Recommendation:
THAT the Council of the Township of Centre Wellington pass a by-law to adopt the Strategic Asset Management Policy for the Corporation.

Summary:
In 2016, the Infrastructure for Jobs and Prosperity Act (IJPA) was passed, making asset management a legislated requirement for public sector entities in Ontario. In 2017, Ontario Regulation 588/17 relating to asset management planning for municipal infrastructure was passed. This regulation provides more detailed asset management requirements specific to Ontario municipalities, with a phased-in approach to implementation ranging from 2019 to 2024.

Implementation deadlines set by the Province within Ontario Regulation 588/17 are as follows:
- July 1, 2019: Have a Strategic Asset Management Policy in place
- July 1, 2021: Have an Asset Management Plan in place (core infrastructure assets)
- July 1, 2023: Have an Asset Management Plan in place for all assets
- July 1, 2024: Have an Asset Management Plan in place (all assets), including a financing strategy and a proposed levels of service analysis.

The Township has been conducting asset management practices for many years, however these recent requirements require a specific approach to documenting, conducting, and integrating asset management practices within the corporation, in addition to more reporting requirements both to Council and the Province.

Report:
A Strategic Asset Management Policy must be put in place by July 1, 2019, with the following requirements:
- Identify which municipal goals, plans or policies the asset management plan would support (e.g. official plan, strategic plan, master plans, etc.).
A process for how the asset management plan is to be considered in the development of the annual budget and any applicable long-term financial plans.

The municipality’s approach to continuous improvement and adoption of best practices regarding asset management planning.

The principles that would guide asset management planning in the municipality, including those identified in the IJPA.

A commitment to consider the risks, vulnerabilities, and costs caused by climate change to the municipality's assets, including mitigating approaches to climate change.

A process to ensure asset management planning would be aligned with water and wastewater financial plans, including any financial plans prepared under the Safe Drinking Water Act, 2002.

A process to ensure asset management planning would be aligned with Ontario’s land-use planning framework.

A discussion of capitalization thresholds used to determine which assets are to be included in the asset management plan and how this compares to the municipality’s Tangible Capital Asset policy.

A commitment to coordinate planning between interrelated infrastructure assets with separate ownership structures by pursuing collaborative opportunities with upper-tier municipalities, neighbouring municipalities, and jointly-owned municipal bodies.

Identification of who would be responsible for asset management planning within the municipality, including an executive lead.

An explanation of Council’s involvement in asset management planning.

A commitment to provide opportunities for municipal residents and other interested parties to provide input into asset management planning.

Attachment A to this report contains the proposed policy, which was prepared and reviewed by the Township's Asset Management Committee, which includes:

- Greg Wolowich, Planning & GIS Technician (Planning & Development)
- Stephanie Rossi, Asset Management and Capital Project Manager (Infrastructure Services)
- Alex Flanagan, GIS Technician (Infrastructure Services)
- Matt Tucker, Manager of Parks & Facilities Operations (Community Services)
- Mark Bradey, Financial Manager/Deputy Treasurer (Corporate - Financial Services)
- Kaileigh Osburn, Financial Analyst - Capital (Corporate - Financial Services)
- Dan Wilson, Managing Director of Corporate Services/Treasurer (representing Senior Management)
- Jeff Veniez / Chris Harriot, IT Support (Corporate - Information Technology)

The proposed policy attempts to not only meet the requirements of Ontario Regulation 588/17, but to also establish the foundation of asset management planning in Centre Wellington going forward. The policy must be reviewed, at a minimum, every 5 years, and posted on the Township's website.
Ontario Regulation 588/17 is provided in Attachment B to this report.

