



Hemson Consulting Ltd.

1000 – 30 St. Patrick Street, Toronto, ON M5T 3A3
416-593-5090 | hemson@hemson.com | www.hemson.com

MEMORANDUM

To: Municipality of West Perth
From: Andrew Mirabella and Christopher Balette, Hemson Consulting Ltd
Date: July 19, 2022
Re: Review of 2019 Municipality of West Perth Asset Management Plan for consistency with O. Reg. 588/17

The following outlines a review undertaken by the Municipality of West Perth and Hemson Consulting of the Municipality's 2019 Asset Management Plan (2019 AMP). As part of the Municipality's regular review of its AMP, this document aims to undertake a detailed look at the 2019 AMP to ensure that it is consistent with the requirements of O. Reg. 588/17 while at the same time continuing to be the main tool to guide long-term asset management planning in the Municipality.

A. BACKGROUND

In December 2017, Ontario Regulation 588/17 Asset Management Planning for Municipal Infrastructure (O. Reg. 588/17) 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 analyses municipal asset management plans should include. 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.

In 2018, Hemson Consulting was retained by the Municipality of West Perth to prepare a Strategic Asset Management Policy and undertake an Asset Management Plan (2019 AMP) consistent with the requirements of *Ontario Regulation 588/17 Asset Management Planning for Municipal Infrastructure* (O. Reg. 588/17). In October 2020, the Plan was prepared which followed the format set out in the *Building Together: Guide for Municipal Asset Management Plans* and defined the current levels of service for all core and non-core assets in compliance with the asset management regulation.

The objectives of the 2019 AMP were to develop a guide for long-term investment decisions for tax and rate funded infrastructure as well as meet the reporting requirements of O. Reg. 588/17. Furthermore, the 2019 AMP was based on development of an Excel based financial model which was provided to staff for use. The model process also included development of a model manual and a training session for staff. Staff to date, are working to build off this model and utilize the datasets to improve their internal asset management program.

One of the key deliverables of the 2019 AMP was to develop a financing strategy to ensure that Municipal infrastructure is maintained while keeping with the principles of financial sustainability and affordability over the long-term. Three financing strategy options were developed as part of the exercise. Note that the financing strategy is discussed in more detail later in this review.

B. OBJECTIVES OF THE AMP REVIEW

Since completion of the 2019 AMP, the Municipality has continued to improve and adapt lessons learned and best practices to its asset management processes. Notwithstanding the Covid-19 pandemic, which created financial challenges for the Municipality over the past two years, there has been continued effort to improve both the asset management practices at the Municipality and continue to fund operating and capital obligations to maintain levels of service. With this in mind, the objective of this review is to determine:

1. That the 2019 AMP continues to be consistent with the requirements of O. Reg. 588/17;
2. Identify any areas for improvement in the 2019 AMP and address them through this review and identify other improvements which should be addressed in a future plan; and,
3. Provide a high level assessment of the progress the Municipality has made in implementing the 2019 AMP.

To facilitate the review, a line-by-line assessment of the 2019 AMP was developed. Appendix A of this review outlines the key details of the assessment. Appendix A includes the following elements¹:

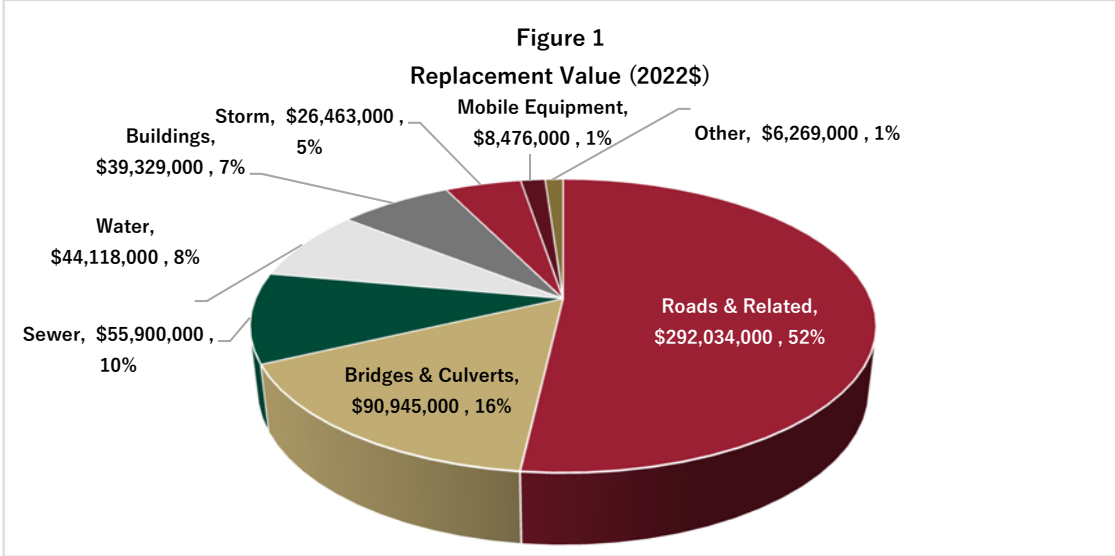
¹ Note that Appendix A Table 1 and 3 are relevant to this review as they relate to requirements of the regulation associated to reporting on current levels of service for core assets (by July 2022) and all other assets (by July 2024). Table 2 relates to reporting on proposed levels of service (by July 2025) which the Municipality will undertake in a future AMP update.

- The actual language from the O. Reg. 588/17 outlined by each section;
- A summary, in simplified terms, of the regulation requirement;
- An indication of the relevant section of the 2019 AMP that relates to the specific requirements of the regulation; and
- Action plan notes which relate to whether the particular requirement is complete, in-progress or not complete. If not complete, then an approximate timeline for completion is outlined.

C. REVIEW OF STATE OF LOCAL INFRASTRUCTURE

Section 2 of the 2019 AMP outlines a summary of the state of local infrastructure which is complemented with detailed asset report cards in Appendix B of the 2019 Plan for each asset category. Based on the review, the reporting done through the 2019 Plan meets all the requirements of O. Reg. 588/17 in that reports are included for both core and non-core assets. Furthermore, the reports outline a description of the assets in the category, their quantity (where available), replacement cost, remaining useful life (a function of age), and condition assessments and methodology used. Appendix A of this review includes the detailed assessment of the 2019 AMP with reference to the reporting of assets.

Recognizing that inflationary pressures continue to create fiscal challenges for the Municipality, a review of the replacement values was undertaken at a high-level. Based on the Statistics Canada Non-Residential Construction Price Index, the replacement value of the Municipality's assets was updated. The total value of the assets amount to approximately **\$563.5 million (\$2022)**. Of this the largest shares continue to be related to the Municipality's core services of roads and related, bridges and culverts, sewer, water and storm. Buildings continues to be the largest category for the non-core services. Figure 1 below outlines the replacement value breakdown. Importantly, this updated replacement value should be considered to be more representative of the value of the Municipality's assets today but recognizing that as data continues to be refined, the valuations will again be adjusted in a more fulsome study update during the next AMP.



Note: Other category includes computer network, furniture/fixtures, machinery/equipment and land improvements.

D. REVIEW OF LEVEL OF SERVICE FOR CORE ASSETS

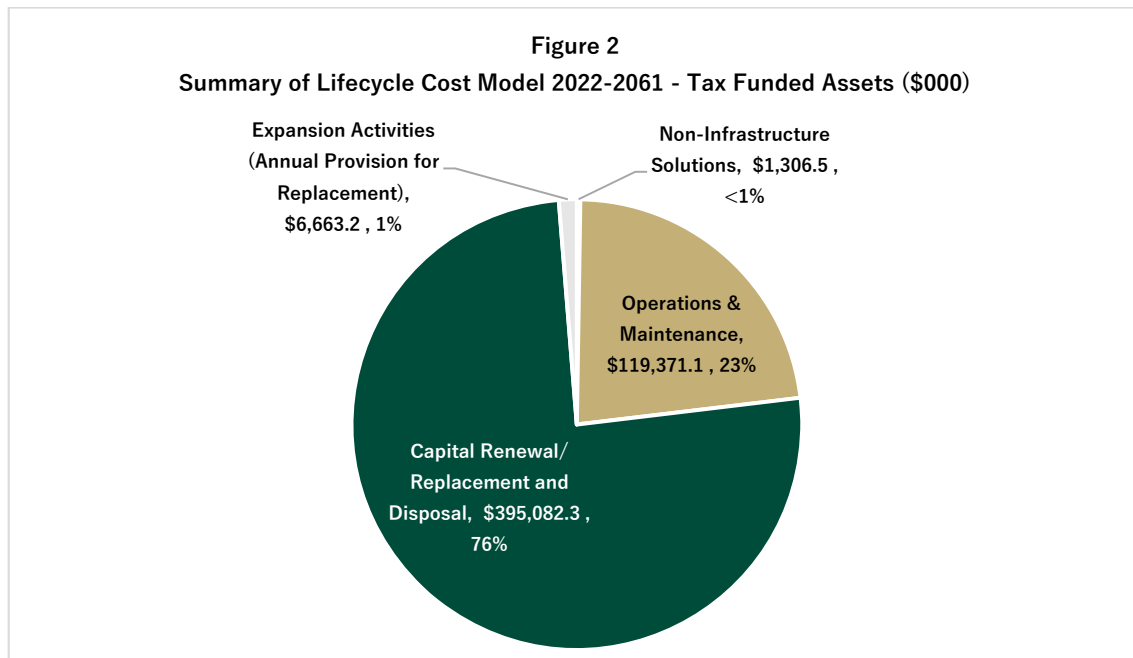
The Municipality’s 2019 AMP included the development of a level of service tracker to identify current levels of service. It is noted that the current levels of service were defined for the core services of roads and related, bridges and culverts, water, sewer and storm as prescribed by O. Reg. 588/17. Furthermore, the Municipality included all non-core assets in the 2019 AMP and therefore developed level of service measures for those services with the best available information. It is noted that the Municipality uses a blended methodology of level of service measures and performance measures.

Based on the Municipality’s review, it has been determined that the current levels of service outlined in the 2019 AMP continue to generally represent the levels of service the Municipality currently provides and therefore no major changes to the data are proposed at this time. However, at the time of the 2019 AMP the community levels of service were not defined as part of the analysis. Therefore, Appendix B provides a revised current level of service table which outlines the descriptive requirements of the community levels of service as required by O. Reg. 588/17. The community levels of service are developed based on information available through the Municipality’s other engineering reports including the 2018 Roads Management Study, 2021 Annual Water and Wastewater Reports and OSIM Reports. With this said, the Municipality is undertaking internal improvements of the asset data in preparation for the 2025 proposed level of service requirements of O. Reg. 588/17, where a comprehensive review of the level of service table will be undertaken.

E. REVIEW OF FINANCING STRATEGY

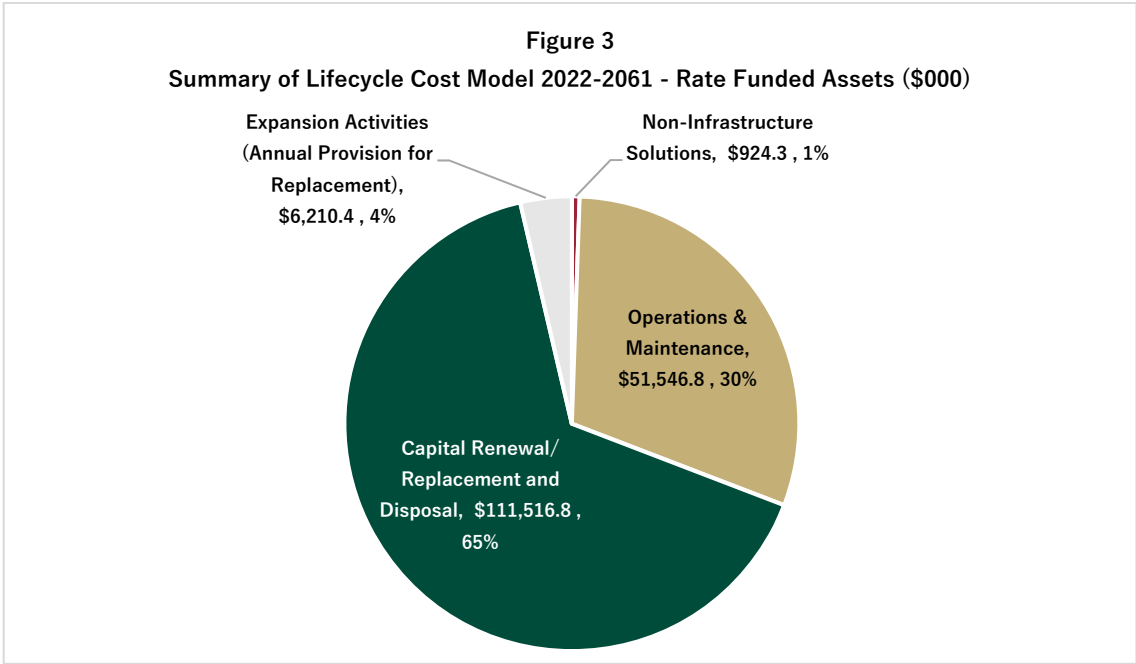
The financing strategy lifecycle costs associated to the 2019 AMP have been updated to reflect long-term expenditures that represent more up to date costing based on the Statistics Canada Non-Residential Construction Price Index. Furthermore, the financing strategy analysis has been updated to reflect the full lifecycle costs of the Municipality's assets as discussed in Section 4 of the 2019 AMP. Note that no provisions for level of service adjustments to account for requirements of O. Reg. 588/17 to define and implement proposed levels of service have been included in the analysis – this will be further addressed in the next plan to coincide with the regulatory deadline.

For tax funded services over the next forty years, the analysis indicates a spending need of about \$522.4 million. Figure 2 summarizes the cumulative 40-year investment needs across the tax supported service areas for the various lifecycle activities identified in Section 4 of the 2019 AMP. Of the total life cycle cost, most costs can be attributed to saving for the renewal and replacement of existing infrastructure making up about \$395.1 million (76%). About \$119.4 million (23%) of the total is related to operating and maintenance costs associated to the existing asset base and potential future infrastructure associated to expansions. \$6.7 million (1%) is related to future asset management provisions associated to future infrastructure expansion. The remaining \$1.3 million (less than 1%) is associated to non-infrastructure solutions.



For rate funded services, over the next forty years, the analysis indicates a spending need of about \$170.2 million. Figure 3 summarizes the cumulative 40-year investment needs

across the rate supported service areas for the various lifecycle activities identified in Section 4 of the 2019 AMP. Of the total life cycle cost, most costs can be attributed to saving for the renewal and replacement of existing infrastructure making up about \$111.5 million (64%). About \$51.5 million (33%) of the total is related to operating and maintenance costs associated to the existing asset base and potential future infrastructure associated to expansions. \$6.2 million (3%) is related to future asset management provisions associated to future infrastructure expansion. The remaining \$924,000 (1%) is associated to non-infrastructure solutions.



