and understood at the staff level. In asset management terms, this table shows the big picture effects that climate change hazards may have on the level of service for various service areas. The specific climate change impacts on levels of service could vary considerably and will need to be monitored over a longer time-period.

Through further understanding of the anticipated extent of climate change events, climate change adaptation projects at the Township will provide additional parameters as to the likelihood and severity of events. At its most simplistic form, the table below provides a range from a “rare” occurrence to “almost certain.” A rare occurrence could be correlated to falling into the tenth percentile of probability, with an almost certain occurrence falling into the ninetieth percentile of probability.

Table 20 - Framework for Climate Change Integration with Risk

Hazards/Risks	Likelihood	Consequence	
		Asset Category	Possible Service Impacts
Freezing Rain / Ice Storm	Almost Certain	▪ Roads ▪ Bridges and Culverts ▪ Buildings ▪ Water Systems	▪ Reduced road, bridge, and culvert conditions, potential for closures ▪ Potential impact to access to facilities or closures
Extreme Temperatures – Cold Wave	Almost certain	▪ Roads ▪ Bridges and Culverts ▪ Buildings ▪ Land Improvements	▪ Closures of outdoor amenities due to extreme weather conditions ▪ Increased strain on indoor heating systems leading to reduced service life and functionality of components and systems
Tornado	Rare	▪ All Services	▪ Potential damage to various municipal assets due to high winds
Intense Rain	Almost certain	▪ Roads ▪ Bridges and Culverts ▪ Buildings ▪ Water Systems	▪ Flooding of bridges, culverts and roadways leading to closures ▪ Disruptions to service due to flooding of roads, leading to decreased levels of service ▪ Potential impact to access to facilities or closures ▪ Strain on storm sewer capacity causing floods
Flood – Urban	Rare	▪ Roads ▪ Bridges and Culverts ▪ Buildings ▪ Land Improvements ▪ Water Systems	▪ Flooding of culverts and roadways leading to closures ▪ Disruptions to service due to flooding of roads, leading to decreased levels of service ▪ Potential impact to access to facilities or closures ▪ Flooding of parks leading to closures and reduced levels of service ▪ Strain on storm sewer capacity
Extreme Temperatures – Heat Wave	Almost certain	▪ Buildings ▪ Land Improvements	▪ Potential closure/reduce used of outdoor amenities due to high

Hazards/Risks	Likelihood	Consequence	
		Asset Category	Possible Service Impacts
			temperatures (reduced levels of service). ▪ Lost habitats leading to reduced environmental diversity. ▪ Increased strain on indoor cooling systems leading to reduced service life and functionality of components and systems
Windstorm	Almost certain	▪ Buildings ▪ Land Improvements	▪ Closure of outdoor assets due to potential hazards for residents ▪ Increased strain on facility assets leading to potential damages and reduced service life and functionality of components and systems

Source: <https://www.assetmanagementbc.ca/wp-content/uploads/Climate-Change-and-Asset-Management.pdf>

5. FINANCING STRATEGY

The Township has continually undertaken both operating and capital expenditures necessary to maintain tax and rate funded services, however, the investments made fall short of the required need to meet the proposed levels of services. The Township will need to monitor funding levels over the next few years in relationship to the levels of service. This section of the 2026 Plan is intended to help the Township build on existing asset management practices already in place. The financing strategies presented provide the Township with feasible options to increase capital funding in a sustainable manner to meet proposed levels of service.

Similar to the previous section, the costs and revenues are illustrated over an 11-year period, which includes the 2025 base year plus a 10-year forecast period to 2035. It is also noted that all values are presented in constant 2025 dollars.

A. ANALYSIS OF AVAILABLE REVENUES

The municipal revenue sources available to address the identified full lifecycle cost requirements outlined in Section 4 are limited. Generally, the type of capital project aligns to its funding source. In this regard, replacement projects are predominantly funded through tax-based contributions for tax supported assets and water rate revenues for rate-supported assets.

When assets require rehabilitation or are due for replacement, the source of funds is essentially limited to reserves or contributions from the operating budget regardless of how the initial first round capital asset was funded. Table 21 below provides a summary of the revenues assumed in this analysis for tax-supported assets and rate-supported assets.

Table 21 - Financing Strategy Key Assumptions for Tax and Rate Supported Assets

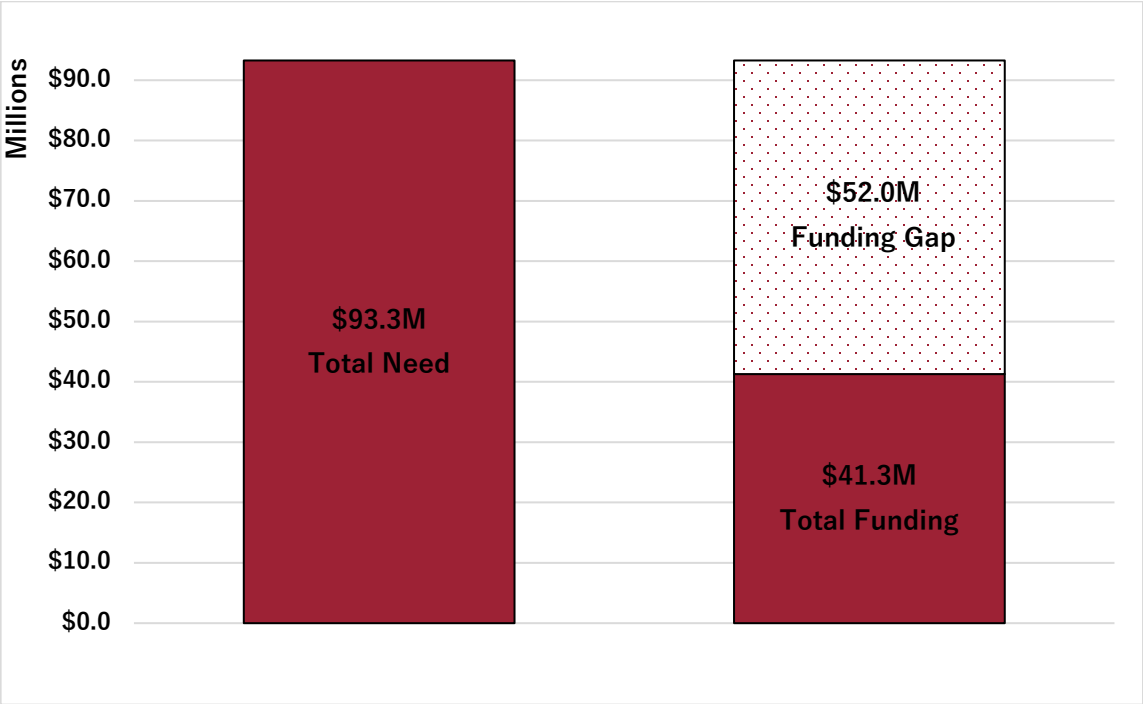
Category	Assumptions	2025-2035 Revenue for Tax-Funded Assets	2025-2035 Revenue for Rate-Funded Assets
Operations and Maintenance from Taxation/Rates	▪ The service areas provide ongoing maintenance and support activities that preserve the condition or performance of assets and ensures the longevity of assets in	\$12.4 million	\$1.0 million

Category	Assumptions	2025-2035 Revenue for Tax-Funded Assets	2025-2035 Revenue for Rate-Funded Assets
	line with their design and operational requirements. These maintenance activities are funded through the Township's regular operating budget and it has been assumed that revenues from taxation/user fees will continue to fully fund existing asset maintenance needs.		
Capital from Taxation/Rates (including reserve contributions)	- Existing 2025 capital funding of about \$1.7 million for tax supported assets and \$13,600 for rate supported assets is assumed to be the starting point and base case for increasing annual capital contributions. - This includes the capital funded from operating (tax levy) and contributions to reserves net of transfers from reserves or capital related grant funding.	\$19.0 million	\$149,700
Grants (CCBF, OCIF, Other)	- Gas tax funding for 2025 is equal to approximately \$123,700. This amount has been assumed in 2025 and 2026. For the remainder of the planning period, gas tax funding of about \$128,600 is assumed annually. These values are informed based on the AMO allocations. - OCIF funding of about \$434,400 per annum is included only to 2029.	\$3.6 million	\$0
Existing Reserves	- Existing asset management related reserve funds have been accounted for and are applied against the lifecycle cost expenditures over a 5-year period for the purposes of the analysis. - The reserves included in the analysis only capture funds available for capital and generally exclude operating reserves.	\$6.3 million	\$235,500
Total		\$41.3 million	\$1.4 million