**Next Steps**
After the Strategic Asset Management Policy is in place, staff will continue working towards the next provincial deadline, having an Asset Management Plan in place by 2021 for core infrastructure assets that meets the requirements of Ontario Regulation 588/17. The Township does have an Asset Management Plan in place (approved in 2016), however this was completed before the existence of the regulation, and improvements are required to meet requirements. Staff are currently working on an internal update to the Asset Management Plan to act as an intermediary plan before 2021 requirements are met. The Township's Asset Management Plan is a valuable tool in the annual budget process in addition to a requirement in applying for provincial capital grants and receiving annual Federal Gas Tax funding.

Implementing the regulation over the timeline and maintaining compliance will require additional staffing resources dedicated to asset management planning. The staffing strategy contained within the 2019 Budget included an "Asset Management Technician" position that will be required to assist with this initiative. In addition, asset management related software will be needed to assist in maintaining asset data and generating results that feed into the Township's Asset Management Plans. Staff are currently in the process of researching available software solutions.

**Corporate Strategic Plan:**
Reliable Infrastructure - The Township will manage and upgrade the community's infrastructure/reconstruction and will be based on the objectively-derived priorities in the Township's asset management plan.

Healthy Growth - The Township will plan now for its inevitable growth, so that we retain a vibrant and accessible community and our high quality of life in the future.

Economic Prosperity - The Township will help the business community to excel and expand, and to create jobs, so Centre Wellington's economic vitality keeps pace with its population.

Pride of Place - Acting responsibly, the Township will support community initiatives that foster pride in our community and enhance its amenities.

Good Government - The Township will make well-informed decisions, operate efficiently, get results, communicate openly and engage the public in important decisions.

**Financial Implications:**
The Strategic Asset Management Policy was developed internally by Township staff. The ultimate goal is to have Asset Management Plans developed internally by staff to
meet the requirements of Ontario Regulation 588/17. This will require the Township to invest in additional staffing resources as well as asset management software.

Staff will continue to rely on consultants to provide key asset information as needed, such as condition assessments.

Further information will be provided to Council at a later date.

Consultation:
This report was prepared in consultation with the Township’s Asset Management Committee.

Attachments:
● Attachment A - Strategic AM Policy By-law
● Attachment B - OReg 588_17 Asset Management Planning for Municipal Infrastructure

Approved By:
Andy Goldie, Chief Administrative Officer
The Corporation of the Township of Centre Wellington

By-law 2019-

Being a by-law to establish a policy with respect to strategic asset management planning by the Municipality

WHEREAS the Province of Ontario has passed the *Infrastructure for Jobs and Prosperity Act, 2015* requiring asset management planning for public sector organizations in Ontario.

AND WHEREAS the Province of Ontario has passed Ontario Regulation 588/17 regarding specific asset management planning requirements for Ontario municipalities.

AND WHEREAS the Township recognizes the benefits associated with asset management planning, internal to the corporation.

Now Therefore the Council of the Corporation of the Township of Centre Wellington hereby enact as follows:

1. That the Township’s policy with respect to strategic asset management planning set out in Schedule “A” attached hereto is hereby established.

2. That Schedule “A” attached hereto shall form part of this by-law.

3. This by-law shall come into force and take effect upon its final passing.

Read a first, second and third time and finally passed this 24th day of June 2019

..........................................................  ..........................................................
Mayor – Kelly Linton                     Clerk – Kerri O’Kane
Schedule A to By-Law 2019-

TOWNSHIP OF CENTRE WELLINGTON
STRATEGIC ASSET MANAGEMENT POLICY

SECTION 1: INTRODUCTION

Asset management planning is an integrated approach, involving all Township departments, to deliver services to the community through the effective management of assets.

1.1 PURPOSE

The Township of Centre Wellington provides a wide range of services to the community that require the ownership and responsible operation, maintenance and rehabilitation of physical assets including land, buildings, vehicles/equipment, roads, bridges/culverts, drainage, water and wastewater infrastructure.

Asset management planning is an integrated approach, involving all Township departments, to deliver services to the community through the effective management of existing and new assets. The intent is to provide defined levels of service to the community with an appropriate level of risk at the lowest lifecycle cost. Good asset management practices are fundamental to achieving sustainable and resilient communities.