F. COSTS TO MAINTAIN CURRENT LEVELS OF SERVICE

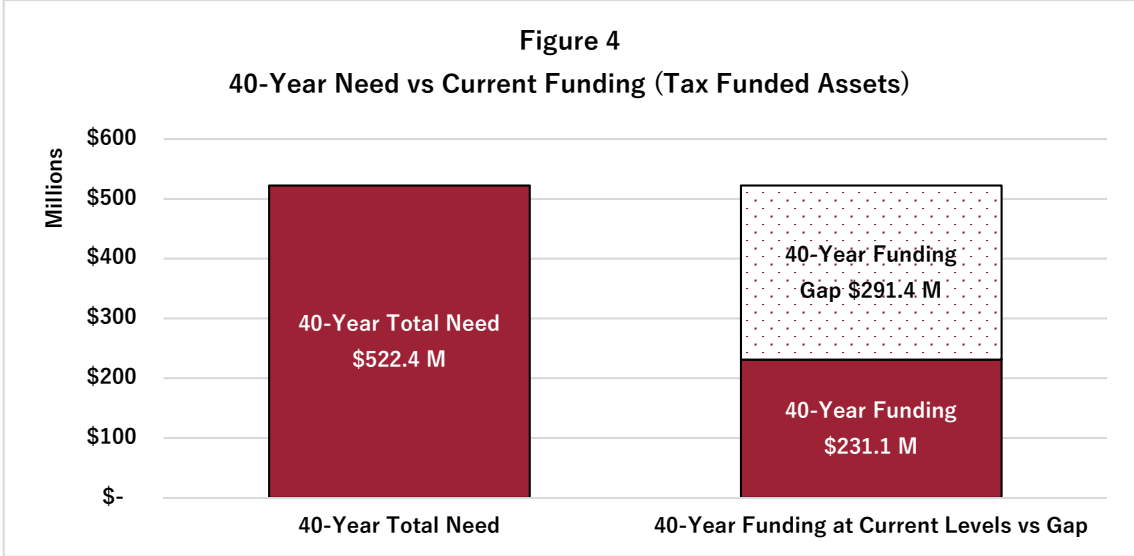
As noted in Part E, costs associated to the full lifecycle of assets have been restated to reflect 2022 dollars and the cumulative full lifecycle costs over the 40-year period. Therefore, a consistent approach has also been used to restate the level of funding currently available to undertake regular capital repair/replacement activities. With this information, a restated analysis of the cumulative 40-year infrastructure gap can be developed if current funding levels are maintained with no further increases.

The 40-year infrastructure deficit shown in Figure 4 represents the difference between the required lifecycle costs and the current contributions to capital, without further increases, for the tax funded assets. The graph indicates that existing funding levels are insufficient to cover projected costs over the planning period, as a result, a notional gap of \$291.4 million exists over the 40-year period. It is unrealistic to expect the Municipality to address the

total infrastructure deficit in the short-term. Therefore, three long-term funding strategies that identify options for addressing current and future asset expenditures was developed as part of the 2019 AMP.

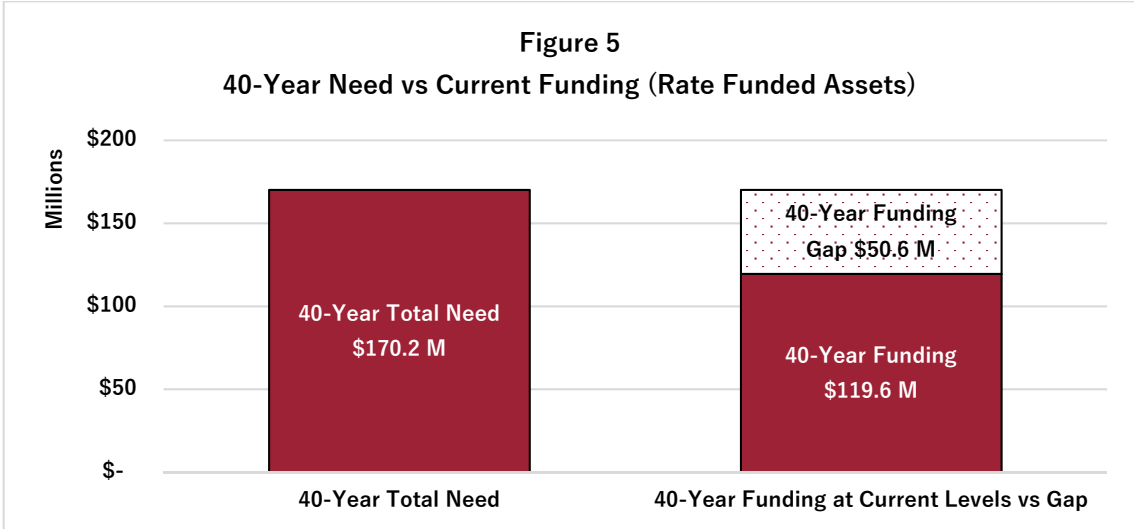
The financing strategies in the 2019 AMP represent options at maintaining the current levels of service from a long-term perspective. In summary, the following conclusions can be made:

- The Municipality developed the three financing strategies outlined in the 2019 AMP which aim to control the cumulative infrastructure deficit over the long-term period. Strategy 1 and 2 would strive to ensure, that over the long-term, the funding gap stabilizes and the infrastructure deficit is controlled, and eventually reduced over the long-term period. Strategies 1 and 2 would represent an increase to the level of service as the infrastructure gap would eventually begin to decrease.
- Strategy 3 would see the infrastructure deficit controlled over the planning period. Under this approach, the additional funding would allow for increased targeted investments in asset areas currently in Fair condition to ensure these assets don't transition into the Poor category in the next 5 -10 years therefore maintaining the existing level of service.
 - Also of importance, the assets in Good/Very Good condition require continued investment to ensure service levels are maintained. As these assets age, they may also transition into Fair or lower category. Continued contributions to reserves will ensure funds are available whenever assets require works to be completed.
- The option to “do nothing” and allow the infrastructure back-log to accumulate by not continuing to increase funding would mean that existing funding levels would not be sufficient to manage the infrastructure in place over the long-term. Therefore, the assets in service would deteriorate with a series of assets moving into Poor and Very Poor condition which would effectively provide a reduction in the level of service over the short and long-term periods. This scenario is reflected in Figure 4.
- The Municipality continues to assess capital needs through its annual budget process. At this time the Municipality is in the planning stages to update its available asset data in order to review the financing strategies as part of a future AMP update.



The 40-year infrastructure deficit shown in Figure 5 represents the difference between the required lifecycle costs and the current contributions to capital, without further increases, for the rate funded assets. The graph indicates that existing funding levels, without further increases, are insufficient to cover projected costs over the planning period, as a result, a notional gap of \$50.6 million exists over the 40-year period.

The Municipality continues to maintain the principles of full cost recovery for water and sewer services to ensure that services for residents continue to meet, or exceed, safety, industry and Provincial standards. Capital funding for repair/replacement activities for water and sewer infrastructure has continued to increase over time in-line with the Municipality's annual water and sewer rate reviews and financial plans. The Municipality expects that its annual rate increases will continue to maintain the current level of service provided.



G. CONTINUOUS IMPROVEMENT

The completion of the 2019 AMP not only provided the Municipality with the opportunity to develop a plan to develop a sustainable funding strategy for its assets, but also helped the Municipality to identify the gaps in its asset data. With this in mind, the Municipality is undertaking several key improvements. These improvements are expected to help develop the information needed to meet the 2025 requirements of O. Reg. 588/17 particularly those to develop proposed levels of service and the costs associated to meeting proposed levels of service. The Municipality recognizes that a key component of asset management is the principle of continuing to improve its practices. Some initiatives the Municipality is undertaking include:

- The Municipality has identified that some of its asset inventory information is outdated and will require a comprehensive update. The Municipality is currently undertaking some key updates which include:
 - Comprehensive updates to assets to include more detailed asset attributes wherever possible such as identification of model numbers, quantities, units or other technical information. This includes detailed documentation of the Municipality's streetlights and updates to bridge/culvert inventories which are currently underway.
 - Developing definitions for asset classes to ensure certain assets are captured under the correct asset categories.
 - Developing a process to ensure asset information is kept up to date to ensure information is available for the next AMP update.
- The Municipality expects to continue to track the current level of service on an annual basis. Furthermore, the Municipality also expects to better track the specific lifecycle activities and costs needed to maintain the current levels of service at a more granular level. This information will be necessary to help inform development of the proposed levels of service.

APPENDIX A

DETAILED REVIEW OF 2019 AMP

Appendix A - Table 1
Municipality of West Perth
Asset Management Regulation (O.Reg. 588/17) and Action Plan Summary

Section	Regulation	Summary of Regulation	Relevant Section of AMP	Action Plan	
5. Asset management plans, current level of service				Action Items or Notes	Timeline to Complete
(1)	Every municipality shall prepare an asset management plan in respect of its core municipal infrastructure assets by July 1, 2022, and in respect of all of its other municipal infrastructure assets by July 1, 2024.	<i>This requirement establishes timelines for core and non-core municipal assets to be included in the asset management plan in relation to current levels of service.</i>		<ul style="list-style-type: none"> All assets are included in the 2019 AMP. Non-core assets: computer network, furniture and fixtures, machinery and equipment, mobile equipment, land improvements, buildings Core assets: roads, bridges/culverts, storm, water, sewer 	Complete
(2)	A municipality's asset management plan must include the following:				
1.	For each asset category, the current levels of service being provided, determined in accordance with the following qualitative descriptions and technical metrics and based on data from at most the two calendar years prior to the year in which all information required under this section is included in the asset management plan:	<i>This section outlines reporting requirements for existing levels of service. Historical data should be at least 2 years old.</i>	Section 3 Levels of Service	<ul style="list-style-type: none"> Levels of service were developed as part of the 2019 AMP. Upon review of the level of service measures included, it has been determined that the continue to represent the current level of service in 2022 based on a high-level review of existing data. 	Complete
i.	With respect to core municipal infrastructure assets, the qualitative descriptions set out in Column 2 and the technical metrics set out in Column 3 of Table 1, 2, 3, 4 or 5, as the case may be.	<i>Include the community and technical levels of service from Table 4 in this appendix in the AMP for roads, water, wastewater and stormwater infrastructure.</i>	Section 3 Levels of Service	<ul style="list-style-type: none"> The required level of service measures associated to the core assets as per O.Reg. 588/17 for roads, bridges/culverts, storm, water and sewer were developed as part of the 2019 AMP. Note that the community levels of service have been developed as part of this review to provide a more complete approach. 	Complete
ii.	With respect to all other municipal infrastructure assets, the qualitative descriptions and technical metrics established by the municipality.	<i>Include the qualitative and quantitative descriptors outlined by the municipality for assets such as facilities, vehicles, equipment, land improvements, etc. These will have to be defined by the municipality.</i>	Section 3 Levels of Service	<ul style="list-style-type: none"> Level of service measures for non-core assets were developed as part of the 2019 AMP. 	Complete
2.	The current performance of each asset category, determined in accordance with the performance measures established by the municipality, such as those that would measure energy usage and operating efficiency, and based on data from at most two calendar years prior to the year in which all information required under this section is included in the asset management plan.	<i>Include the performance of each asset category which is measured using data less than 2 years old as outlined by the municipality. Performance measures will vary by asset category.</i>	Section 3 Levels of Service	<ul style="list-style-type: none"> The 2019 AMP includes a blend of performance measures and level of service measures. The Municipality is currently undertaking several initiatives to improve its available asset data. This will facilitate development of additional performance measures in future years. 	Complete

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Section	Regulation	Summary of Regulation	Relevant Section of AMP	Action Plan	
5. Asset management plans, current level of service				Action Items or Notes	Timeline to Complete
3.	For each asset category,				
i.	a summary of the assets in the category,	<i>A summary describing the assets in each category. For assets that are broken down into components, a summary can be developed by component.</i>	Section 2 State of Local Infrastructure	•State of the local infrastructure report cards were developed as part of the 2019 AMP. The report cards summarize the assets in each asset category in a table.	Complete
ii.	the replacement cost of the assets in the category,	<i>Include total replacement cost of all assets in each category.</i>		•State of the local infrastructure report cards were developed as part of the 2019 AMP. The report cards summarize the replacement value of assets by type/components wherever possible.	Complete
iii.	the average age of the assets in the category, determined by assessing the average age of the components of the assets,	<i>Include the weighted average age of all assets in each category weighted relative to their replacement cost.</i>		•State of the local infrastructure report cards were developed as part of the 2019 AMP. The report cards summarize the remaining useful life of the assets. Although the remaining useful life of the assets does not explicitly state the age of the assets, it is a direct function of the age. The remaining useful life is reported as this value is a key measure of condition utilized wherever engineered or staff condition assessments are not available.	Complete
iv.	the information available on the condition of the assets in the category, and	<i>Where available, include the weighted condition rating of assets in each category weighted relative to their replacement cost.</i>	Section 2 State of Local Infrastructure	•State of the local infrastructure report cards were developed as part of the 2019 AMP. The report cards summarize the condition of assets based on a 5-tier scale from Very Poor to Very Good.	Complete
v.	a description of the municipality's approach to assessing the condition of the assets in the category, based on recognized and generally accepted good engineering practices where appropriate.	<i>Include the engineering methods used to assess condition rating of all assets in each category. This can include staff visual inspections, remote sensors, etc.</i>		•State of the local infrastructure report cards were developed as part of the 2019 AMP. Appendix B of the 2019 AMP outlines the methodology used to determine conditions of assets.	Complete