B. BENCHMARK INFRASTRUCTURE FUNDING GAP FOR TAX-SUPPORTED ASSETS

To implement sustainable asset management practices the Township needs to understand the current “benchmark infrastructure funding gap” that would arise should the required full lifecycle costs related to capital be delayed. The funding gap shown in Figure 6 represents the difference between the benchmark lifecycle costs and the funding available for tax supported assets over the 2025-2035 period. The benchmark funding gap represents a measure of the “ideal” spending that would need to be undertaken if all assets were repaired or replaced as they reached the end of their useful life, versus the case if funding levels were maintained at current levels (see Table 21). Figure 6 indicates that existing funding levels are insufficient to cover projected costs over the 2025-2035 planning period, as a result, a notional gap of \$52.0 million exists over the same period.

Figure 6 – 2025-2035 Need vs Funding (Benchmark Funding Gap for Tax Supported Assets)



If the Township were to implement a funding strategy to eliminate the benchmark funding gap, the Township would be required to increase capital contributions on an annual basis by an average of about \$944,800 for each of the next 10 years (plus annual inflation). For 2026, the increase would be in addition to the funding sources already identified in Table 21. The yearly revenue requirement is equivalent to about 20% of the Township’s 2025 tax levy revenues of about \$4.8 million. A detailed table of this strategy can be found in Appendix C.

It is unrealistic to expect the Township to address the total benchmark funding gap in the short-term. Eliminating the gap by 2035 is an aggressive objective - a few reasons include:

- The required capital contributions (to eliminate the gap) will necessitate an increase to property taxes beyond a reasonable measure;
- The Township would need to decrease or limit funding of other key services or initiatives in lieu for capital repair and replacement activity;
- Importantly, closing the benchmark funding gap would ultimately result in a service level increase beyond those targeted in this report over the long-term;
- Assets can remain in use past their engineered design life and can perform to meet the Township's level of service under these circumstances. Therefore, in such instances, the asset does not necessarily need to be replaced by virtue of exceeding their design life; and
- Prudent asset management strategies, which are currently employed by the Township can often extend the requirement of major repair or replacement of capital assets and may prolong the life of the asset.

Therefore, a long-term lifecycle cost and funding strategy that reflects the proposed level of service shown in Section 4 would need to be developed.

C. PROPOSED LEVEL OF SERVICE INFRASTRUCTURE FUNDING GAP FOR TAX-SUPPORTED ASSETS

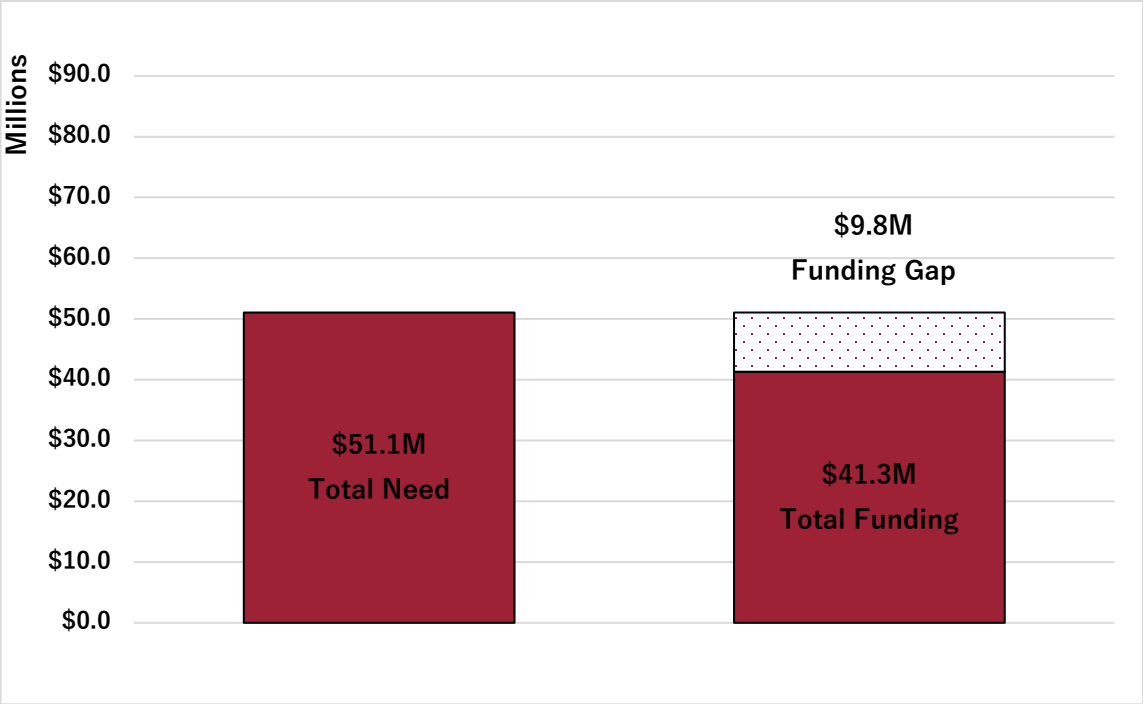
The 2026 AMP combines the analysis on proposed levels of service developed in Section 3 with the corresponding lifecycle costs in Section 4 to develop an adjusted funding gap analysis that considers a more manageable set of costs to meet proposed levels of service (PLOS funding gap). The funding gap shown in Figure 7 represents the difference between the lifecycle costs needed to meet proposed levels of service and the funding available for tax supported assets over the period from 2025 to 2035.

The PLOS funding gap represents a measure of the spending that would need to be undertaken to meet proposed levels of service as shown in Section 4 versus the case if funding levels were maintained at current levels. Figure 7 still indicates that existing funding levels are insufficient to cover projected costs over the planning period, as a result, a funding gap of \$9.8 million exists over the same period. Notably, the funding gap under the

proposed level of service target is significantly reduced from the benchmark gap of \$52.0 million over the planning period.

In order to fund this \$9.8 million infrastructure funding gap over the 2025-2035 planning period, the Township would be required to increase capital contributions by approximately \$177,800 (3.7% of 2025 tax levy of \$4.8 million) per year in each of the next ten years, plus inflation.

Figure 7 – 2025-2035 Need vs Funding (Proposed Level of Service Funding Gap for Tax Supported Assets)