This policy outlines the fundamental asset management principles for the Township of Centre Wellington.

1.2 DEFINITIONS

Unless otherwise noted, the definitions provided in this document align with those outlined in the Infrastructure for Jobs and Prosperity Act, 2015 and Ontario Regulation 588/17 (O. Reg. 588/17), Asset Management Planning for Municipal Infrastructure.

Asset management planning – Coordinated activity of an organization to realize defined levels of service through various types of assets.

Asset Management Plan – Documented information at a point in time that specifies the activities, resources, and timelines required for an individual asset, or a grouping of assets, to achieve the organization’s asset management objectives.

Capitalization threshold – The value of a municipal asset at or above which the Township will capitalize the value of it for inclusion in the asset management planning process, and below which it will expense the value of it, to be treated as an operating cost.
Level of service – Parameters, or a combination of parameters, which reflect social, political, environmental and economic outcomes that the organization delivers. Defined at a community level (what the community is receiving) and at a technical level (what the Township is providing).

Lifecycle Costs – all costs associated with assets over their useful life, including initial acquisition, operations, maintenance, rehabilitation, disposal, and replacement.

1.3 SCOPE
Asset management planning will incorporate the development and implementation of several key documents, processes, and systems. These include:

a) Strategic Asset Management Policy
   • This document establishes Council’s expectations regarding asset management planning objectives and the management of the Township’s assets in providing services to residents.

b) Asset Management Processes
   • These processes outline requirements of Township staff on an ongoing basis to ensure asset management related data and decisions are current and up-to-date.

c) Asset Management Systems
   • Systems ensure the effective and efficient delivery of asset management data and outcomes to Township staff, Council and the public. These systems also assist Township staff with ensuring asset data and recommendations are kept up-to-date.

d) Asset Management Plans
   • These documents define the Township’s commitment and approach to achieving the Council approved Strategic Asset Management Policy. Asset Management Plans are a snapshot of the overall asset management planning process at a specific point in time, that are endorsed by the Township’s Asset Management Executive Lead and approved by Council.

1.4 CONTINUOUS IMPROVEMENT
The Township is committed to a continuous improvement approach to asset management planning. When updating asset management policies, processes, systems, and plans, consideration will be made regarding approaches to improve existing practices. Long-term plans for significant and/or deferred continuous improvement will be documented and scheduled by staff.

1.5 ASSET MANAGEMENT COORDINATION
The Township is committed to a coordinated approach to asset management planning. To the extent where Township assets are connected or interrelated to those of Wellington County, a neighbouring municipality, or a jointly owned municipal body, coordination will occur between organizations with respect to service levels and related lifecycle costs for applicable assets.
1.6 POLICY COMMUNICATION
This policy is to be posted to the Township’s website in conjunction with most recent Asset Management Plans.

1.7 POLICY UPDATES
This policy will be reviewed and updated as needed, at a minimum, every 5 years.

SECTION 2: STRATEGIC ALIGNMENT

Asset management planning will be integrated and aligned with Township goals, objectives, plans and processes.

It is important for the goals, objectives, policies, plans, and processes of the Township to be closely aligned with the Township’s asset management planning practices. Therefore, asset management planning will be integrated with these goals, objectives, policies, plans, and processes.

2.1 STRATEGIC PLANNING
The overall purpose and direction of the Township’s asset management planning practices is based on the approved Corporate Strategic Plan, which outlines the strategic direction Township decisions are based on.

2.2 COMMUNITY PLANNING
Asset management planning will be aligned with Township community planning based documents. These documents reflect how the community is projected to grow, which has an impact on the provision of services and the assets necessary to provide those services.

The following community planning documents will integrate with the Township’s asset management planning process.