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Section	Regulation	Summary of Regulation	Relevant Section of AMP	Action Plan	
5. Asset management plans, current level of service				Action Items or Notes	Timeline to Complete
4.	For each asset category, the lifecycle activities that would need to be undertaken to maintain the current levels of service as described in paragraph 1 for each of the 10 years following the year for which the current levels of service under paragraph 1 are determined and the costs of providing those activities based on an assessment of the following:	<i>Include all maintenance activities required to maintain current service levels for at least a 10 year period. For example, for buildings this can include frequency of inspections, maintenance schedules, maintenance procedures, etc.</i>	Section 4 Asset Management Strategy	•Appendix D of the 2019 AMP documents lifecycle activities needed to maintain current levels of service at a high level. It is noted that the Municipality expects to improve documentation of its asset management strategies on an ongoing basis. The 2019 AMP also discusses the lifecycle activities: non-infrastructure solutions, maintenance activities, renewal/rehabilitation, replacement, disposal and expansion.	Complete
i.	The full lifecycle of the assets.	<i>The activities listed should be relevant to the useful life of the asset.</i>	Section 5 Financing Strategy	•The 2019 Plan focuses on the lifecycle costs associated to maintenance and replacement activities. This 2022 review includes an updated methodology that captures costs for all lifecycle activities.	Complete
ii.	The options for which lifecycle activities could potentially be undertaken to maintain the current levels of service.	<i>Discuss alternative options that can be undertaken to maintain current service levels and what options work best.</i>	Section 5 Financing Strategy	•Appendix D of the 2019 AMP documents lifecycle activities needed to maintain current levels of service at a high level. It is noted that the Municipality expects to improve documentation of its asset management strategies on an ongoing basis. The 2019 AMP also discusses the lifecycle activities: non-infrastructure solutions, maintenance activities, renewal/rehabilitation, replacement, disposal and expansion.	Complete
iii.	The risks associated with the options referred to in subparagraph ii.	<i>Discuss the risks involved with the options in subsection 4.ii. Risks include discussion of consequences of not undertaking such maintenance activities.</i>	Section 4 Asset Management Strategy	•Section 4 of the 2019 AMP discusses risks associated to not implementing the key outcomes of the plan. It is expected that the Municipality will continue to update the information to provide additional details over time.	Complete
iv.	The lifecycle activities referred to in subparagraph ii that can be undertaken for the lowest cost to maintain the current levels of service.	<i>Discuss the lowest cost options that can be undertaken to maintain current service levels.</i>	Section 5 Financing Strategy	•The costs identified in the 2019 Plan associated to the 40-year planning period are based on the Municipality's budget and associated lifecycle activities identified through Appendix D. The Municipality considers this to be the lowest cost options based on the best available information available today and the current level of service provided. This 2022 review provides additional details on the financing strategy to supplement the 2019 Plan.	Complete

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Section	Regulation	Summary of Regulation	Relevant Section of AMP	Action Plan	
5. Asset management plans, current level of service				Action Items or Notes	Timeline to Complete
5.	For municipalities with a population of less than 25,000, as reported by Statistics Canada in the most recent official census, the following:				
i.	A description of assumptions regarding future changes in population or economic activity.	<i>This can include: population forecasts, development forecasts or economic reports.</i>	Section 5 Financing Strategy	<ul style="list-style-type: none"> The 2019 Plan includes a Future Demand section which discusses the Municipality's expected future development and costs associated to growth-identified through the DC study which are considered expansion activities. The costs associated to expansion have also been included in updated financing strategy discussion in this review. 	Complete
ii.	How the assumptions referred to in subparagraph i relate to the information required by paragraph 4.	<i>Discussion on the relationship of growth on maintenance activities. For example as population grows, further maintenance activities are required for roads as more roads experience larger traffic volumes.</i>		<ul style="list-style-type: none"> The 2019 Plan includes a Future Demand section which discusses the Municipality's expected future development and costs associated to growth-identified through the DC study which are considered expansion activities. The costs associated to expansion have also been included in updated financing strategy discussion in this review. 	Complete
(3)	Every asset management plan must indicate how all background information and reports upon which the information required by paragraph 3 of subsection (2) is based will be made available to the public.	<i>Include the sources of the information and ensure that the information is available to the public.</i>	Section 6 Making Asset Management Operational	<ul style="list-style-type: none"> The 2019 Plan indicates that the report and strategic asset management policy should be made available to the public. Both are available on the municipal website. 	Complete

Appendix A - Table 2
Municipality of West Perth
Asset Management Regulation (O.Reg. 588/17) and Action Plan Summary

Section	Regulation	Summary of Regulation	Relevant Section of Future AMP	Action Plan	
6. Asset management plans, proposed level of service				Action Items	Timeline to Complete
(1)	Subject to subsection (2), by July 1, 2025, every asset management plan prepared under section 5 must include the following additional information:	<i>The regulations has additional requirements which must be included in the asset management plan by 2025.</i>		•It is expected that the 2019 Plan will be updated to include the additional information required by 2025.	To be completed by 2025
1.	For each asset category, the levels of service that the municipality proposes to provide for each of the 10 years following the year in which all information required under section 5 and this section is included in the asset management plan, determined in accordance with the following qualitative descriptions and technical metrics:	<i>This section refers to the proposed or planned level of service for a minimum of 10 years.</i>	Section 3 Levels of Service	<ul style="list-style-type: none"> Proposed levels of service should be defined with consideration of the current levels of service determined through the 2019 AMP. It is noted the proposed levels of service are those expected to be achieved over a minimum 10-year period. Consultation with Council and the public should occur before establishing targets. 	Q4 2024
i.	With respect to core municipal infrastructure assets, the qualitative descriptions set out in Column 2 and the technical metrics set out in Column 3 of Table 1, 2, 3, 4 or 5, as the case may be.	<i>Include the community and technical levels of service from Table 4 in this appendix in the AMP for roads, water, wastewater and stormwater infrastructure.</i>	Section 3 Levels of Service	<ul style="list-style-type: none"> Proposed levels of service should be defined with consideration of the current core levels of service determined through the 2019 AMP. 	Q4 2024
ii.	With respect to all other municipal infrastructure assets, the qualitative descriptions and technical metrics established by the municipality.	<i>Include the qualitative and quantitative descriptors outlined by the municipality for assets such as facilities, vehicles, equipment, land improvements, etc. These will have to be defined by the municipality.</i>	Section 3 Levels of Service	<ul style="list-style-type: none"> Proposed levels of service should be defined with consideration of the current non-core levels of service determined through the 2019 AMP. 	Q4 2024
2.	An explanation of why the proposed levels of service under paragraph 1 are appropriate for the municipality, based on an assessment of the following:	<i>An explanation on how levels of service targets have been determined will need to be outlined.</i>	Section 3 Levels of Service	<ul style="list-style-type: none"> Describe why the proposed levels of service are appropriate, this should include the process that was used to establish the proposed levels of service and how Council and the public was consulted. 	Q4 2024
i.	The options for the proposed levels of service and the risks associated with those options to the long term sustainability of the municipality.	<i>Options to achieve the proposed levels of service and all risks associated to not meeting the targets.</i>	Section 3 Levels of Service	<ul style="list-style-type: none"> Ensure that the proposed levels of service are based on measurable targets that the Town can track over time and maintain up to date. Include a discussion on the risks associated with not meeting proposed levels of service and if possible the consequence (ie. costs). 	Q4 2024
ii.	How the proposed levels of service differ from the current levels of service set out under paragraph 1 of subsection 5 (2).	<i>Include a description of how proposed service levels differ from current service levels. Include quantitative and qualitative differences. Identify which service measures are new.</i>	Section 3 Levels of Service	<ul style="list-style-type: none"> Compare the proposed levels of service to the current levels of service. They can be added as an additional "column" in the level of service tracker of the 2019 AMP once it is updated. 	Q4 2024
iii.	Whether the proposed levels of service are achievable.	<i>Discuss whether proposed service levels are attainable. Only feasible and realistic level of service targets should be included in any plan.</i>	Section 3 Levels of Service	<ul style="list-style-type: none"> Ensure that the proposed levels of service are achievable, feasible and realistic. Include a discussion in the AMP on why the proposed levels of service are achievable. 	Q4 2024
iv.	The municipality's ability to afford the proposed levels of service.	<i>Discuss whether proposed service levels are affordable. This will require a cost of analysis of work required to achieve the proposed targets.</i>	Section 5 Financing Strategy	<ul style="list-style-type: none"> Costs associated to meeting the proposed levels of service will need to be included as part of the financing strategy. The financing strategy in the 2019 AMP can be utilized as a basis for the analysis. The tax/rate impact of undertaking these costs can be assessed. 	Q2 2025

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Section	Regulation	Summary of Regulation	Relevant Section of Future AMP	Action Plan	
6. Asset management plans, proposed level of service				Action Items	Timeline to Complete
3.	The proposed performance of each asset category for each year of the 10-year period referred to in paragraph 1, determined in accordance with the performance measures established by the municipality, such as those that would measure energy usage and operating efficiency.	<i>Include the planned performance levels established by the municipality. Performance measures will vary by asset category.</i>	Section 3 Levels of Service	• Proposed performance measures should be defined with consideration of the current levels of service and how they compare.	Q4 2024
4.	A lifecycle management and financial strategy that sets out the following information with respect to the assets in each asset category for the 10-year period referred to in paragraph 1:	<i>Lifecycle cost analysis for each asset category. Should be for at least a 10 year period.</i>	Section 4 Asset Management Strategy	•The work required for this would are related to the Asset Management Strategy and Financing Strategy sections of the AMP which are expected to be updated by July 2025.	Q2 2025
i.	An identification of the lifecycle activities that would need to be undertaken to provide the proposed levels of service described in paragraph 1, based on an assessment of the following:	<i>Identify the lifecycle activities that need to be performed to provide proposed service levels based on:</i>		•Section 4 of the AMP and Appendix D which outline the lifecycle activities associated to maintaining current levels of service would need to be updated to reflect the lifecycle activities needs to meet proposed levels of service (if any change is warranted).	Q2 2025
A.	The full lifecycle of the assets.	<i>The activities listed should be relevant to the useful life of the asset.</i>		•Consistent with the full lifecycle of assets consideration needs to be made for all lifecycle activities: non-infrastructure solutions, maintenance, renewal/rehabilitation, replacement, disposal and expansion.	Q2 2025
B.	The options for which lifecycle activities could potentially be undertaken to achieve the proposed levels of service.	<i>Discuss alternative options that can be undertaken to achieve proposed service levels and what options work best.</i>		•Section 4 of the AMP and Appendix D which outline the lifecycle activities associated to maintaining current levels of service would need to be updated to reflect the lifecycle activities needs to meet proposed levels of service (if any change is warranted).	Q2 2025
C.	The risks associated with the options referred to in sub-subparagraph B.	<i>Discuss the risks involved with the options to achieve proposed service levels. Risks include discussion of consequences of not undertaking such maintenance activities.</i>		•A discussion on the risks associated to not meeting the objectives of the AMP. Section 4 of the 2019 AMP discusses risks associated to not implementing the key outcomes of the plan. It is expected that the Municipality will continue to update the information to provide additional details over time.	Q2 2025
D.	The lifecycle activities referred to in sub-subparagraph B that can be undertaken for the lowest cost to achieve the proposed levels of service.	<i>Discuss the lowest cost options that can be undertaken to achieve proposed service levels.</i>		•The costs identified in the 2019 Plan associated to the 40-year planning period are based on the Municipality's budget and associated lifecycle activities identified through Appendix D. The Municipality would need to discuss why the activities are considered to be the lowest cost options available.	Q2 2025
ii.	An estimate of the annual costs for each of the 10 years of undertaking the lifecycle activities identified in subparagraph i, separated into capital expenditures and significant operating costs.	<i>Forecast of capital and operating costs associated to achieving the proposed levels of service. Forecast should be for at least a 10 year period.</i>		•The financing strategy will need to be updated to reflect the full lifecycle costs associated to meeting the proposed levels of service for each lifecycle activity: non-infrastructure solutions, maintenance, renewal/rehabilitation, replacement, disposal and expansion.	Q2 2025
iii.	An identification of the annual funding projected to be available to undertake lifecycle activities and an explanation of the options examined by the municipality to maximize the funding projected to be available.	<i>Identify funding options and forecast funding for a minimum of 10 years. Funding is associated to the lifecycle cost forecast above.</i>		•The financing strategy will need to be updated to reflect the expected funding available to meet the proposed level of service.	Q2 2025
iv.	If, based on the funding projected to be available, the municipality identifies a funding shortfall for the lifecycle activities identified in subparagraph i,	<i>Conditions if a funding shortfall is identified.</i>	Section 5 Financing Strategy		
A.	an identification of the lifecycle activities, whether set out in subparagraph i or otherwise, that the municipality will undertake, and	<i>Identify lifecycle activities that the municipality will undertake.</i>		•The financing strategy will need to be updated to reflect the full lifecycle costs associated to meeting the proposed levels of service for each lifecycle activity: non-infrastructure solutions, maintenance, renewal/rehabilitation, replacement, disposal and expansion.	Q2 2025
B.	if applicable, an explanation of how the municipality will manage the risks associated with not undertaking any of the lifecycle activities identified in subparagraph i.	<i>Discussion on risk management activities associated to the funding shortfall.</i>		•A discussion on the risks associated to not meeting the objectives of the AMP. Section 4 of the 2019 AMP discusses risks associated to not implementing the key outcomes of the plan. It is expected that the Municipality will continue to update the information to provide additional details over time.	Q2 2025

Appendix A - Table 2
Municipality of West Perth
Asset Management Regulation (O.Reg. 588/17) and Action Plan Summary

Section	Regulation	Summary of Regulation	Relevant Section of Future AMP	Action Plan	
6. Asset management plans, proposed level of service				Action Items	Timeline to Complete
5.	For municipalities with a population of less than 25,000, as reported by Statistics Canada in the most recent official census, a discussion of how the assumptions regarding future changes in population and economic activity, set out in subparagraph 5 i of subsection 5 (2), informed the preparation of the lifecycle management and financial strategy referred to in paragraph 4 of this subsection.	<i>For municipalities with a population less than 25,000, explain how population and economic forecasts assumptions tie into the lifecycle management and financial strategy for the municipal asset management plan.</i>	Section 5 Financing Strategy	•The 2019 Plan includes a Future Demand section which discusses the Municipality's expected future development and costs associated to growth-identified through the DC study which are considered expansion activities. This section should be updated in the future.	Q2 2025
7.	An explanation of any other key assumptions underlying the plan that have not previously been explained.	<i>All assumptions in the AMP should be clearly laid out.</i>	Where Applicable	•Expand the documentation of assumptions in the AMP that are used to develop future updates (if applicable)	Q2 2025
(2)	With respect to an asset management plan prepared under section 5 on or before July 1, 2022, if the additional information required under this section is not included before July 1, 2024, the municipality shall, before including the additional information, update the current levels of service set out under paragraph 1 of subsection 5 (2) and the current performance measures set out under paragraph 2 of subsection 5 (2) based on data from the two most recent calendar years.	<i>If proposed level of service analysis is not included in the AMP by July 1, 2025 then the municipality will need to update the current level of service analysis with the most recent 2 years of data.</i>	Section 3 Levels of Service	•The current level of service is recommended to be updated with every update of the AMP. This said, it should be tracked on an ongoing basis to identify if there are any differences between the current level of service relative to the proposed level of service.	Q2 2025

Appendix A - Table 3
Municipality of West Perth
Asset Management Regulation (O.Reg. 588/17) and Action Plan Summary