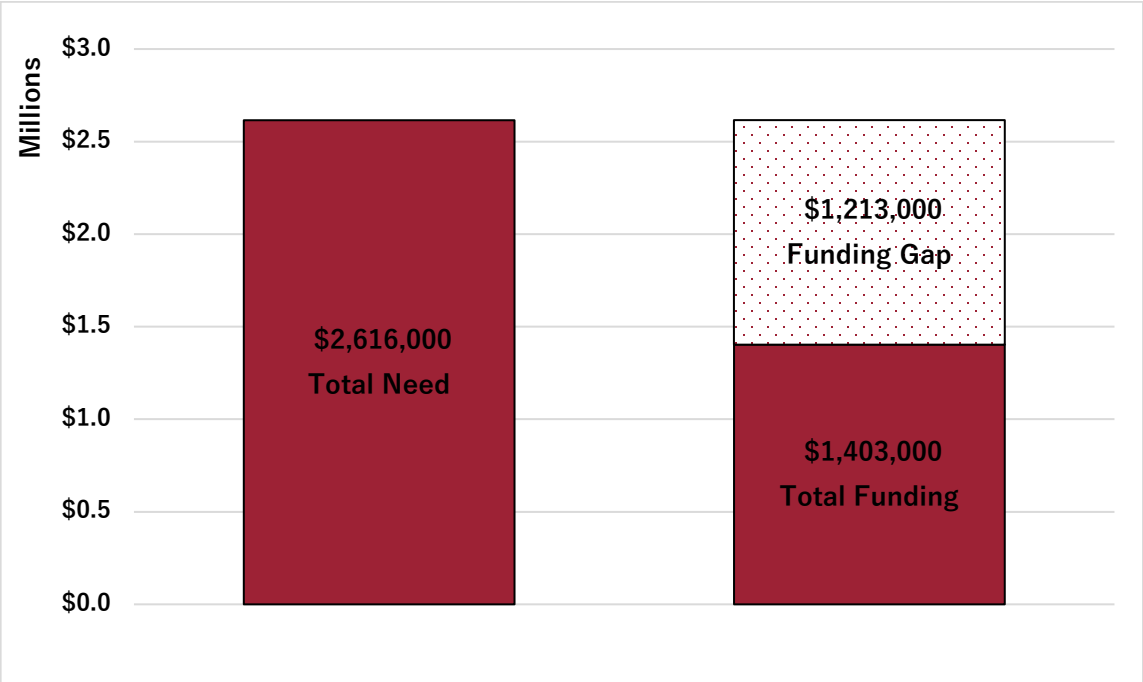


D. BENCHMARK FUNDING GAP FOR RATE-SUPPORTED ASSETS

The funding gap shown in Figure 8 represents the difference between the benchmark lifecycle costs and the funding available for rate supported assets over the 2025-2035 period. The benchmark funding gap represents a measure of the “ideal” spending that would need to be undertaken if all assets were repaired or replaced as they reached the end of their useful life, versus the case if funding levels were maintained at current levels (see Table 21). Figure 6 indicates that existing funding levels are insufficient to cover projected costs over the 2025-2035 planning period, as a result, a notional gap of about \$1.2 million exists over the same period.

In order to fund this \$1.2 million infrastructure funding gap over the 2025-2035 planning period, the Township would be required to increase capital contributions by approximately \$22,000 (18.9% of 2025 rate requirement of \$116,700) per year in each of the next ten years, plus inflation. This level of increase could be challenging in the Township as the water system only benefits a small number of users and the net new costs thereby spread over a small user base.

Figure 8 – 2025-2035 Needs vs Funding (Benchmark Funding Gap for Rate Supported Assets)



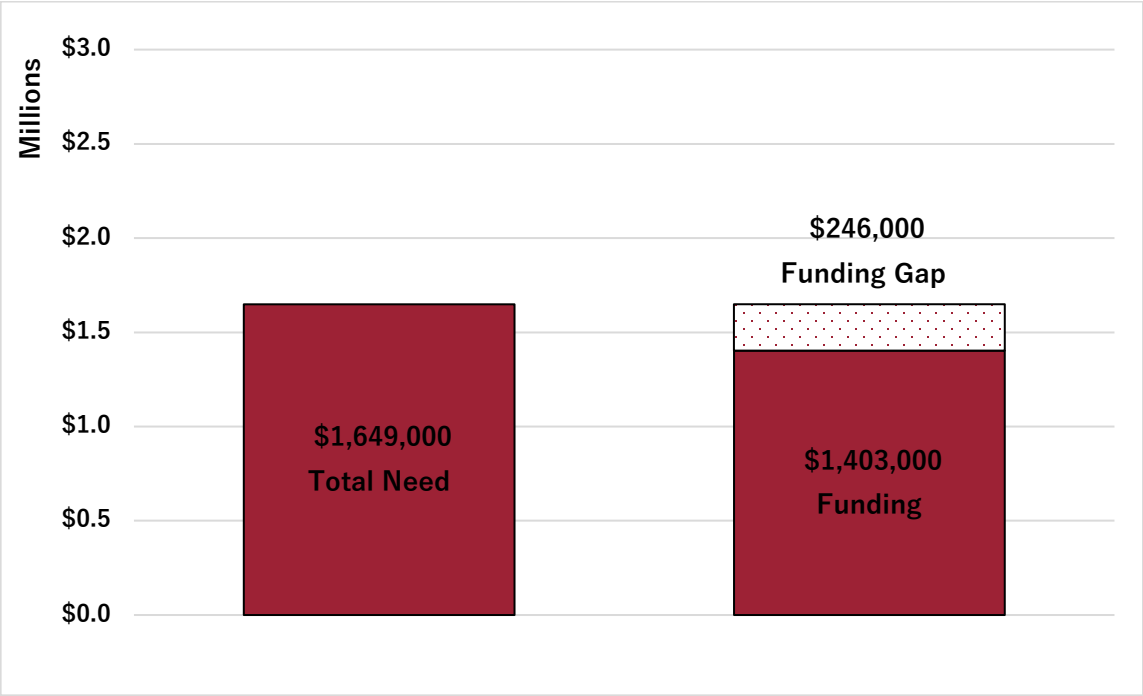
E. PROPOSED LEVEL OF SERVICE INFRASTRUCTURE FUNDING GAP FOR RATE-SUPPORTED ASSETS

The PLOS funding gap represents a measure of the spending that would need to be undertaken to meet proposed levels of service as shown in Section 4 versus the case if funding levels were maintained at current levels. Figure 9 still indicates that existing funding levels are insufficient to cover projected costs over the planning period, as a result, a funding gap of \$246,000 exists over the same period. Notably, the funding gap under the proposed level of service target is significantly reduced from the benchmark gap of \$1.2 million over the planning period.

In order to fund this \$246,000 infrastructure funding gap over the 2025-2035 planning period, the Township would be required to increase capital contributions by approximately \$4,500

(3.8% of 2025 rate requirement of \$116,700) per year in each of the next ten years, plus inflation.

Figure 9 – 2025-2035 Needs vs Funding (Proposed Level of Service Funding Gap for Rate Supported Assets)



F. FINANCING STRATEGIES AND THE RELATIONSHIP TO THE PROPOSED LEVEL OF SERVICE

The information illustrated previously emphasizes the need for the Township to continue the utilization of these funding programs to meet service levels over the long-term. However, as the municipal asset management program further advances, it can be expected that the cost analysis will improve to better reflect asset risks, levels of service and understanding of the condition of the infrastructure. Overall, the funding allocations in both Figure 7 and Figure 8 are required to ensure the Township delivers the proposed levels of service identified in Section 3 of the AMP for its infrastructure assets which represent the lifecycle activities outlined in Section 4. Should an alternative strategy be adopted which does not align with the funding needed to meet the proposed level of services, other qualitative improvements and other financial solutions need to be explored. Table 22 outlines several approaches to closing the funding gap.

Table 22 - Approaches to Closing the Infrastructure Gap

Category	Description
Improved Data Quality	As the Township matures its asset management practices, improving data quality across service areas will help to achieve a proper assessment of the condition of assets. Improved lifecycle cost data will facilitate evidence-based decision making and support in achieving lowest lifecycle costing through prioritization of repair and replacement activities.
Levels of Service Measures	As part of the 2026 AMP, levels of services measures by asset category have been established. Tracking LOS measures may identify areas where funding needs could be recalibrated based on performance.
Assessing Risk Tolerance	Further detailed risk analysis including defining risk tolerance level for individual asset classes will help to further refine prioritization of the investment needs and levels of service. Although not always desirable, it may be possible to accept a higher degree of asset risk to help lower ongoing asset costs.
Seek Funding Support from Upper Levels of Government	The Township continues to demonstrate a significant commitment to asset management and developing a set of renewal practices to ensure that services are delivered in the most cost-efficient manner. Despite the efforts, upper level of government support is required to supplement the Township's practices to balance affordability. For long-term financial planning and accurately assessing the infrastructure gap, it is equally important that upper-level government funding is stable and predictable.
Continued Project Co-ordination with the County Infrastructure Projects	In exploring opportunities with Perth County, overall cost efficiencies may be achieved during linear asset rehabilitation and replacement (e.g. storm sewers, roads, bridges, culverts) by better aligning capital ventures (if applicable).