Section	Regulation	Summary of Regulation	Relevant Section of AMP	Action Plan	
7. Update of asset management plans				Action Items	Timeline to Complete
(1)	Every municipality shall review and update its asset management plan at least five years after the year in which the plan is completed under section 6 and at least every five years thereafter.	<i>The AMP should be updated every 5 years after July 1st 2024.</i>	Section 6 Making Asset Management Operational	<ul style="list-style-type: none"> The Municipality expects to update the AMP at minimum every 5-years or as needed. Although it is noted that the information utilized through the AMP should be reviewed more frequently. All future updates of the asset management plan should be consistent with O. Reg. 588/17. 	Every 5-years after 2025
(2)	The updated asset management plan must comply with the requirements set out under paragraphs 1, 2 and 3 and subparagraphs 5 i and 6 i, ii, iii, iv and v of subsection 5 (2), subsection 5 (3) and paragraphs 1 to 7 of subsection 6 (1).	<i>Any updates to the AMP should comply with the requirements of O.Reg 588/17 as well.</i>			
8. Endorsement and approval required					
	Every asset management plan prepared under section 5 or 6, or updated under section 7, must be,		Section 6 Making Asset Management Operational	<ul style="list-style-type: none"> The 2019 Plan was endorsed by the CAO and approved by Council. 	Complete
(a)	endorsed by the executive lead of the municipality; and	<i>The AMP must be endorsed by the executive lead of the municipality.</i>			
(b)	approved by a resolution passed by the municipal council.	<i>The AMP must be approved by Council.</i>			
9. Annual review of asset management planning progress					
(1)	Every municipal council shall conduct an annual review of its asset management progress on or before July 1 in each year, starting the year after the municipality's asset management plan is completed under section 6.	<i>Review the AMP annually before or on July 1st of each year starting after all requirements of O.Reg 588/17 have been met.</i>	Section 6 Making Asset Management Operational	<ul style="list-style-type: none"> Monitor asset management plan progress on an annual basis. This can be done through the AMP Report Cards. A discussion on barriers and gaps in progress on the AMP should be included. Progress on the plan can be monitored by considering the points outlined in Section 6. 	after 2025
(2)	The annual review must address,				
(a)	the municipality's progress in implementing its asset management plan;	<i>The annual review should discuss the progress made in implementing the AMP.</i>			
(b)	any factors impeding the municipality's ability to implement its asset management plan; and	<i>The annual review should discuss any factors that act as barriers, gaps or challenges in implementing the AMP.</i>			
(c)	a strategy to address the factors described in clause (b).	<i>The annual review should discuss a strategy to address any factors that act as barriers, gaps or challenges in implementing the AMP.</i>			
10. Public Availability					
	Every municipality shall post its current strategic asset management policy and asset management plan on a website that is available to the public, and shall provide a copy of the policy and plan to any person who requests it.	<i>Post the asset management policy and plan on the municipality's website so that the public can access it. Provide a copy of the asset management policy and plan to any person who requests it.</i>	Section 6 Making Asset Management Operational	<ul style="list-style-type: none"> The 2019 Plan and policy are posted on the website. 	Complete

APPENDIX B

LEVEL OF SERVICE TABLE

**Appendix B
Level of Service and Performance Measures**

Asset Category	Community Level of Service as per O. Reg. 588/17 (shaded boxes)	Level of Service/Performance Measures	Current LOS
Computer Network	Includes all computers and peripheral equipment required for the Municipality to achieve its operational objectives. These assets also include software necessary for municipal operations.	Average weighted condition assessment	Very Poor
		Percentage of assets at or above "Good" or "Very Good" condition	0%
		Budget yearly expenditures for computer hardware/software maintenance	\$ 29,812
Furniture & Fixtures	Includes furniture and fixtures largely located in the Municipality's facilities.	Average weighted condition assessment	Poor
		Percentage of assets at or above "Good" or "Very Good" condition	4%
Machinery & Equipment <i>(Admin, Fire, PW Only)</i>	Includes mobile heavy machinery such as backhoes, tractors, snow blowers, mowers and trailers. Equipment includes all mechanical and stationary equipment. Examples include furniture at facilities, fire bunker gear and library materials.	Average weighted condition assessment	Fair
		Percentage of assets at or above "Good" or "Very Good" condition	24%
		Budget yearly expenditures for equipment maintenance	\$ 40,617
		Frequency of inspections (tools)	Prior to each use
Mobile Equipment	Includes fleet vehicles used for administrative purposes as well as public works vehicles and fire trucks. West Perth includes all mobile equipment in their costing, including trackless, tractors. Motor vehicles for water, wastewater and bldg inspection not included.	Average weighted condition assessment	Fair
		Percentage of assets at or above "Good" or "Very Good" condition	28%
		Budget yearly expenditures for motor vehicle maintenance	\$ 228,400
		Number of inspections per year	Annual
		Frequency of inspections (Public Works)	Prior to each use
		Licensed inspections (Public Works)	Annual
		Frequency of inspections (Fire)	Annual - also weekly inspection by firefighters, and post-emergency inspection.
Land Improvements	Includes equipment mostly on playgrounds and sportsfields such as fencing, parking lots, and play structures.	Average weighted condition assessment	Fair
		Percentage of assets at or above "Good" or "Very Good" condition	58%

**Appendix B
Level of Service and Performance Measures**

Asset Category	Community Level of Service as per O. Reg. 588/17 (shaded boxes)		Level of Service/Performance Measures	Current LOS
Buildings	Includes all municipality owned buildings and facilities as well as minor buildings and structures. Buildings have been recorded by components wherever possible.		Average weighted condition assessment	Fair
			Percentage of assets at or above "Good" or "Very Good" condition	39%
			Proportion of the population living within 20 km of a community/recreation centre	100%
			Proportion of the population living within 20 km of a fire station	100%
			Proportion of the population living within 20 km of a library (includes only Municipally owned library)	100%
			Number of days per year recreation program space is closed due to maintenance/repair	Off-Season Only
			Budget yearly expenditures for building/facility maintenance (tax funded services)	\$ 43,865
			Number of inspections per year	Monthly
Roads	Description, which may include maps, of the road network in the municipality and its level of connectivity.	The Municipality's 2018 Road Management Study includes maps of the road network detailed by type of road (ie. gravel or paved) for all roads owned by the Municipality.	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	0%
			Collector	0%
			Local	85%
	Description or images that illustrate the different levels of road class pavement condition.	The Municipality's 2018 Road Management Study includes maps of the road network detailed by the condition and timed of need of each of the road segments. Furthermore the 2018 Road Management Study also includes detailed inventories which outline the condition of the roads.	1. For paved roads in the municipality, the average pavement condition index value (O. Reg. 588/17).	82.20
			2. For unpaved roads in the municipality, the average surface condition (O. Reg. 588/17).	73.60
			Average weighted condition assessment (All Roads)	Good
			Percentage of assets at or above "Good" or "Very Good" condition (All Roads)	83%
			Budget for annual road maintenance	\$ 1,217,285
			Number of signs that do not meet minimum maintenance standard.	22
Road segments that do not meet minimum maintenance standards			0	

**Appendix B
Level of Service and Performance Measures**

Asset Category	Community Level of Service as per O. Reg. 588/17 (shaded boxes)		Level of Service/Performance Measures	Current LOS
Bridges and Culverts	Description of the traffic that is supported by municipal bridges (e.g., heavy transport vehicles, motor vehicles, emergency vehicles, pedestrians, cyclists).	Municipal bridges support various types of traffic including local traffic, transport trucks and farm equipment. Half load season is from March 1 until April 30 annually following the guidelines under the Highway Traffic Act. Restrictions apply to all Municipal Roads with the exception of those in an urban setting. No commercial vehicle or trailer may be operated on any posted roads within the Municipality where the weight per axle exceeds 5 tonnes. This would include any bridges or culverts on these roads.	Percentage of bridges in the municipality with loading or dimensional restrictions (O. Reg. 588/17).	0%
	1. Description or images of the condition of bridges and how this would affect use of the bridges.	The Municipality's OSIM reports include both the images and conditions associated to the bridges based on these inspections as a BCI.	1. For bridges in the municipality, the average bridge condition index value (O. Reg. 588/17).	56.87
	2. Description or images of the condition of culverts and how this would affect use of the culverts.	The Municipality's OSIM reports include both the images and conditions associated to the culverts based on these inspections as a BCI.	2. For structural culverts in the municipality, the average bridge condition index value (O. Reg. 588/17).	51.38
			Average weighted condition assessment (All bridges & culverts)	Fair
			Percentage of assets at or above "Good" or "Very Good" condition (all bridges & culverts)	30%
		Bridges that do not meet minimum maintenance standards	0	
		Budget yearly expenditures for bridge/culvert maintenance	\$ 102,783	
Storm System	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.	The storm system collects rain and run-off from melting snow on properties to help prevent flooding and redirect this wastewater to nearby stormwater management ponds and waterways. A stormwater management pond is an engineered structure constructed to gather rainfall and surface water runoff. The pond temporarily stores water and then releases it at a controlled rate.	1. Percentage of properties in municipality resilient to a 100-year storm (O. Reg. 588/17).	98%
		The Municipal storm system also includes about 27,000 m of storm pipes. Storm pipes are mainly located in the urban areas, therefore stormwater management systems minly provided storm system services to properties in the urban areas.	2. Percentage of the municipal stormwater management system resilient to a 5-year storm (O. Reg. 588/17).	100%
			Average weighted condition assessment	Good
			Percentage of assets at or above "Good" or "Very Good" condition	62%
			Number of times roads closed due to flooding per year	0

**Appendix B
Level of Service and Performance Measures**

Asset Category	Community Level of Service as per O. Reg. 588/17 (shaded boxes)		Level of Service/Performance Measures	Current LOS
Water System	1. Description, which may include maps, of the user groups or areas of the municipality that are connected to the municipal water system.	The Mitchell Drinking Water System is a Class II Distribution and Supply sub-system owned and operated by the Municipality of West Perth. The system consists of four drilled groundwater wells that service the Mitchell urban area. Distribution Center 123 is located on the west side of St. George St. The Mitchell Water Tower is located at 125 Clarke Street. The works currently service a population of approximately 4,000. There are approximately 1950 service connections and 233 fire hydrants. Flow varies across the grid, with lower flow volumes in the most remote and dead-end parts of the grid. If required, the distribution system pressure can be controlled by the high lift pump at Distribution Center 4 (based on 2021 Annual Water Report).	1. Percentage of properties connected to the municipal water system (O. Reg. 588/17).	56%
	2. Description, which may include maps, of the user groups or areas of the municipality that have fire flow.	There are 233 fire hydrants which indicate areas of fireflow all located in the Mitchell urban area. 100% of the system includes fire flow.	2. Percentage of properties where fire flow is available (O. Reg. 588/17).	100% Urban Area
	3. Description of boil water advisories and service interruptions.	The Municipality has a quality management policy which outlines the commitment of the Municipality to provide high quality water services to the community. The policy includes a commitment to water quality principles which would also include informing residents if there is a service interruption.	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).	0
			2. 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).	5.4
			Average weighted condition assessment	Good
			Percentage of assets at or above "Good" or "Very Good" condition	58%
			% unaccounted for water (water billed vs. water produced)	4.1%
			Total Storage capacity (m3)	5,603
			Residential billable consumption (L)	248,462
			Percentage of water facilities with backup power	100%
Budget yearly expenditures for water distribution and supply system maintenance			\$ 586,051	
Number of inspections per year (facilities).			24 x 7 Scada system	
Number of inspections per year (Fire hydrants).	2			

**Appendix B
Level of Service and Performance Measures**

Asset Category	Community Level of Service as per O. Reg. 588/17 (shaded boxes)		Level of Service/Performance Measures	Current LOS
Sewer System	Description, which may include maps, of the user groups or areas of the municipality that are connected to the municipal wastewater system.	The Municipality owns about 36,000 m of sewer pipes which flow to the Mitchell Wastewater Treatment Plant (MWTP). The Mitchell Wastewater Treatment Plant (MWTP) receives wastewater from residential properties, small businesses and industrial facilities through the collection system. The two largest wastewater producers are a dairy production facility and poultry processing facility. Environmental Services measures discharge volumes of both facilities independently. Sewer service is provided in the Mitchell urban area.	Percentage of properties connected to the municipal wastewater system (O. Reg. 588/17).	56%
	1. Description of how combined sewers in the municipal wastewater system are designed with overflow structures in place which allow overflow during storm events to prevent backups into homes.	The MWTP is able to treat the average daily flows experienced in the Municipality. Peak flows are diverted and temporarily stored in the peak overflow cells and pumped back into the treatment plant when incoming flow volumes return to normal. This outlines the design of the overflow system.	1. The number of events per year where combined sewer flow in the municipal wastewater system exceeds system capacity compared to the total number of properties connected to the municipal wastewater system (O. Reg. 588/17).	0
	2. Description of the frequency and volume of overflows in combined sewers in the municipal wastewater system that occur in habitable areas or beaches.	No major overflow events have been recorded in recent years, however the MWTP is designed to manage peak flow events as described above.	2. The number of connection-days per year due to wastewater backups compared to the total number of properties connected to the municipal wastewater system (O. Reg. 588/17).	0
	3. Description of how stormwater can get into sanitary sewers in the municipal wastewater system, causing sewage to overflow into streets or backup into homes.	The Municipality has separate sewer and stormwater systems in the urban area with no major overflow events recently recorded.	3. The number of effluent violations per year due to wastewater discharge compared to the total number of properties connected to the municipal wastewater system (O. Reg. 588/17).	0
	4. Description of how sanitary sewers in the municipal wastewater system are designed to be resilient to avoid events described in paragraph 3.	The MWTP is able to treat the average daily flows experienced in the Municipality. Peak flows are diverted and temporarily stored in the peak overflow cells and pumped back into the treatment plant when incoming flow volumes return to normal. This outlines the design of the overflow system.		
	5. Description of the effluent that is discharged from sewage treatment plants in the municipal wastewater system.	Effluent discharge includes, CBOD5, suspended solids, phosphorus, ammonia nitrogen, E Coli and others which are closely monitored in compliance with Provincial and Federal regulation (based on 2021 Annual Wastewater Report)		
			Average weighted condition assessment	Fair
			Percentage of assets at or above "Good" or "Very Good" condition	55%
		Percentage of wastewater bypassing treatment	0%	
		Percentage of facility sites with backup power	100%	
		Budget yearly expenditures for wastewater collection and treatment system maintenance	\$ 712,357	
		% of wastewater facilities inspected annually	100%	



Hemson Consulting Ltd.