6. MONITORING AND IMPROVEMENT PLAN

The major premise of a comprehensive asset management plan is that a Township will seldom have perfect processes and data to manage the asset portfolio. Instead, the underlying culture of continuous improvement and reliability is its key to success. The monitoring and improvement plan forms part of the Township's evolving asset management planning moving forward. It has been developed using an asset management maturity scale to assess areas for improvement.

A. ASSET MANAGEMENT MATURITY ASSESSMENT

The purpose of an asset management maturity assessment is to identify the Township's current maturity and to establish a target maturity that can be reasonably achieved in the near future. Using the International Infrastructure Management Manual (IIMM) tool, information on asset maturity was assessed under three categories:

1. Understanding and Defining the Requirements
2. Development of Asset Management Lifecycle Strategies
3. Asset Management Enablers

The three maturity categories are broken down into 16 elements that are assessed in the individual Asset Maturity Radar Graph in Figure 10. The elements in each maturity category are outlined in Table 23.

Table 23 – Asset Management Maturity Assessment Elements

Category	AM Element
Understanding and Defining the Requirements	Analysing the Strategic Initiatives (AM Policy and Objectives)
	Levels of Service Framework
	Demand Forecasting and Management
	Resilience to Climate Change
	Asset Condition and Performance
	The Strategic Asset Management Plan
Developing Asset Management Lifecycle Strategies	Managing Risk and Resilience
	Operational Planning
	Capital Works Planning
	Asset Financial Planning and Management

Category	AM Element
	AM Plans (for the Asset Portfolio Assets)
Asset Management Enablers	AM People and Leaders
	Asset Data and Information
	Asset Information Management Systems (AIMS)
	AM Process Management
	Outsourcing and Procurement
	Continual Improvement

Each element is assessed independently and assigned a score based on criteria outlined in Table 24 which scores each criteria between 0 and 100 for each element. In general, a Township in the “Aware” category recognizes that there are regulatory or service requirements that need to be met to maintain levels of service. However, no formal plans are in place to meet these objectives and asset management planning may be done on an ad hoc basis. A Township in the “Advanced” category has integrated the asset management plan into its budget process and budget planning is well informed by the asset management plan. In general, most municipalities would fall in the “Core” or better category, for this reason the target score would be to achieve an “Intermediate” score over the longer-term.

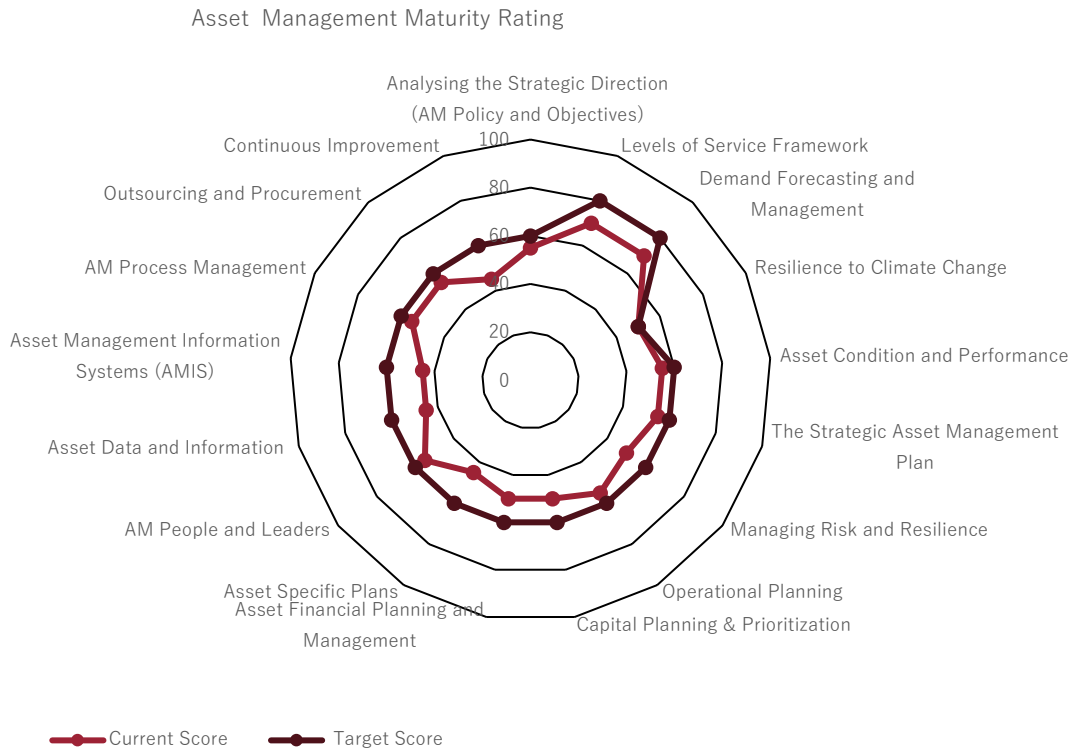
Table 24 – Maturity Assessment Scoring Scale

Maturity Level	Score
Aware	0-20
Basic	21-40
Core	41-60
Intermediate	61-80
Advanced	81-100

Figure 10 outlines the results of the Asset Maturity Rating. The Current Score accounts for all advancements in individual maturity as part of this 2026 AMP. Overall, the following were achieved:

- Understanding of levels of service focused on the condition of assets which is appropriate for the size and services provided by the Township;
- Enhancement in understanding the Township’s asset management practices and general alignment with other key planning documents like the RNS and OSIM reports; and
- General understanding of the Township’s assets and the data available through consolidation of various data sources into the AMP financial model.

Figure 10 – Asset Maturity Rating



B. IMPROVEMENT PLAN

Continuous improvement is a fundamental aspect of municipal asset management. This process involves systematically identifying areas for enhancement, implementing changes, monitoring outcomes, and adjusting strategies based on feedback and new insights. The goal of the municipal asset management planning regulation (O. Reg. 588/17) is to promote municipalities to take incremental steps to maximize benefits, manage risk and provide satisfactory levels of service to the public in a cost-effective manner.

Improvement initiatives have been identified that will enhance the effectiveness of the Township's asset management program. The following table provides recommended improvement initiatives with associated priorities and timelines. While some areas for improvement can be addressed more immediately, others could be undertaken over the long-term.

Table 25 – Improvement Plan Initiatives

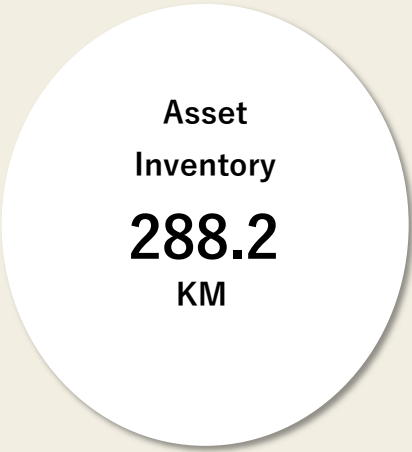
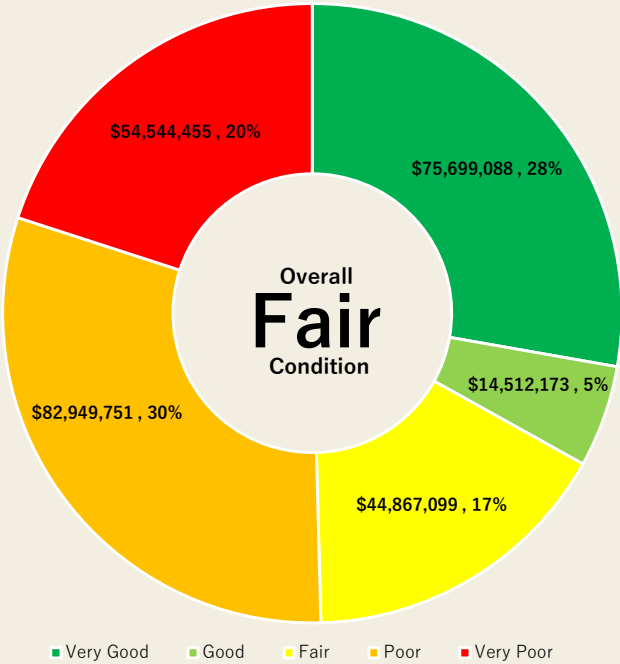
Area of Improvement	Action	Outcome	Timeline	Priority	Comments
Levels of Service	Align AMP with budget process	Determine capital contributions	Medium	Medium	Ensuring that the AMP remains up today will help guide tax funded capital contributions needs to meet long-term asset management needs
Climate Change Integration	Further development of mitigation and adaptation strategies into asset management	Further understanding of climate change risks on Township's delivery of services and support informed prioritization of strategies.	Long	Medium	The Strategic Asset Management Policy requires a commitment to integrate climate change considerations through capital planning.
Asset Data	Continually update the asset inventory	More informed decision making for capital budget purposes	Medium	Medium	The AMP needs to be updated every 5-years as per regulation after 2025, this is an opportunity to ensure asset data including conditions remains up to date.

Area of Improvement	Action	Outcome	Timeline	Priority	Comments
Financing Strategy	Continue to monitor infrastructure gap	Continue to monitor funding needs to meet proposed level of service	Medium	Medium	While infrastructure gap has been monitored as part of this plan, it will need to be updated along with regular reviews of the AMP in the future.
	Seek funding support from upper levels of government	Continue bridging of funding gap for improved financial sustainability.	Long	High	The Township expects to continue to rely on grant funding for capital projects.

APPENDIX A

STATE OF LOCAL INFRASTRUCTURE

Roads & Related

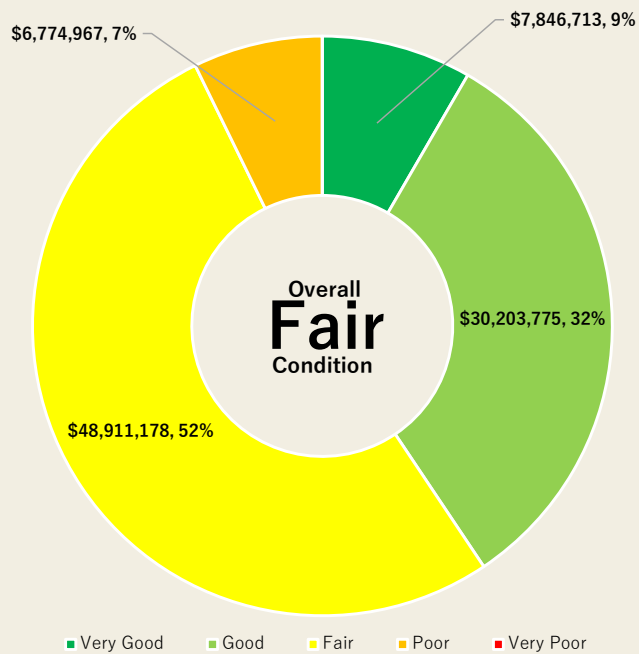


Data Confidence & Reliability

Level 4 (Reliable)

Dataset is complete and estimated to be accurate +/- 10%

Bridges & Culverts



Current
Replacement Value
\$93.7
Million

Asset Inventory
60
Bridges and Culverts

Average Remaining
Useful Life
20
Years

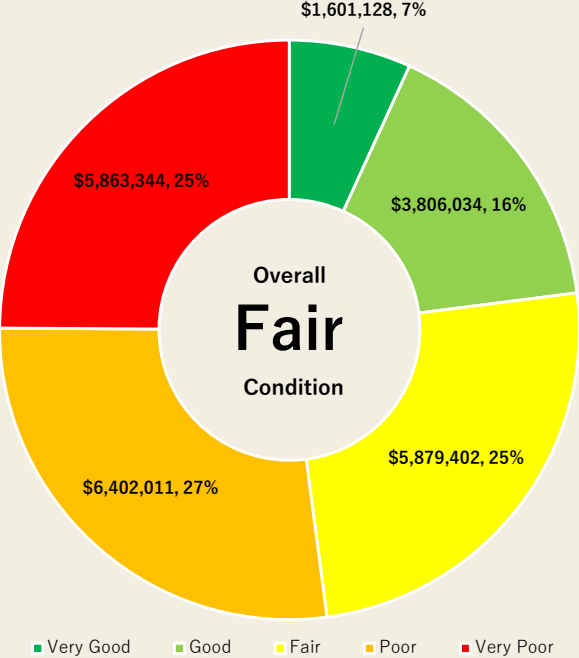
Estimated
Useful Life
75
Years

Data Confidence
& Reliability

Level 4 (Reliable)

Dataset is complete and
estimated to be accurate
+/- 10%

Buildings



Current
Replacement Value
\$23.6
Million

Asset Inventory
18
Facilities

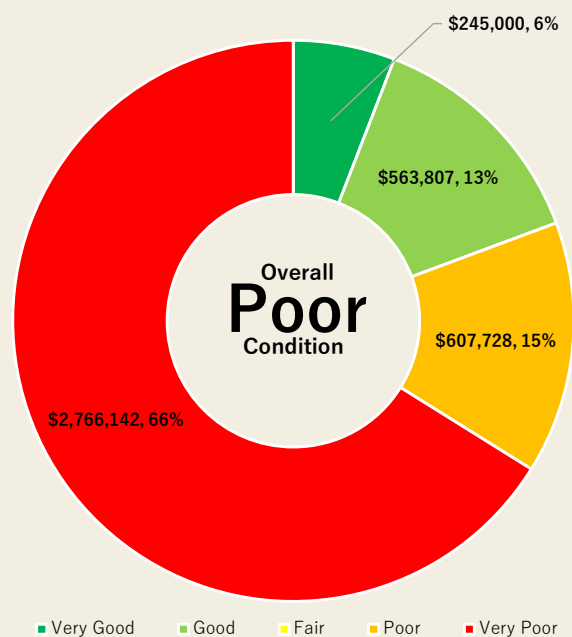
Estimated
Useful Life
15-100
Years

Data Confidence
& Reliability

Level 4 (Reliable)

Dataset is complete and
estimated to be accurate
+/- 10%

Vehicles



Current
\$4.2
Million

Asset Inventory
21
Vehicles

Average Remaining
Useful Life
4
Years

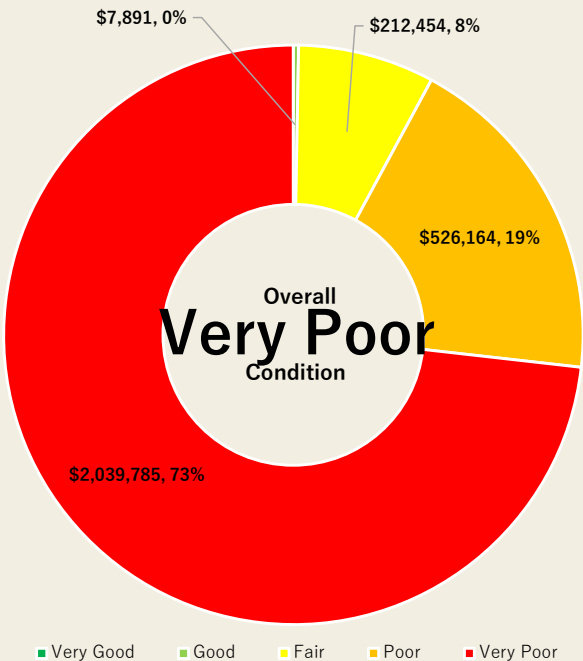
Estimated
Useful Life
5-25
Years

**Data Confidence
& Reliability**

Level 4 (Reliable)