1000 – 30 St. Patrick Street, Toronto, ON M5T 3A3
416-593-5090 | hemson@hemson.com | www.hemson.com

MEMORANDUM

To: Municipality of West Perth
From: Andrew Mirabella and Christopher Balette, Hemson Consulting Ltd
Date: July 19, 2022
Re: Review of 2019 Municipality of West Perth Asset Management Plan for consistency with O. Reg. 588/17

The following outlines a review undertaken by the Municipality of West Perth and Hemson Consulting of the Municipality's 2019 Asset Management Plan (2019 AMP). As part of the Municipality's regular review of its AMP, this document aims to undertake a detailed look at the 2019 AMP to ensure that it is consistent with the requirements of O. Reg. 588/17 while at the same time continuing to be the main tool to guide long-term asset management planning in the Municipality.

A. BACKGROUND

In December 2017, Ontario Regulation 588/17 Asset Management Planning for Municipal Infrastructure (O. Reg. 588/17) 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 analyses municipal asset management plans should include. 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.

In 2018, Hemson Consulting was retained by the Municipality of West Perth to prepare a Strategic Asset Management Policy and undertake an Asset Management Plan (2019 AMP) consistent with the requirements of *Ontario Regulation 588/17 Asset Management Planning for Municipal Infrastructure* (O. Reg. 588/17). In October 2020, the Plan was prepared which followed the format set out in the *Building Together: Guide for Municipal Asset Management Plans* and defined the current levels of service for all core and non-core assets in compliance with the asset management regulation.

The objectives of the 2019 AMP were to develop a guide for long-term investment decisions for tax and rate funded infrastructure as well as meet the reporting requirements of O. Reg. 588/17. Furthermore, the 2019 AMP was based on development of an Excel based financial model which was provided to staff for use. The model process also included development of a model manual and a training session for staff. Staff to date, are working to build off this model and utilize the datasets to improve their internal asset management program.

One of the key deliverables of the 2019 AMP was to develop a financing strategy to ensure that Municipal infrastructure is maintained while keeping with the principles of financial sustainability and affordability over the long-term. Three financing strategy options were developed as part of the exercise. Note that the financing strategy is discussed in more detail later in this review.

B. OBJECTIVES OF THE AMP REVIEW

Since completion of the 2019 AMP, the Municipality has continued to improve and adapt lessons learned and best practices to its asset management processes. Notwithstanding the Covid-19 pandemic, which created financial challenges for the Municipality over the past two years, there has been continued effort to improve both the asset management practices at the Municipality and continue to fund operating and capital obligations to maintain levels of service. With this in mind, the objective of this review is to determine:

1. That the 2019 AMP continues to be consistent with the requirements of O. Reg. 588/17;
2. Identify any areas for improvement in the 2019 AMP and address them through this review and identify other improvements which should be addressed in a future plan; and,
3. Provide a high level assessment of the progress the Municipality has made in implementing the 2019 AMP.

To facilitate the review, a line-by-line assessment of the 2019 AMP was developed. Appendix A of this review outlines the key details of the assessment. Appendix A includes the following elements¹:

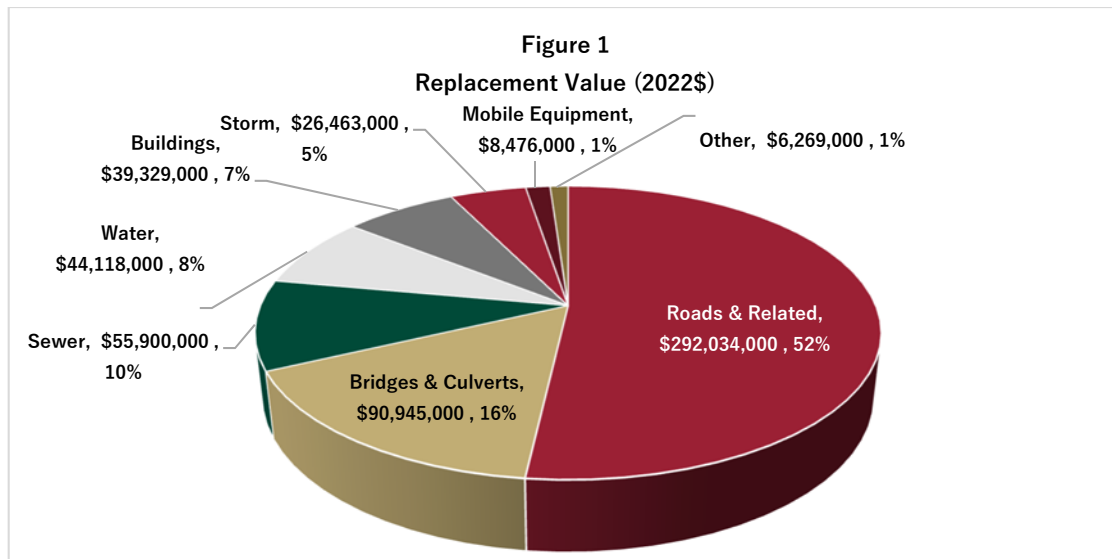
¹ Note that Appendix A Table 1 and 3 are relevant to this review as they relate to requirements of the regulation associated to reporting on current levels of service for core assets (by July 2022) and all other assets (by July 2024). Table 2 relates to reporting on proposed levels of service (by July 2025) which the Municipality will undertake in a future AMP update.

- The actual language from the O. Reg. 588/17 outlined by each section;
- A summary, in simplified terms, of the regulation requirement;
- An indication of the relevant section of the 2019 AMP that relates to the specific requirements of the regulation; and
- Action plan notes which relate to whether the particular requirement is complete, in-progress or not complete. If not complete, then an approximate timeline for completion is outlined.

C. REVIEW OF STATE OF LOCAL INFRASTRUCTURE

Section 2 of the 2019 AMP outlines a summary of the state of local infrastructure which is complemented with detailed asset report cards in Appendix B of the 2019 Plan for each asset category. Based on the review, the reporting done through the 2019 Plan meets all the requirements of O. Reg. 588/17 in that reports are included for both core and non-core assets. Furthermore, the reports outline a description of the assets in the category, their quantity (where available), replacement cost, remaining useful life (a function of age), and condition assessments and methodology used. Appendix A of this review includes the detailed assessment of the 2019 AMP with reference to the reporting of assets.

Recognizing that inflationary pressures continue to create fiscal challenges for the Municipality, a review of the replacement values was undertaken at a high-level. Based on the Statistics Canada Non-Residential Construction Price Index, the replacement value of the Municipality's assets was updated. The total value of the assets amount to approximately **\$563.5 million (\$2022)**. Of this the largest shares continue to be related to the Municipality's core services of roads and related, bridges and culverts, sewer, water and storm. Buildings continues to be the largest category for the non-core services. Figure 1 below outlines the replacement value breakdown. Importantly, this updated replacement value should be considered to be more representative of the value of the Municipality's assets today but recognizing that as data continues to be refined, the valuations will again be adjusted in a more fulsome study update during the next AMP.



Note: Other category includes computer network, furniture/fixtures, machinery/equipment and land improvements.

D. REVIEW OF LEVEL OF SERVICE FOR CORE ASSETS

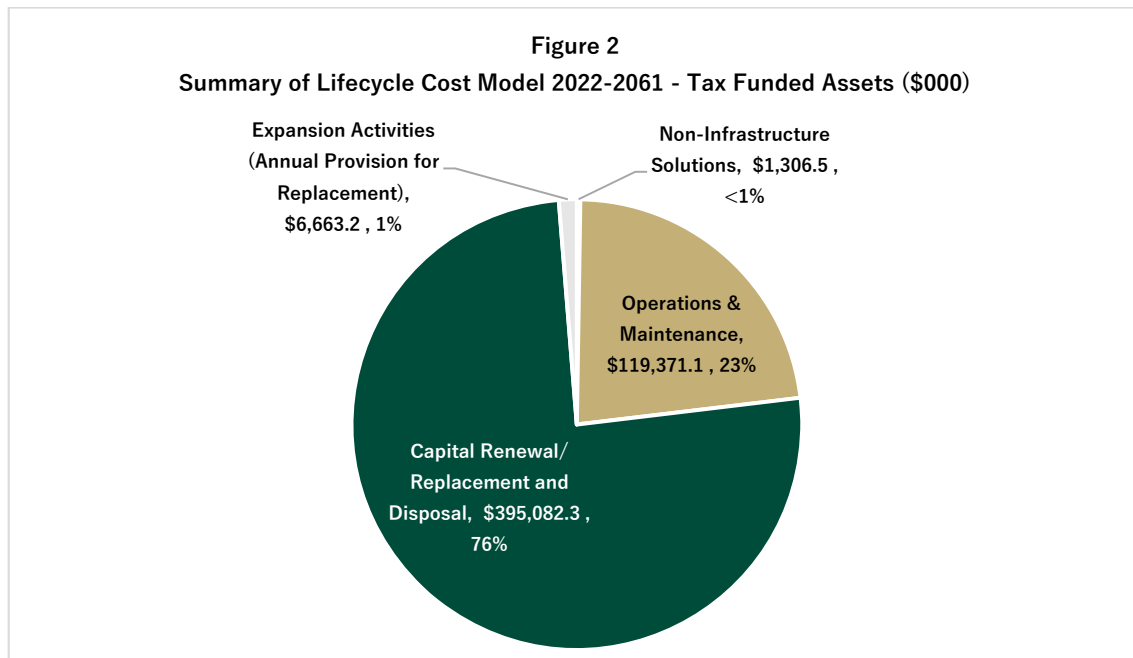
The Municipality's 2019 AMP included the development of a level of service tracker to identify current levels of service. It is noted that the current levels of service were defined for the core services of roads and related, bridges and culverts, water, sewer and storm as prescribed by O. Reg. 588/17. Furthermore, the Municipality included all non-core assets in the 2019 AMP and therefore developed level of service measures for those services with the best available information. It is noted that the Municipality uses a blended methodology of level of service measures and performance measures.

Based on the Municipality's review, it has been determined that the current levels of service outlined in the 2019 AMP continue to generally represent the levels of service the Municipality currently provides and therefore no major changes to the data are proposed at this time. However, at the time of the 2019 AMP the community levels of service were not defined as part of the analysis. Therefore, Appendix B provides a revised current level of service table which outlines the descriptive requirements of the community levels of service as required by O. Reg. 588/17. The community levels of service are developed based on information available through the Municipality's other engineering reports including the 2018 Roads Management Study, 2021 Annual Water and Wastewater Reports and OSIM Reports. With this said, the Municipality is undertaking internal improvements of the asset data in preparation for the 2025 proposed level of service requirements of O. Reg. 588/17, where a comprehensive review of the level of service table will be undertaken.

E. REVIEW OF FINANCING STRATEGY

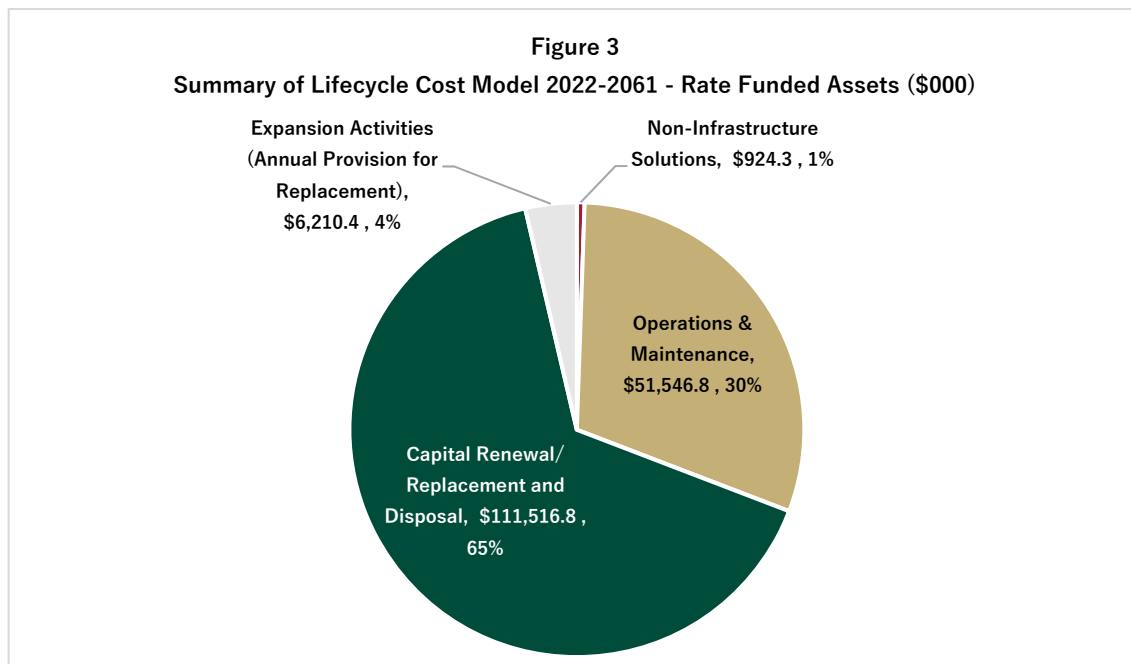
The financing strategy lifecycle costs associated to the 2019 AMP have been updated to reflect long-term expenditures that represent more up to date costing based on the Statistics Canada Non-Residential Construction Price Index. Furthermore, the financing strategy analysis has been updated to reflect the full lifecycle costs of the Municipality's assets as discussed in Section 4 of the 2019 AMP. Note that no provisions for level of service adjustments to account for requirements of O. Reg. 588/17 to define and implement proposed levels of service have been included in the analysis – this will be further addressed in the next plan to coincide with the regulatory deadline.

For tax funded services over the next forty years, the analysis indicates a spending need of about \$522.4 million. Figure 2 summarizes the cumulative 40-year investment needs across the tax supported service areas for the various lifecycle activities identified in Section 4 of the 2019 AMP. Of the total life cycle cost, most costs can be attributed to saving for the renewal and replacement of existing infrastructure making up about \$395.1 million (76%). About \$119.4 million (23%) of the total is related to operating and maintenance costs associated to the existing asset base and potential future infrastructure associated to expansions. \$6.7 million (1%) is related to future asset management provisions associated to future infrastructure expansion. The remaining \$1.3 million (less than 1%) is associated to non-infrastructure solutions.



For rate funded services, over the next forty years, the analysis indicates a spending need of about \$170.2 million. Figure 3 summarizes the cumulative 40-year investment needs

across the rate supported service areas for the various lifecycle activities identified in Section 4 of the 2019 AMP. Of the total life cycle cost, most costs can be attributed to saving for the renewal and replacement of existing infrastructure making up about \$111.5 million (64%). About \$51.5 million (33%) of the total is related to operating and maintenance costs associated to the existing asset base and potential future infrastructure associated to expansions. \$6.2 million (3%) is related to future asset management provisions associated to future infrastructure expansion. The remaining \$924,000 (1%) is associated to non-infrastructure solutions.