Dataset is complete and
estimated to be accurate
+/- 10%

Water Systems



Current Replacement Value
\$2.8
Million

Asset Inventory
52
Units

Average Remaining Useful Life
2
Years

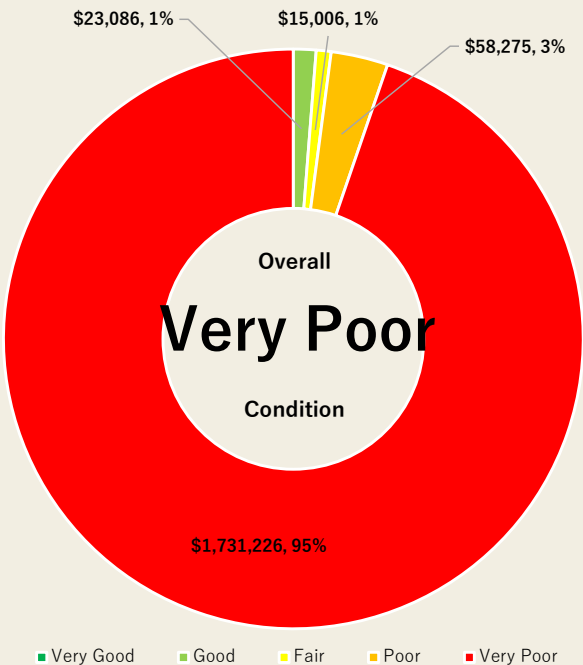
Estimated Useful Life
10-50
Years

Data Confidence & Reliability

Level 4 (Reliable)

Dataset is complete and estimated to be accurate +/- 10%

Machinery & Equipment



Current
Replacement Value
\$1.8
Million

Asset Inventory
Pooled
Units

Average Remaining
Useful Life
Overdue

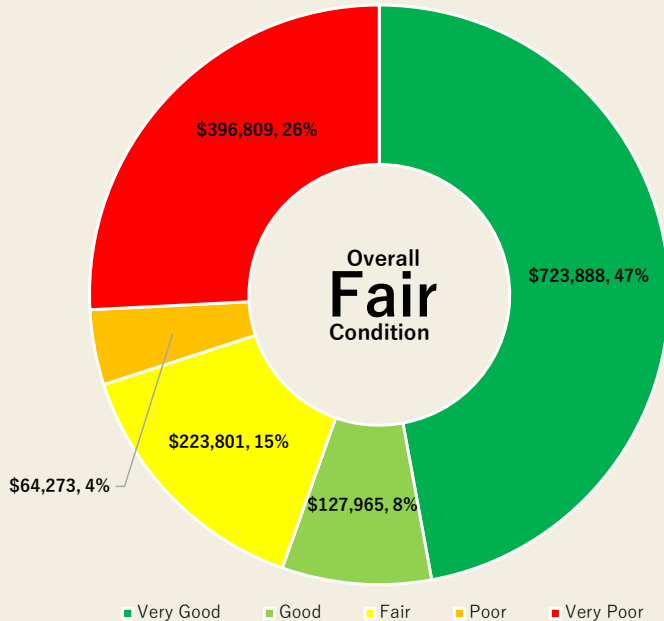
Estimated
Useful Life
5-40
Years

**Data Confidence
& Reliability**

Level 4 (Reliable)

Dataset is complete and
estimated to be accurate
+/- 10%

Land Improvements



Current
Replacement Value
\$1.5
Million

Asset Inventory
11
Assets

Average Remaining
Useful Life
18
Years

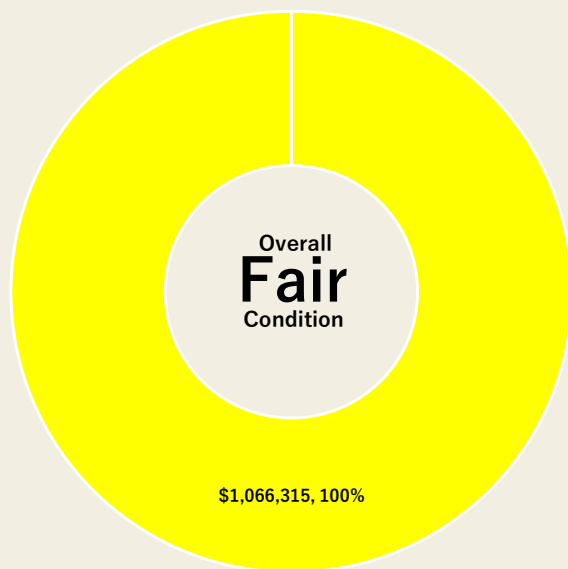
Estimated
Useful Life
20-75
Years

**Data Confidence
& Reliability**

Level 4 (Reliable)

Dataset is complete and
estimated to be accurate
+/- 10%

Sidewalks



Current

\$1.1
Million

Asset Inventory

4636
Square Metres

**Data Confidence
& Reliability**

Level 4 (Reliable)

Dataset is complete and
estimated to be accurate
+/- 10%

Average Remaining
Useful Life
20
Years

Estimated
Useful Life
40
Years

APPENDIX B

LEVELS OF SERVICE TRACKER

Asset Category	Description of TLOS Measure	Current LOS	Proposed LOS
Bridges and Culverts	Percentage of bridges in the municipality with loading or dimensional restrictions (O. Reg. 588/17)	3%	Maintain Maximum of 10%
	For bridges in the municipality, the average bridge condition index value (O. Reg. 588/17)	63 (Out of 100)	Maintain Minimum of 60
	For structural culverts in the municipality, the average bridge condition index value (O. Reg. 588/17)	72 (Out of 100)	Maintain Minimum of 70
	Average weighted condition assessment ("Very Poor" to "Very good")	Fair	Maintain Minimum of Fair
	% of assets at or above "Good" or "Very Good" condition	41%	Maintain Minimum of 40%
	% of assets beyond their useful life	5%	Maintain Maximum of 10%
	% of bridges and structural culverts receiving regulated inspections	100%	100%
Roads	Number of lane-kilometres of each of arterial roads, collector roads and local roads as a proportion of square kilometres of land area of the municipality (O. Reg. 588/17)		
	Arterial Roads	0.00	Maintain Current LOS
	Collector Roads	0.03	Maintain Current LOS
	Local Roads	1.44	Maintain Current LOS
	For paved roads in the municipality, the average pavement condition index value (O. Reg. 588/17)	8.3 (Out of 10)	Maintain Minimum of 8
	For unpaved roads in the municipality, the average surface condition (O. Reg. 588/17)	7.2 (Out of 10)	Maintain Minimum of 7
Water	Percentage of properties connected to the municipal water system (O. Reg. 588/17)	5.23%	Maintain CLOS
	Percentage of properties where fire flow is available (O. Reg. 588/17)	Less than 1%	Maintain CLOS
	The number of connection-days per year where a boil water advisory notice is in place compared to the total number of properties connected to the municipal water system (O. Reg. 588/17)	1.32%	Maintain CLOS
	The number of connection-days per year due to water main breaks compared to the total number of properties connected to the municipal water system (O. Reg. 588/17)	0.00%	Maintain 0%
Stormwater	Percentage of properties in the municipality resilient to a 100-year storm (O. Reg. 588/17)	80%-90%	Maintain CLOS
	Percentage of the municipal stormwater management system resilient to a 5-year storm (O. Reg. 588/17)	80%-90%	Maintain CLOS
Buildings	Average weighted condition assessment ("Very Poor" to "Very good")	Fair	Maintain Minimum of Fair
	% of assets at or above "Good" or "Very Good" condition	23%	Maintain Minimum of 20%
	% of assets beyond their useful life	5%	Maintain Maximum of 10%
Vehicles	Average weighted condition assessment ("Very Poor" to "Very good")	Poor	Maintain Minimum of Poor
	% of assets at or above "Good" or "Very Good" condition	19%	Improve by 2035
	% of assets beyond their useful life	22%	Improve by 2035
Machinery and Equipment	Average weighted condition assessment ("Very Poor" to "Very good")	Very Poor	Maintain Minimum of Very Poor
	% of assets at or above "Good" or "Very Good" condition	1%	Improve by 2035
	% of assets beyond their useful life	44%	Improve by 2035
Land Improvements	Average weighted condition assessment ("Very Poor" to "Very good")	Fair	Maintain Minimum of Fair
	% of assets at or above "Good" or "Very Good" condition	55%	Maintain Minimum of 50%
	% of assets beyond their useful life	19%	Maintain Maximum of 20%