F. COSTS TO MAINTAIN CURRENT LEVELS OF SERVICE

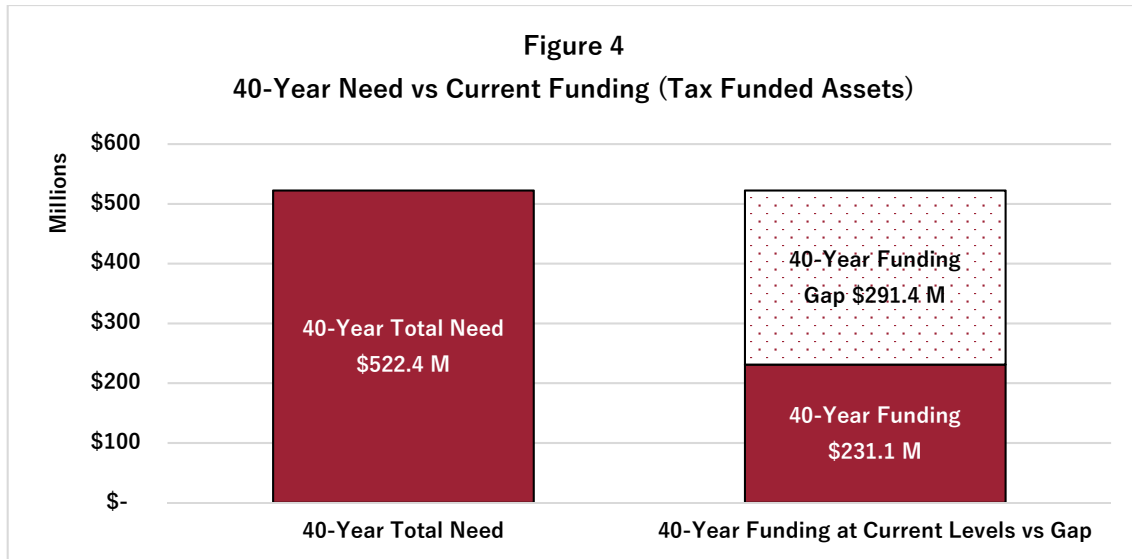
As noted in Part E, costs associated to the full lifecycle of assets have been restated to reflect 2022 dollars and the cumulative full lifecycle costs over the 40-year period. Therefore, a consistent approach has also been used to restate the level of funding currently available to undertake regular capital repair/replacement activities. With this information, a restated analysis of the cumulative 40-year infrastructure gap can be developed if current funding levels are maintained with no further increases.

The 40-year infrastructure deficit shown in Figure 4 represents the difference between the required lifecycle costs and the current contributions to capital, without further increases, for the tax funded assets. The graph indicates that existing funding levels are insufficient to cover projected costs over the planning period, as a result, a notional gap of \$291.4 million exists over the 40-year period. It is unrealistic to expect the Municipality to address the

total infrastructure deficit in the short-term. Therefore, three long-term funding strategies that identify options for addressing current and future asset expenditures was developed as part of the 2019 AMP.

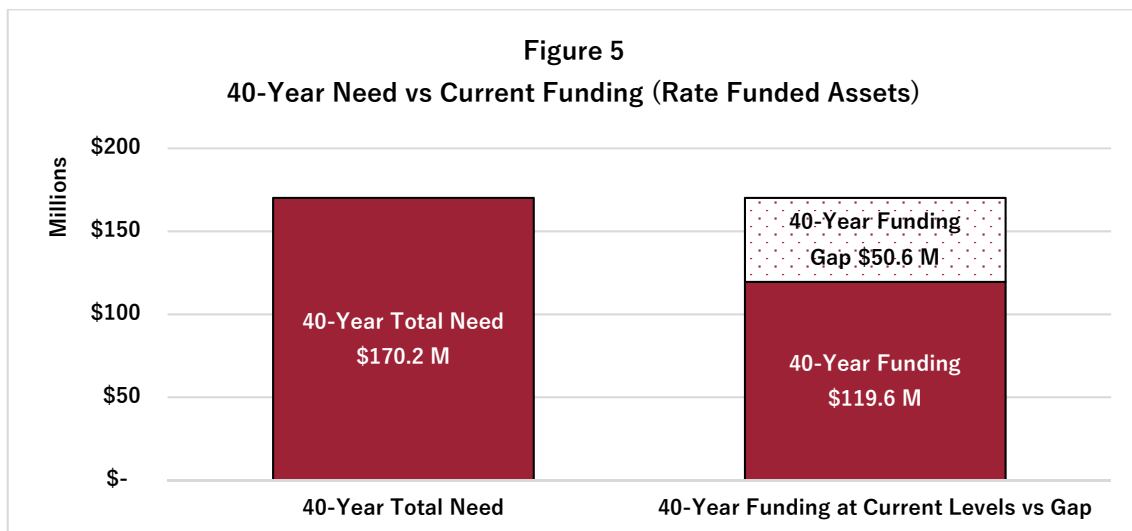
The financing strategies in the 2019 AMP represent options at maintaining the current levels of service from a long-term perspective. In summary, the following conclusions can be made:

- The Municipality developed the three financing strategies outlined in the 2019 AMP which aim to control the cumulative infrastructure deficit over the long-term period. Strategy 1 and 2 would strive to ensure, that over the long-term, the funding gap stabilizes and the infrastructure deficit is controlled, and eventually reduced over the long-term period. Strategies 1 and 2 would represent an increase to the level of service as the infrastructure gap would eventually begin to decrease.
- Strategy 3 would see the infrastructure deficit controlled over the planning period. Under this approach, the additional funding would allow for increased targeted investments in asset areas currently in Fair condition to ensure these assets don't transition into the Poor category in the next 5 -10 years therefore maintaining the existing level of service.
 - Also of importance, the assets in Good/Very Good condition require continued investment to ensure service levels are maintained. As these assets age, they may also transition into Fair or lower category. Continued contributions to reserves will ensure funds are available whenever assets require works to be completed.
- The option to “do nothing” and allow the infrastructure back-log to accumulate by not continuing to increase funding would mean that existing funding levels would not be sufficient to manage the infrastructure in place over the long-term. Therefore, the assets in service would deteriorate with a series of assets moving into Poor and Very Poor condition which would effectively provide a reduction in the level of service over the short and long-term periods. This scenario is reflected in Figure 4.
- The Municipality continues to assess capital needs through its annual budget process. At this time the Municipality is in the planning stages to update its available asset data in order to review the financing strategies as part of a future AMP update.



The 40-year infrastructure deficit shown in Figure 5 represents the difference between the required lifecycle costs and the current contributions to capital, without further increases, for the rate funded assets. The graph indicates that existing funding levels, without further increases, are insufficient to cover projected costs over the planning period, as a result, a notional gap of \$50.6 million exists over the 40-year period.

The Municipality continues to maintain the principles of full cost recovery for water and sewer services to ensure that services for residents continue to meet, or exceed, safety, industry and Provincial standards. Capital funding for repair/replacement activities for water and sewer infrastructure has continued to increase over time in-line with the Municipality's annual water and sewer rate reviews and financial plans. The Municipality expects that its annual rate increases will continue to maintain the current level of service provided.



G. CONTINUOUS IMPROVEMENT

The completion of the 2019 AMP not only provided the Municipality with the opportunity to develop a plan to develop a sustainable funding strategy for its assets, but also helped the Municipality to identify the gaps in its asset data. With this in mind, the Municipality is undertaking several key improvements. These improvements are expected to help develop the information needed to meet the 2025 requirements of O. Reg. 588/17 particularly those to develop proposed levels of service and the costs associated to meeting proposed levels of service. The Municipality recognizes that a key component of asset management is the principle of continuing to improve its practices. Some initiatives the Municipality is undertaking include:

- The Municipality has identified that some of its asset inventory information is outdated and will require a comprehensive update. The Municipality is currently undertaking some key updates which include:
 - Comprehensive updates to assets to include more detailed asset attributes wherever possible such as identification of model numbers, quantities, units or other technical information. This includes detailed documentation of the Municipality's streetlights and updates to bridge/culvert inventories which are currently underway.
 - Developing definitions for asset classes to ensure certain assets are captured under the correct asset categories.
 - Developing a process to ensure asset information is kept up to date to ensure information is available for the next AMP update.
- The Municipality expects to continue to track the current level of service on an annual basis. Furthermore, the Municipality also expects to better track the specific lifecycle activities and costs needed to maintain the current levels of service at a more granular level. This information will be necessary to help inform development of the proposed levels of service.

APPENDIX A

DETAILED REVIEW OF 2019 AMP

Appendix A - Table 1
Municipality of West Perth
Asset Management Regulation (O.Reg. 588/17) and Action Plan Summary

Section	Regulation	Summary of Regulation	Relevant Section of AMP	Action Plan	
5. Asset management plans, current level of service				Action Items or Notes	Timeline to Complete
(1)	Every municipality shall prepare an asset management plan in respect of its core municipal infrastructure assets by July 1, 2022, and in respect of all of its other municipal infrastructure assets by July 1, 2024.	<i>This requirement establishes timelines for core and non-core municipal assets to be included in the asset management plan in relation to current levels of service.</i>		<ul style="list-style-type: none"> All assets are included in the 2019 AMP. Non-core assets: computer network, furniture and fixtures, machinery and equipment, mobile equipment, land improvements, buildings Core assets: roads, bridges/culverts, storm, water, sewer 	Complete
(2)	A municipality's asset management plan must include the following:				
1.	For each asset category, the current levels of service being provided, determined in accordance with the following qualitative descriptions and technical metrics and based on data from at most the two calendar years prior to the year in which all information required under this section is included in the asset management plan:	<i>This section outlines reporting requirements for existing levels of service. Historical data should be at least 2 years old.</i>	Section 3 Levels of Service	<ul style="list-style-type: none"> Levels of service were developed as part of the 2019 AMP. Upon review of the level of service measures included, it has been determined that the continue to represent the current level of service in 2022 based on a high-level review of existing data. 	Complete
i.	With respect to core municipal infrastructure assets, the qualitative descriptions set out in Column 2 and the technical metrics set out in Column 3 of Table 1, 2, 3, 4 or 5, as the case may be.	<i>Include the community and technical levels of service from Table 4 in this appendix in the AMP for roads, water, wastewater and stormwater infrastructure.</i>	Section 3 Levels of Service	<ul style="list-style-type: none"> The required level of service measures associated to the core assets as per O.Reg. 588/17 for roads, bridges/culverts, storm, water and sewer were developed as part of the 2019 AMP. Note that the community levels of service have been developed as part of this review to provide a more complete approach. 	Complete
ii.	With respect to all other municipal infrastructure assets, the qualitative descriptions and technical metrics established by the municipality.	<i>Include the qualitative and quantitative descriptors outlined by the municipality for assets such as facilities, vehicles, equipment, land improvements, etc. These will have to be defined by the municipality.</i>	Section 3 Levels of Service	<ul style="list-style-type: none"> Level of service measures for non-core assets were developed as part of the 2019 AMP. 	Complete
2.	The current performance of each asset category, determined in accordance with the performance measures established by the municipality, such as those that would measure energy usage and operating efficiency, and based on data from at most two calendar years prior to the year in which all information required under this section is included in the asset management plan.	<i>Include the performance of each asset category which is measured using data less than 2 years old as outlined by the municipality. Performance measures will vary by asset category.</i>	Section 3 Levels of Service	<ul style="list-style-type: none"> The 2019 AMP includes a blend of performance measures and level of service measures. The Municipality is currently undertaking several initiatives to improve its available asset data. This will facilitate development of additional performance measures in future years. 	Complete

Appendix A - Table 1
Municipality of West Perth
Asset Management Regulation (O.Reg. 588/17) and Action Plan Summary

Section	Regulation	Summary of Regulation	Relevant Section of AMP	Action Plan	
5. Asset management plans, current level of service				Action Items or Notes	Timeline to Complete
3.	For each asset category,				
i.	a summary of the assets in the category,	<i>A summary describing the assets in each category. For assets that are broken down into components, a summary can be developed by component.</i>	Section 2 State of Local Infrastructure	•State of the local infrastructure report cards were developed as part of the 2019 AMP. The report cards summarize the assets in each asset category in a table.	Complete
ii.	the replacement cost of the assets in the category,	<i>Include total replacement cost of all assets in each category.</i>		•State of the local infrastructure report cards were developed as part of the 2019 AMP. The report cards summarize the replacement value of assets by type/components wherever possible.	Complete
iii.	the average age of the assets in the category, determined by assessing the average age of the components of the assets,	<i>Include the weighted average age of all assets in each category weighted relative to their replacement cost.</i>		•State of the local infrastructure report cards were developed as part of the 2019 AMP. The report cards summarize the remaining useful life of the assets. Although the remaining useful life of the assets does not explicitly state the age of the assets, it is a direct function of the age. The remaining useful life is reported as this value is a key measure of condition utilized wherever engineered or staff condition assessments are not available.	Complete
iv.	the information available on the condition of the assets in the category, and	<i>Where available, include the weighted condition rating of assets in each category weighted relative to their replacement cost.</i>	Section 2 State of Local Infrastructure	•State of the local infrastructure report cards were developed as part of the 2019 AMP. The report cards summarize the condition of assets based on a 5-tier scale from Very Poor to Very Good.	Complete
v.	a description of the municipality's approach to assessing the condition of the assets in the category, based on recognized and generally accepted good engineering practices where appropriate.	<i>Include the engineering methods used to assess condition rating of all assets in each category. This can include staff visual inspections, remote sensors, etc.</i>		•State of the local infrastructure report cards were developed as part of the 2019 AMP. Appendix B of the 2019 AMP outlines the methodology used to determine conditions of assets.	Complete

Appendix A - Table 1
Municipality of West Perth
Asset Management Regulation (O.Reg. 588/17) and Action Plan Summary

Section	Regulation	Summary of Regulation	Relevant Section of AMP	Action Plan	
5. Asset management plans, current level of service				Action Items or Notes	Timeline to Complete
4.	For each asset category, the lifecycle activities that would need to be undertaken to maintain the current levels of service as described in paragraph 1 for each of the 10 years following the year for which the current levels of service under paragraph 1 are determined and the costs of providing those activities based on an assessment of the following:	<i>Include all maintenance activities required to maintain current service levels for at least a 10 year period. For example, for buildings this can include frequency of inspections, maintenance schedules, maintenance procedures, etc.</i>	Section 4 Asset Management Strategy	•Appendix D of the 2019 AMP documents lifecycle activities needed to maintain current levels of service at a high level. It is noted that the Municipality expects to improve documentation of its asset management strategies on an ongoing basis. The 2019 AMP also discusses the lifecycle activities: non-infrastructure solutions, maintenance activities, renewal/rehabilitation, replacement, disposal and expansion.	Complete
i.	The full lifecycle of the assets.	<i>The activities listed should be relevant to the useful life of the asset.</i>	Section 5 Financing Strategy	•The 2019 Plan focuses on the lifecycle costs associated to maintenance and replacement activities. This 2022 review includes an updated methodology that captures costs for all lifecycle activities.	Complete
ii.	The options for which lifecycle activities could potentially be undertaken to maintain the current levels of service.	<i>Discuss alternative options that can be undertaken to maintain current service levels and what options work best.</i>	Section 5 Financing Strategy	•Appendix D of the 2019 AMP documents lifecycle activities needed to maintain current levels of service at a high level. It is noted that the Municipality expects to improve documentation of its asset management strategies on an ongoing basis. The 2019 AMP also discusses the lifecycle activities: non-infrastructure solutions, maintenance activities, renewal/rehabilitation, replacement, disposal and expansion.	Complete
iii.	The risks associated with the options referred to in subparagraph ii.	<i>Discuss the risks involved with the options in subsection 4.ii. Risks include discussion of consequences of not undertaking such maintenance activities.</i>	Section 4 Asset Management Strategy	•Section 4 of the 2019 AMP discusses risks associated to not implementing the key outcomes of the plan. It is expected that the Municipality will continue to update the information to provide additional details over time.	Complete
iv.	The lifecycle activities referred to in subparagraph ii that can be undertaken for the lowest cost to maintain the current levels of service.	<i>Discuss the lowest cost options that can be undertaken to maintain current service levels.</i>	Section 5 Financing Strategy	•The costs identified in the 2019 Plan associated to the 40-year planning period are based on the Municipality's budget and associated lifecycle activities identified through Appendix D. The Municipality considers this to be the lowest cost options based on the best available information available today and the current level of service provided. This 2022 review provides additional details on the financing strategy to supplement the 2019 Plan.	Complete

Appendix A - Table 1
Municipality of West Perth
Asset Management Regulation (O.Reg. 588/17) and Action Plan Summary

Section	Regulation	Summary of Regulation	Relevant Section of AMP	Action Plan	
5. Asset management plans, current level of service				Action Items or Notes	Timeline to Complete
5.	For municipalities with a population of less than 25,000, as reported by Statistics Canada in the most recent official census, the following:				
i.	A description of assumptions regarding future changes in population or economic activity.	<i>This can include: population forecasts, development forecasts or economic reports.</i>	Section 5 Financing Strategy	<ul style="list-style-type: none"> The 2019 Plan includes a Future Demand section which discusses the Municipality's expected future development and costs associated to growth-identified through the DC study which are considered expansion activities. The costs associated to expansion have also been included in updated financing strategy discussion in this review. 	Complete
ii.	How the assumptions referred to in subparagraph i relate to the information required by paragraph 4.	<i>Discussion on the relationship of growth on maintenance activities. For example as population grows, further maintenance activities are required for roads as more roads experience larger traffic volumes.</i>		<ul style="list-style-type: none"> The 2019 Plan includes a Future Demand section which discusses the Municipality's expected future development and costs associated to growth-identified through the DC study which are considered expansion activities. The costs associated to expansion have also been included in updated financing strategy discussion in this review. 	Complete
(3)	Every asset management plan must indicate how all background information and reports upon which the information required by paragraph 3 of subsection (2) is based will be made available to the public.	<i>Include the sources of the information and ensure that the information is available to the public.</i>	Section 6 Making Asset Management Operational	<ul style="list-style-type: none"> The 2019 Plan indicates that the report and strategic asset management policy should be made available to the public. Both are available on the municipal website. 	Complete

Appendix A - Table 2
Municipality of West Perth
Asset Management Regulation (O.Reg. 588/17) and Action Plan Summary

Section	Regulation	Summary of Regulation	Relevant Section of Future AMP	Action Plan	
6. Asset management plans, proposed level of service				Action Items	Timeline to Complete
(1)	Subject to subsection (2), by July 1, 2025, every asset management plan prepared under section 5 must include the following additional information:	<i>The regulations has additional requirements which must be included in the asset management plan by 2025.</i>		•It is expected that the 2019 Plan will be updated to include the additional information required by 2025.	To be completed by 2025
1.	For each asset category, the levels of service that the municipality proposes to provide for each of the 10 years following the year in which all information required under section 5 and this section is included in the asset management plan, determined in accordance with the following qualitative descriptions and technical metrics:	<i>This section refers to the proposed or planned level of service for a minimum of 10 years.</i>	Section 3 Levels of Service	<ul style="list-style-type: none"> Proposed levels of service should be defined with consideration of the current levels of service determined through the 2019 AMP. It is noted the proposed levels of service are those expected to be achieved over a minimum 10-year period. Consultation with Council and the public should occur before establishing targets. 	Q4 2024
i.	With respect to core municipal infrastructure assets, the qualitative descriptions set out in Column 2 and the technical metrics set out in Column 3 of Table 1, 2, 3, 4 or 5, as the case may be.	<i>Include the community and technical levels of service from Table 4 in this appendix in the AMP for roads, water, wastewater and stormwater infrastructure.</i>	Section 3 Levels of Service	<ul style="list-style-type: none"> Proposed levels of service should be defined with consideration of the current core levels of service determined through the 2019 AMP. 	Q4 2024
ii.	With respect to all other municipal infrastructure assets, the qualitative descriptions and technical metrics established by the municipality.	<i>Include the qualitative and quantitative descriptors outlined by the municipality for assets such as facilities, vehicles, equipment, land improvements, etc. These will have to be defined by the municipality.</i>	Section 3 Levels of Service	<ul style="list-style-type: none"> Proposed levels of service should be defined with consideration of the current non-core levels of service determined through the 2019 AMP. 	Q4 2024
2.	An explanation of why the proposed levels of service under paragraph 1 are appropriate for the municipality, based on an assessment of the following:	<i>An explanation on how levels of service targets have been determined will need to be outlined.</i>	Section 3 Levels of Service	<ul style="list-style-type: none"> Describe why the proposed levels of service are appropriate, this should include the process that was used to establish the proposed levels of service and how Council and the public was consulted. 	Q4 2024
i.	The options for the proposed levels of service and the risks associated with those options to the long term sustainability of the municipality.	<i>Options to achieve the proposed levels of service and all risks associated to not meeting the targets.</i>	Section 3 Levels of Service	<ul style="list-style-type: none"> Ensure that the proposed levels of service are based on measurable targets that the Town can track over time and maintain up to date. Include a discussion on the risks associated with not meeting proposed levels of service and if possible the consequence (ie. costs). 	Q4 2024
ii.	How the proposed levels of service differ from the current levels of service set out under paragraph 1 of subsection 5 (2).	<i>Include a description of how proposed service levels differ from current service levels. Include quantitative and qualitative differences. Identify which service measures are new.</i>	Section 3 Levels of Service	<ul style="list-style-type: none"> Compare the proposed levels of service to the current levels of service. They can be added as an additional "column" in the level of service tracker of the 2019 AMP once it is updated. 	Q4 2024
iii.	Whether the proposed levels of service are achievable.	<i>Discuss whether proposed service levels are attainable. Only feasible and realistic level of service targets should be included in any plan.</i>	Section 3 Levels of Service	<ul style="list-style-type: none"> Ensure that the proposed levels of service are achievable, feasible and realistic. Include a discussion in the AMP on why the proposed levels of service are achievable. 	Q4 2024
iv.	The municipality's ability to afford the proposed levels of service.	<i>Discuss whether proposed service levels are affordable. This will require a cost of analysis of work required to achieve the proposed targets.</i>	Section 5 Financing Strategy	<ul style="list-style-type: none"> Costs associated to meeting the proposed levels of service will need to be included as part of the financing strategy. The financing strategy in the 2019 AMP can be utilized as a basis for the analysis. The tax/rate impact of undertaking these costs can be assessed. 	Q2 2025

Appendix A - Table 2
Municipality of West Perth
Asset Management Regulation (O.Reg. 588/17) and Action Plan Summary

Section	Regulation	Summary of Regulation	Relevant Section of Future AMP	Action Plan	
6. Asset management plans, proposed level of service				Action Items	Timeline to Complete
3.	The proposed performance of each asset category for each year of the 10-year period referred to in paragraph 1, determined in accordance with the performance measures established by the municipality, such as those that would measure energy usage and operating efficiency.	<i>Include the planned performance levels established by the municipality. Performance measures will vary by asset category.</i>	Section 3 Levels of Service	• Proposed performance measures should be defined with consideration of the current levels of service and how they compare.	Q4 2024
4.	A lifecycle management and financial strategy that sets out the following information with respect to the assets in each asset category for the 10-year period referred to in paragraph 1:	<i>Lifecycle cost analysis for each asset category. Should be for at least a 10 year period.</i>	Section 4 Asset Management Strategy	•The work required for this would are related to the Asset Management Strategy and Financing Strategy sections of the AMP which are expected to be updated by July 2025.	Q2 2025
i.	An identification of the lifecycle activities that would need to be undertaken to provide the proposed levels of service described in paragraph 1, based on an assessment of the following:	<i>Identify the lifecycle activities that need to be performed to provide proposed service levels based on:</i>		•Section 4 of the AMP and Appendix D which outline the lifecycle activities associated to maintaining current levels of service would need to be updated to reflect the lifecycle activities needs to meet proposed levels of service (if any change is warranted).	Q2 2025
A.	The full lifecycle of the assets.	<i>The activities listed should be relevant to the useful life of the asset.</i>		•Consistent with the full lifecycle of assets consideration needs to be made for all lifecycle activities: non-infrastructure solutions, maintenance, renewal/rehabilitation, replacement, disposal and expansion.	Q2 2025
B.	The options for which lifecycle activities could potentially be undertaken to achieve the proposed levels of service.	<i>Discuss alternative options that can be undertaken to achieve proposed service levels and what options work best.</i>		•Section 4 of the AMP and Appendix D which outline the lifecycle activities associated to maintaining current levels of service would need to be updated to reflect the lifecycle activities needs to meet proposed levels of service (if any change is warranted).	Q2 2025
C.	The risks associated with the options referred to in sub-subparagraph B.	<i>Discuss the risks involved with the options to achieve proposed service levels. Risks include discussion of consequences of not undertaking such maintenance activities.</i>		•A discussion on the risks associated to not meeting the objectives of the AMP. Section 4 of the 2019 AMP discusses risks associated to not implementing the key outcomes of the plan. It is expected that the Municipality will continue to update the information to provide additional details over time.	Q2 2025
D.	The lifecycle activities referred to in sub-subparagraph B that can be undertaken for the lowest cost to achieve the proposed levels of service.	<i>Discuss the lowest cost options that can be undertaken to achieve proposed service levels.</i>		•The costs identified in the 2019 Plan associated to the 40-year planning period are based on the Municipality's budget and associated lifecycle activities identified through Appendix D. The Municipality would need to discuss why the activities are considered to be the lowest cost options available.	Q2 2025
ii.	An estimate of the annual costs for each of the 10 years of undertaking the lifecycle activities identified in subparagraph i, separated into capital expenditures and significant operating costs.	<i>Forecast of capital and operating costs associated to achieving the proposed levels of service. Forecast should be for at least a 10 year period.</i>		•The financing strategy will need to be updated to reflect the full lifecycle costs associated to meeting the proposed levels of service for each lifecycle activity: non-infrastructure solutions, maintenance, renewal/rehabilitation, replacement, disposal and expansion.	Q2 2025
iii.	An identification of the annual funding projected to be available to undertake lifecycle activities and an explanation of the options examined by the municipality to maximize the funding projected to be available.	<i>Identify funding options and forecast funding for a minimum of 10 years. Funding is associated to the lifecycle cost forecast above.</i>		•The financing strategy will need to be updated to reflect the expected funding available to meet the proposed level of service.	Q2 2025
iv.	If, based on the funding projected to be available, the municipality identifies a funding shortfall for the lifecycle activities identified in subparagraph i,	<i>Conditions if a funding shortfall is identified.</i>	Section 5 Financing Strategy		
A.	an identification of the lifecycle activities, whether set out in subparagraph i or otherwise, that the municipality will undertake, and	<i>Identify lifecycle activities that the municipality will undertake.</i>		•The financing strategy will need to be updated to reflect the full lifecycle costs associated to meeting the proposed levels of service for each lifecycle activity: non-infrastructure solutions, maintenance, renewal/rehabilitation, replacement, disposal and expansion.	Q2 2025
B.	if applicable, an explanation of how the municipality will manage the risks associated with not undertaking any of the lifecycle activities identified in subparagraph i.	<i>Discussion on risk management activities associated to the funding shortfall.</i>		•A discussion on the risks associated to not meeting the objectives of the AMP. Section 4 of the 2019 AMP discusses risks associated to not implementing the key outcomes of the plan. It is expected that the Municipality will continue to update the information to provide additional details over time.	Q2 2025

Appendix A - Table 2
Municipality of West Perth
Asset Management Regulation (O.Reg. 588/17) and Action Plan Summary

Section	Regulation	Summary of Regulation	Relevant Section of Future AMP	Action Plan	
6. Asset management plans, proposed level of service				Action Items	Timeline to Complete
5.	For municipalities with a population of less than 25,000, as reported by Statistics Canada in the most recent official census, a discussion of how the assumptions regarding future changes in population and economic activity, set out in subparagraph 5 i of subsection 5 (2), informed the preparation of the lifecycle management and financial strategy referred to in paragraph 4 of this subsection.	<i>For municipalities with a population less than 25,000, explain how population and economic forecasts assumptions tie into the lifecycle management and financial strategy for the municipal asset management plan.</i>	Section 5 Financing Strategy	•The 2019 Plan includes a Future Demand section which discusses the Municipality's expected future development and costs associated to growth-identified through the DC study which are considered expansion activities. This section should be updated in the future.	Q2 2025
7.	An explanation of any other key assumptions underlying the plan that have not previously been explained.	<i>All assumptions in the AMP should be clearly laid out.</i>	Where Applicable	•Expand the documentation of assumptions in the AMP that are used to develop future updates (if applicable)	Q2 2025
(2)	With respect to an asset management plan prepared under section 5 on or before July 1, 2022, if the additional information required under this section is not included before July 1, 2024, the municipality shall, before including the additional information, update the current levels of service set out under paragraph 1 of subsection 5 (2) and the current performance measures set out under paragraph 2 of subsection 5 (2) based on data from the two most recent calendar years.	<i>If proposed level of service analysis is not included in the AMP by July 1, 2025 then the municipality will need to update the current level of service analysis with the most recent 2 years of data.</i>	Section 3 Levels of Service	•The current level of service is recommended to be updated with every update of the AMP. This said, it should be tracked on an ongoing basis to identify if there are any differences between the current level of service relative to the proposed level of service.	Q2 2025