APPENDIX C

FINANCING STRATEGY

Township of Perth South
2025 Asset Management Plan
Tax-Funded Assets
Financing Strategy: Base Scenario

Year	1. Lifecycle Costs						2. Forecast of Revenues						3. Funding Gap Calculation		
	Non-Infrastructure Solutions	Operations & Maintenance	Replacement	Renewal (Roads and Bridges)	Expansion Activities	Total Lifecycle Costs	O&M from Taxation	Capital from Taxation	Yearly Increase in Tax Funding (\$)	Yearly Increase in Tax Funding (%)	Grants (OCIF and CCBF)	Existing Reserves	Total Funding	Annual Funding Gap	Cumulative Infrastructure Deficit
2025	\$ 50,000	\$ 1,126,727	\$ 948,627	\$ 6,254,338	\$ 100,000	\$ 8,479,692	\$ 1,126,727	\$ 1,730,215			\$ 571,454	\$ 1,259,133	\$ 4,687,530	\$ 3,792,163	\$ 3,792,163
2026	\$ 50,000	\$ 1,126,727	\$ 948,627	\$ 6,254,338	\$ 100,000	\$ 8,479,692	\$ 1,126,727	\$ 2,675,023	\$ 944,808	54.6%	\$ 558,053	\$ 1,259,133	\$ 5,618,936	\$ 2,860,756	\$ 6,652,919
2027	\$ 50,000	\$ 1,126,727	\$ 948,627	\$ 6,254,338	\$ 100,000	\$ 8,479,692	\$ 1,126,727	\$ 3,619,830	\$ 944,808	35%	\$ 563,000	\$ 1,259,133	\$ 6,568,690	\$ 1,911,002	\$ 8,563,921
2028	\$ 50,000	\$ 1,126,727	\$ 948,627	\$ 6,254,338	\$ 100,000	\$ 8,479,692	\$ 1,126,727	\$ 4,564,638	\$ 944,808	26%	\$ 563,000	\$ 1,259,133	\$ 7,513,498	\$ 966,195	\$ 9,530,115
2029	\$ 50,000	\$ 1,126,727	\$ 948,627	\$ 6,254,338	\$ 100,000	\$ 8,479,692	\$ 1,126,727	\$ 5,509,445	\$ 944,808	21%	\$ 563,000	\$ 1,259,133	\$ 8,458,305	\$ 21,387	\$ 9,551,502
2030	\$ 50,000	\$ 1,126,727	\$ 948,627	\$ 6,254,338	\$ 100,000	\$ 8,479,692	\$ 1,126,727	\$ 6,454,253	\$ 944,808	17%	\$ 128,611	\$ -	\$ 7,709,591	\$ 770,102	\$ 10,321,604
2031	\$ 50,000	\$ 1,126,727	\$ 948,627	\$ 6,254,338	\$ 100,000	\$ 8,479,692	\$ 1,126,727	\$ 7,399,060	\$ 944,808	15%	\$ 128,611	\$ -	\$ 8,654,398	\$ (174,706)	\$ 10,146,898
2032	\$ 50,000	\$ 1,126,727	\$ 948,627	\$ 6,254,338	\$ 100,000	\$ 8,479,692	\$ 1,126,727	\$ 8,343,868	\$ 944,808	13%	\$ 128,611	\$ -	\$ 9,599,206	\$ (1,119,513)	\$ 9,027,385
2033	\$ 50,000	\$ 1,126,727	\$ 948,627	\$ 6,254,338	\$ 100,000	\$ 8,479,692	\$ 1,126,727	\$ 9,288,675	\$ 944,808	11%	\$ 128,611	\$ -	\$ 10,544,013	\$ (2,064,321)	\$ 6,963,064
2034	\$ 50,000	\$ 1,126,727	\$ 948,627	\$ 6,254,338	\$ 100,000	\$ 8,479,692	\$ 1,126,727	\$ 10,233,483	\$ 944,808	10%	\$ 128,611	\$ -	\$ 11,488,821	\$ (3,009,128)	\$ 3,953,936
2035	\$ 50,000	\$ 1,126,727	\$ 948,627	\$ 6,254,338	\$ 100,000	\$ 8,479,692	\$ 1,126,727	\$ 11,178,290	\$ 944,808	9%	\$ 128,611	\$ -	\$ 12,433,628	\$ (3,953,936)	\$ (0)
Total	\$ 550,000	\$ 12,393,997	\$ 10,434,897	\$ 68,797,721	\$ 1,100,000	\$ 93,276,615	\$ 12,393,997	\$ 70,996,778	\$ 9,448,075		\$ 3,590,174	\$ 6,295,666	\$ 93,276,615		

Township of Perth South 2025 Asset Management Plan Tax-Funded Assets Financing Strategy: PLOS Scenario															
Year	1. Lifecycle Costs						2. Forecast of Revenues						3. Funding Gap Calculation		
	Non-Infrastructure Solutions	Operations & Maintenance	Replacement	Renewal (Roads and Bridges)	Expansion Activities	Total Lifecycle Costs	O&M from Taxation	Capital from Taxation	Yearly Increase in Tax Funding (\$)	Yearly Increase in Tax Funding (%)	Grants (OCIF and CCBF)	Existing Reserves	Total Funding	Annual Funding Gap	Cumulative Infrastructure Deficit
2025	\$ 50,000	\$ 1,126,727	\$ 914,582	\$ 2,453,139	\$ 100,000	\$ 4,644,448	\$ 1,126,727	\$ 1,730,215			\$ 571,454	\$ 1,259,133	\$ 4,687,530	\$ (43,082)	\$ (43,082)
2026	\$ 50,000	\$ 1,126,727	\$ 914,582	\$ 2,453,139	\$ 100,000	\$ 4,644,448	\$ 1,126,727	\$ 1,907,974	\$ 177,759	10.3%	\$ 558,053	\$ 1,259,133	\$ 4,851,887	\$ (207,440)	\$ (250,522)
2027	\$ 50,000	\$ 1,126,727	\$ 914,582	\$ 2,453,139	\$ 100,000	\$ 4,644,448	\$ 1,126,727	\$ 2,085,732	\$ 177,759	9%	\$ 563,000	\$ 1,259,133	\$ 5,034,592	\$ (390,145)	\$ (640,666)
2028	\$ 50,000	\$ 1,126,727	\$ 914,582	\$ 2,453,139	\$ 100,000	\$ 4,644,448	\$ 1,126,727	\$ 2,263,491	\$ 177,759	9%	\$ 563,000	\$ 1,259,133	\$ 5,212,351	\$ (567,903)	\$ (1,208,570)
2029	\$ 50,000	\$ 1,126,727	\$ 914,582	\$ 2,453,139	\$ 100,000	\$ 4,644,448	\$ 1,126,727	\$ 2,441,249	\$ 177,759	8%	\$ 563,000	\$ 1,259,133	\$ 5,390,110	\$ (745,662)	\$ (1,954,232)
2030	\$ 50,000	\$ 1,126,727	\$ 914,582	\$ 2,453,139	\$ 100,000	\$ 4,644,448	\$ 1,126,727	\$ 2,619,008	\$ 177,759	7%	\$ 128,611	\$ -	\$ 3,874,346	\$ 770,102	\$ (1,184,130)
2031	\$ 50,000	\$ 1,126,727	\$ 914,582	\$ 2,453,139	\$ 100,000	\$ 4,644,448	\$ 1,126,727	\$ 2,796,766	\$ 177,759	7%	\$ 128,611	\$ -	\$ 4,052,104	\$ 592,343	\$ (591,787)
2032	\$ 50,000	\$ 1,126,727	\$ 914,582	\$ 2,453,139	\$ 100,000	\$ 4,644,448	\$ 1,126,727	\$ 2,974,525	\$ 177,759	6%	\$ 128,611	\$ -	\$ 4,229,863	\$ 414,585	\$ (177,202)
2033	\$ 50,000	\$ 1,126,727	\$ 914,582	\$ 2,453,139	\$ 100,000	\$ 4,644,448	\$ 1,126,727	\$ 3,152,284	\$ 177,759	6%	\$ 128,611	\$ -	\$ 4,407,622	\$ 236,826	\$ 59,624
2034	\$ 50,000	\$ 1,126,727	\$ 914,582	\$ 2,453,139	\$ 100,000	\$ 4,644,448	\$ 1,126,727	\$ 3,330,042	\$ 177,759	6%	\$ 128,611	\$ -	\$ 4,585,380	\$ 59,067	\$ 118,691
2035	\$ 50,000	\$ 1,126,727	\$ 914,582	\$ 2,453,139	\$ 100,000	\$ 4,644,448	\$ 1,126,727	\$ 3,507,801	\$ 177,759	5%	\$ 128,611	\$ -	\$ 4,763,139	\$ (118,691)	\$ (0)
Total	\$ 550,000	\$ 12,393,997	\$ 10,060,400	\$ 26,984,527	\$ 1,100,000	\$ 51,088,924	\$ 12,393,997	\$ 28,809,086	\$ 1,777,586		\$ 3,590,174	\$ 6,295,666	\$ 51,088,924		