Appendix A - Table 3
Municipality of West Perth
Asset Management Regulation (O.Reg. 588/17) and Action Plan Summary

Section	Regulation	Summary of Regulation	Relevant Section of AMP	Action Plan	
7. Update of asset management plans				Action Items	Timeline to Complete
(1)	Every municipality shall review and update its asset management plan at least five years after the year in which the plan is completed under section 6 and at least every five years thereafter.	<i>The AMP should be updated every 5 years after July 1st 2024.</i>	Section 6 Making Asset Management Operational	<ul style="list-style-type: none"> The Municipality expects to update the AMP at minimum every 5-years or as needed. Although it is noted that the information utilized through the AMP should be reviewed more frequently. All future updates of the asset management plan should be consistent with O. Reg. 588/17. 	Every 5-years after 2025
(2)	The updated asset management plan must comply with the requirements set out under paragraphs 1, 2 and 3 and subparagraphs 5 i and 6 i, ii, iii, iv and v of subsection 5 (2), subsection 5 (3) and paragraphs 1 to 7 of subsection 6 (1).	<i>Any updates to the AMP should comply with the requirements of O.Reg 588/17 as well.</i>			
8. Endorsement and approval required					
	Every asset management plan prepared under section 5 or 6, or updated under section 7, must be,		Section 6 Making Asset Management Operational	<ul style="list-style-type: none"> The 2019 Plan was endorsed by the CAO and approved by Council. 	Complete
(a)	endorsed by the executive lead of the municipality; and	<i>The AMP must be endorsed by the executive lead of the municipality.</i>			
(b)	approved by a resolution passed by the municipal council.	<i>The AMP must be approved by Council.</i>			
9. Annual review of asset management planning progress					
(1)	Every municipal council shall conduct an annual review of its asset management progress on or before July 1 in each year, starting the year after the municipality's asset management plan is completed under section 6.	<i>Review the AMP annually before or on July 1st of each year starting after all requirements of O.Reg 588/17 have been met.</i>	Section 6 Making Asset Management Operational	<ul style="list-style-type: none"> Monitor asset management plan progress on an annual basis. This can be done through the AMP Report Cards. A discussion on barriers and gaps in progress on the AMP should be included. Progress on the plan can be monitored by considering the points outlined in Section 6. 	after 2025
(2)	The annual review must address,				
(a)	the municipality's progress in implementing its asset management plan;	<i>The annual review should discuss the progress made in implementing the AMP.</i>			
(b)	any factors impeding the municipality's ability to implement its asset management plan; and	<i>The annual review should discuss any factors that act as barriers, gaps or challenges in implementing the AMP.</i>			
(c)	a strategy to address the factors described in clause (b).	<i>The annual review should discuss a strategy to address any factors that act as barriers, gaps or challenges in implementing the AMP.</i>			
10. Public Availability					
	Every municipality shall post its current strategic asset management policy and asset management plan on a website that is available to the public, and shall provide a copy of the policy and plan to any person who requests it.	<i>Post the asset management policy and plan on the municipality's website so that the public can access it. Provide a copy of the asset management policy and plan to any person who requests it.</i>	Section 6 Making Asset Management Operational	<ul style="list-style-type: none"> The 2019 Plan and policy are posted on the website. 	Complete

APPENDIX B

LEVEL OF SERVICE TABLE

**Appendix B
Level of Service and Performance Measures**

Asset Category	Community Level of Service as per O. Reg. 588/17 (shaded boxes)	Level of Service/Performance Measures	Current LOS
Computer Network	Includes all computers and peripheral equipment required for the Municipality to achieve its operational objectives. These assets also include software necessary for municipal operations.	Average weighted condition assessment	Very Poor
		Percentage of assets at or above "Good" or "Very Good" condition	0%
		Budget yearly expenditures for computer hardware/software maintenance	\$ 29,812
Furniture & Fixtures	Includes furniture and fixtures largely located in the Municipality's facilities.	Average weighted condition assessment	Poor
		Percentage of assets at or above "Good" or "Very Good" condition	4%
Machinery & Equipment <i>(Admin, Fire, PW Only)</i>	Includes mobile heavy machinery such as backhoes, tractors, snow blowers, mowers and trailers. Equipment includes all mechanical and stationary equipment. Examples include furniture at facilities, fire bunker gear and library materials.	Average weighted condition assessment	Fair
		Percentage of assets at or above "Good" or "Very Good" condition	24%
		Budget yearly expenditures for equipment maintenance	\$ 40,617
		Frequency of inspections (tools)	Prior to each use
Mobile Equipment	Includes fleet vehicles used for administrative purposes as well as public works vehicles and fire trucks. West Perth includes all mobile equipment in their costing, including trackless, tractors. Motor vehicles for water, wastewater and bldg inspection not included.	Average weighted condition assessment	Fair
		Percentage of assets at or above "Good" or "Very Good" condition	28%
		Budget yearly expenditures for motor vehicle maintenance	\$ 228,400
		Number of inspections per year	Annual
		Frequency of inspections (Public Works)	Prior to each use
		Licensed inspections (Public Works)	Annual
		Frequency of inspections (Fire)	Annual - also weekly inspection by firefighters, and post-emergency inspection.
Land Improvements	Includes equipment mostly on playgrounds and sportsfields such as fencing, parking lots, and play structures.	Average weighted condition assessment	Fair
		Percentage of assets at or above "Good" or "Very Good" condition	58%

**Appendix B
Level of Service and Performance Measures**

Asset Category	Community Level of Service as per O. Reg. 588/17 (shaded boxes)		Level of Service/Performance Measures	Current LOS
Buildings	Includes all municipality owned buildings and facilities as well as minor buildings and structures. Buildings have been recorded by components wherever possible.		Average weighted condition assessment	Fair
			Percentage of assets at or above "Good" or "Very Good" condition	39%
			Proportion of the population living within 20 km of a community/recreation centre	100%
			Proportion of the population living within 20 km of a fire station	100%
			Proportion of the population living within 20 km of a library (includes only Municipally owned library)	100%
			Number of days per year recreation program space is closed due to maintenance/repair	Off-Season Only
			Budget yearly expenditures for building/facility maintenance (tax funded services)	\$ 43,865
			Number of inspections per year	Monthly
Roads	Description, which may include maps, of the road network in the municipality and its level of connectivity.	The Municipality's 2018 Road Management Study includes maps of the road network detailed by type of road (ie. gravel or paved) for all roads owned by the Municipality.	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	0%
			Collector	0%
			Local	85%
	Description or images that illustrate the different levels of road class pavement condition.	The Municipality's 2018 Road Management Study includes maps of the road network detailed by the condition and timed of need of each of the road segments. Furthermore the 2018 Road Management Study also includes detailed inventories which outline the condition of the roads.	1. For paved roads in the municipality, the average pavement condition index value (O. Reg. 588/17).	82.20
			2. For unpaved roads in the municipality, the average surface condition (O. Reg. 588/17).	73.60
			Average weighted condition assessment (All Roads)	Good
			Percentage of assets at or above "Good" or "Very Good" condition (All Roads)	83%
			Budget for annual road maintenance	\$ 1,217,285
			Number of signs that do not meet minimum maintenance standard.	22
Road segments that do not meet minimum maintenance standards			0	

**Appendix B
Level of Service and Performance Measures**

Asset Category	Community Level of Service as per O. Reg. 588/17 (shaded boxes)		Level of Service/Performance Measures	Current LOS
Bridges and Culverts	Description of the traffic that is supported by municipal bridges (e.g., heavy transport vehicles, motor vehicles, emergency vehicles, pedestrians, cyclists).	Municipal bridges support various types of traffic including local traffic, transport trucks and farm equipment. Half load season is from March 1 until April 30 annually following the guidelines under the Highway Traffic Act. Restrictions apply to all Municipal Roads with the exception of those in an urban setting. No commercial vehicle or trailer may be operated on any posted roads within the Municipality where the weight per axle exceeds 5 tonnes. This would include any bridges or culverts on these roads.	Percentage of bridges in the municipality with loading or dimensional restrictions (O. Reg. 588/17).	0%
	1. Description or images of the condition of bridges and how this would affect use of the bridges.	The Municipality's OSIM reports include both the images and conditions associated to the bridges based on these inspections as a BCI.	1. For bridges in the municipality, the average bridge condition index value (O. Reg. 588/17).	56.87
	2. Description or images of the condition of culverts and how this would affect use of the culverts.	The Municipality's OSIM reports include both the images and conditions associated to the culverts based on these inspections as a BCI.	2. For structural culverts in the municipality, the average bridge condition index value (O. Reg. 588/17).	51.38
			Average weighted condition assessment (All bridges & culverts)	Fair
			Percentage of assets at or above "Good" or "Very Good" condition (all bridges & culverts)	30%
			Bridges that do not meet minimum maintenance standards Budget yearly expenditures for bridge/culvert maintenance	0 \$ 102,783
Storm System	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.	The storm system collects rain and run-off from melting snow on properties to help prevent flooding and redirect this wastewater to nearby stormwater management ponds and waterways. A stormwater management pond is an engineered structure constructed to gather rainfall and surface water runoff. The pond temporarily stores water and then releases it at a controlled rate.	1. Percentage of properties in municipality resilient to a 100-year storm (O. Reg. 588/17).	98%
		The Municipal storm system also includes about 27,000 m of storm pipes. Storm pipes are mainly located in the urban areas, therefore stormwater management systems minly provided storm system services to properties in the urban areas.	2. Percentage of the municipal stormwater management system resilient to a 5-year storm (O. Reg. 588/17).	100%
			Average weighted condition assessment	Good
			Percentage of assets at or above "Good" or "Very Good" condition	62%
			Number of times roads closed due to flooding per year	0

**Appendix B
Level of Service and Performance Measures**

Asset Category	Community Level of Service as per O. Reg. 588/17 (shaded boxes)		Level of Service/Performance Measures	Current LOS
Water System	1. Description, which may include maps, of the user groups or areas of the municipality that are connected to the municipal water system.	The Mitchell Drinking Water System is a Class II Distribution and Supply sub-system owned and operated by the Municipality of West Perth. The system consists of four drilled groundwater wells that service the Mitchell urban area. Distribution Center 123 is located on the west side of St. George St. The Mitchell Water Tower is located at 125 Clarke Street. The works currently service a population of approximately 4,000. There are approximately 1950 service connections and 233 fire hydrants. Flow varies across the grid, with lower flow volumes in the most remote and dead-end parts of the grid. If required, the distribution system pressure can be controlled by the high lift pump at Distribution Center 4 (based on 2021 Annual Water Report).	1. Percentage of properties connected to the municipal water system (O. Reg. 588/17).	56%
	2. Description, which may include maps, of the user groups or areas of the municipality that have fire flow.	There are 233 fire hydrants which indicate areas of fireflow all located in the Mitchell urban area. 100% of the system includes fire flow.	2. Percentage of properties where fire flow is available (O. Reg. 588/17).	100% Urban Area
	3. Description of boil water advisories and service interruptions.	The Municipality has a quality management policy which outlines the commitment of the Municipality to provide high quality water services to the community. The policy includes a commitment to water quality principles which would also include informing residents if there is a service interruption.	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).	0
			2. 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).	5.4
			Average weighted condition assessment	Good
			Percentage of assets at or above "Good" or "Very Good" condition	58%
			% unaccounted for water (water billed vs. water produced)	4.1%
			Total Storage capacity (m3)	5,603
			Residential billable consumption (L)	248,462
			Percentage of water facilities with backup power	100%
Budget yearly expenditures for water distribution and supply system maintenance			\$ 586,051	
Number of inspections per year (facilities).			24 x 7 Scada system	
Number of inspections per year (Fire hydrants).	2			

**Appendix B
Level of Service and Performance Measures**

Asset Category	Community Level of Service as per O. Reg. 588/17 (shaded boxes)		Level of Service/Performance Measures	Current LOS
Sewer System	Description, which may include maps, of the user groups or areas of the municipality that are connected to the municipal wastewater system.	The Municipality owns about 36,000 m of sewer pipes which flow to the Mitchell Wastewater Treatment Plant (MWTP). The Mitchell Wastewater Treatment Plant (MWTP) receives wastewater from residential properties, small businesses and industrial facilities through the collection system. The two largest wastewater producers are a dairy production facility and poultry processing facility. Environmental Services measures discharge volumes of both facilities independently. Sewer service is provided in the Mitchell urban area.	Percentage of properties connected to the municipal wastewater system (O. Reg. 588/17).	56%
	1. Description of how combined sewers in the municipal wastewater system are designed with overflow structures in place which allow overflow during storm events to prevent backups into homes.	The MWTP is able to treat the average daily flows experienced in the Municipality. Peak flows are diverted and temporarily stored in the peak overflow cells and pumped back into the treatment plant when incoming flow volumes return to normal. This outlines the design of the overflow system.	1. The number of events per year where combined sewer flow in the municipal wastewater system exceeds system capacity compared to the total number of properties connected to the municipal wastewater system (O. Reg. 588/17).	0
	2. Description of the frequency and volume of overflows in combined sewers in the municipal wastewater system that occur in habitable areas or beaches.	No major overflow events have been recorded in recent years, however the MWTP is designed to manage peak flow events as described above.	2. The number of connection-days per year due to wastewater backups compared to the total number of properties connected to the municipal wastewater system (O. Reg. 588/17).	0
	3. Description of how stormwater can get into sanitary sewers in the municipal wastewater system, causing sewage to overflow into streets or backup into homes.	The Municipality has separate sewer and stormwater systems in the urban area with no major overflow events recently recorded.	3. The number of effluent violations per year due to wastewater discharge compared to the total number of properties connected to the municipal wastewater system (O. Reg. 588/17).	0
	4. Description of how sanitary sewers in the municipal wastewater system are designed to be resilient to avoid events described in paragraph 3.	The MWTP is able to treat the average daily flows experienced in the Municipality. Peak flows are diverted and temporarily stored in the peak overflow cells and pumped back into the treatment plant when incoming flow volumes return to normal. This outlines the design of the overflow system.		
	5. Description of the effluent that is discharged from sewage treatment plants in the municipal wastewater system.	Effluent discharge includes, CBOD5, suspended solids, phosphorus, ammonia nitrogen, E Coli and others which are closely monitored in compliance with Provincial and Federal regulation (based on 2021 Annual Wastewater Report)		
			Average weighted condition assessment	Fair
			Percentage of assets at or above "Good" or "Very Good" condition	55%
		Percentage of wastewater bypassing treatment	0%	
		Percentage of facility sites with backup power	100%	
		Budget yearly expenditures for wastewater collection and treatment system maintenance	\$ 712,357	
		% of wastewater facilities inspected annually	100%	