Township of Perth South
2025 Asset Management Plan
Rate-Funded Assets
Financing Strategy: Base Scenario

Year	1. Lifecycle Costs				2. Forecast of Revenues					3. Funding Gap Calculation		
	Non-Infrastructure Solutions	Operations & Maintenance	Replacement	Total Lifecycle Costs	O&M from Rates	Capital from Rates	Yearly Increase in Tax Funding (\$)	Yearly Increase in Tax Funding (%)	Existing Reserves	Total Funding	Annual Funding Gap	Cumulative Infrastructure Deficit
2025	\$ 10,000	\$ 92,532	\$ 135,287	\$ 237,819	\$ 92,532	\$ 13,605			\$ 235,549	\$ 341,686	\$ (103,867)	\$ (103,867)
2026	\$ 10,000	\$ 92,532	\$ 135,287	\$ 237,819	\$ 92,532	\$ 35,659	\$ 22,054	162.1%	\$ -	\$ 128,191	\$ 109,628	\$ 5,761
2027	\$ 10,000	\$ 92,532	\$ 135,287	\$ 237,819	\$ 92,532	\$ 57,712	\$ 22,054	62%	\$ -	\$ 150,244	\$ 87,575	\$ 93,336
2028	\$ 10,000	\$ 92,532	\$ 135,287	\$ 237,819	\$ 92,532	\$ 79,766	\$ 22,054	38%	\$ -	\$ 172,298	\$ 65,521	\$ 158,857
2029	\$ 10,000	\$ 92,532	\$ 135,287	\$ 237,819	\$ 92,532	\$ 101,820	\$ 22,054	28%	\$ -	\$ 194,352	\$ 43,467	\$ 202,324
2030	\$ 10,000	\$ 92,532	\$ 135,287	\$ 237,819	\$ 92,532	\$ 123,874	\$ 22,054	22%	\$ -	\$ 216,406	\$ 21,414	\$ 223,738
2031	\$ 10,000	\$ 92,532	\$ 135,287	\$ 237,819	\$ 92,532	\$ 145,927	\$ 22,054	18%	\$ -	\$ 238,459	\$ (640)	\$ 223,098
2032	\$ 10,000	\$ 92,532	\$ 135,287	\$ 237,819	\$ 92,532	\$ 167,981	\$ 22,054	15%	\$ -	\$ 260,513	\$ (22,694)	\$ 200,404
2033	\$ 10,000	\$ 92,532	\$ 135,287	\$ 237,819	\$ 92,532	\$ 190,035	\$ 22,054	13%	\$ -	\$ 282,567	\$ (44,748)	\$ 155,656
2034	\$ 10,000	\$ 92,532	\$ 135,287	\$ 237,819	\$ 92,532	\$ 212,088	\$ 22,054	12%	\$ -	\$ 304,620	\$ (66,801)	\$ 88,855
2035	\$ 10,000	\$ 92,532	\$ 135,287	\$ 237,819	\$ 92,532	\$ 234,142	\$ 22,054	10%	\$ -	\$ 326,674	\$ (88,855)	\$ 0
Total	\$ 110,000	\$ 1,017,852	\$ 1,488,158	\$ 2,616,010	\$ 1,017,852	\$ 1,362,609	\$ 220,537		\$ 235,549	\$ 2,616,010		

Township of Perth South
2025 Asset Management Plan
Rate-Funded Assets
Financing Strategy: PLOS Scenario

Year	1. Lifecycle Costs				2. Forecast of Revenues					3. Funding Gap Calculation		
	Non-Infrastructure Solutions	Operations & Maintenance	Replacement	Total Lifecycle Costs	O&M from Rates	Capital from Rates	Yearly Increase in Tax Funding (\$)	Yearly Increase in Tax Funding (%)	Existing Reserves	Total Funding	Annual Funding Gap	Cumulative Infrastructure Deficit
2025	\$ 10,000	\$ 92,532	\$ 47,350	\$ 149,882	\$ 92,532	\$ 13,605			\$ 235,549	\$ 341,686	\$ (191,804)	\$ (191,804)
2026	\$ 10,000	\$ 92,532	\$ 47,350	\$ 149,882	\$ 92,532	\$ 18,071	\$ 4,466	32.8%	\$ -	\$ 110,603	\$ 39,279	\$ (152,524)
2027	\$ 10,000	\$ 92,532	\$ 47,350	\$ 149,882	\$ 92,532	\$ 22,538	\$ 4,466	25%	\$ -	\$ 115,070	\$ 34,813	\$ (117,712)
2028	\$ 10,000	\$ 92,532	\$ 47,350	\$ 149,882	\$ 92,532	\$ 27,004	\$ 4,466	20%	\$ -	\$ 119,536	\$ 30,346	\$ (87,365)
2029	\$ 10,000	\$ 92,532	\$ 47,350	\$ 149,882	\$ 92,532	\$ 31,471	\$ 4,466	17%	\$ -	\$ 124,003	\$ 25,880	\$ (61,485)
2030	\$ 10,000	\$ 92,532	\$ 47,350	\$ 149,882	\$ 92,532	\$ 35,937	\$ 4,466	14%	\$ -	\$ 128,469	\$ 21,414	\$ (40,072)
2031	\$ 10,000	\$ 92,532	\$ 47,350	\$ 149,882	\$ 92,532	\$ 40,403	\$ 4,466	12%	\$ -	\$ 132,935	\$ 16,947	\$ (23,125)
2032	\$ 10,000	\$ 92,532	\$ 47,350	\$ 149,882	\$ 92,532	\$ 44,870	\$ 4,466	11%	\$ -	\$ 137,402	\$ 12,481	\$ (10,644)
2033	\$ 10,000	\$ 92,532	\$ 47,350	\$ 149,882	\$ 92,532	\$ 49,336	\$ 4,466	10%	\$ -	\$ 141,868	\$ 8,014	\$ (2,630)
2034	\$ 10,000	\$ 92,532	\$ 47,350	\$ 149,882	\$ 92,532	\$ 53,802	\$ 4,466	9%	\$ -	\$ 146,334	\$ 3,548	\$ 918
2035	\$ 10,000	\$ 92,532	\$ 47,350	\$ 149,882	\$ 92,532	\$ 58,269	\$ 4,466	8%	\$ -	\$ 150,801	\$ (918)	\$ (0)
Total	\$ 110,000	\$ 1,017,852	\$ 520,855	\$ 1,648,707	\$ 1,017,852	\$ 395,306	\$ 44,664		\$ 235,549	\$ 1,648,707		