- Official Plan
- Secondary Plans
- Growth Plans
- Master Plans
  - Fire Master Plan
  - Parks, Recreation and Culture Master Plan
  - Trails Master Plan
  - Transportation Master Plan
  - Water Supply Master Plan
  - Wastewater Master Plan
- Development Charge Background Study
- Water & Wastewater Rate Study
• Financial Plans prepared as required under the Safe Drinking Water Act, 2002

As asset management plans are updated, updates will be informed by these documents. In turn, these documents, when being updated, will consider asset management related implications.

In addition to the community planning documents described above, the Township’s asset management planning exercises will be aligned with Ontario’s land-use planning framework, including any relevant policy statements issued under subsection 3(1) of the Planning Act, and any provincial plans as defined in the Planning Act.

2.3 BUDGETING AND LONG-TERM PLANNING
The Township will integrate findings from asset management planning practices into its long-term financial planning and budgeting processes. Asset management planning outcomes and recommendations will be a guide in the development of the draft annual budget and 10-year capital forecast.

Township staff will reference the asset management planning results for their department to:

a) Determine appropriate levels of service to plan for;
b) Prioritize capital projects;
c) Reference forecasted funding allocations phased in within asset management plan recommendations; and
d) Determine and verify progress made on asset management plan recommendations and to identify gaps both in completing lifecycle costs and capital funding.

Financial Services staff, through coordination of the budget process, will facilitate the link between asset management financing strategies and the draft budget presented to Council.

SECTION 3: GUIDING PRINCIPLES

Asset management planning shall be conducted following key guiding principles.

The key guiding principles for infrastructure priority setting, planning and investment are outlined as follows:

Forward looking: The Township shall take a long-term view while considering demographic and economic trends in the area.

Budgeting and planning: The Township shall take into account any applicable budgets or fiscal plans, such as fiscal plans released under the following:

a) Fiscal Transparency and Accountability Act, 2004
b) Budgets adopted under Part VII of the Municipal Act, 2001

Prioritizing: The Township shall clearly identify infrastructure priorities which will drive investment decisions.
Economic development: The Township shall promote economic competitiveness, productivity, job creation, and training opportunities.

Transparency: The Township shall be evidence-based and transparent. Additionally, subject to any prohibitions under an Act or otherwise by law on the collection, use, or disclosure of information, the Township shall:

a) Make decisions with respect to infrastructure based on information that is publicly available or made available to the public; and
b) Share information with implications on infrastructure and investment decisions with the Government and broader sector entities.

Consistency: The Township shall ensure the continued provision of core public services.

Environmentally conscious: The Township shall minimize the impact of infrastructure on the environment by:

a) Respecting and helping maintain ecological and biological diversity;
b) Augmenting resilience to the effects of climate change; and
c) Endeavoring to make use of acceptable recycled materials, energy efficient technologies, and environmentally sustainable practices.

Health and safety: The Township shall ensure that the health and safety of workers involved in the construction, maintenance, use, and operation of assets is protected.

Community focused: The Township shall promote community benefits, being the supplementary social and economic benefits arising from an infrastructure project that are intended to improve the well-being of a community affected by the project, such as:

a) Local job creation and training opportunities;
b) Improvement of public space within the community; and
c) Promoting accessibility for persons with disabilities.

Innovation: The Township shall create opportunities to make use of innovative technologies, services, and practices, particularly where doing so would utilize technology, techniques, and practices developed in Ontario.

Integration: The Township shall where relevant and appropriate, be mindful and consider the principles and content of non-binding provincial or municipal plans and strategies established under an Act or otherwise, in planning and making decisions surrounding the infrastructure that supports them.

Service focused: The Township will consider all the assets in a service context and consider their interrelationships as opposed to optimizing individual assets in isolation.

Customer focused: The Township will have clearly defined levels of service and will apply asset management practices to maintain the required levels of service to customers for Township assets.

Risk-based: The Township will manage the asset risk associated with attaining the agreed levels of service by focusing resources, expenditures, and priorities based upon risk assessments and the corresponding cost/benefit, recognizing that public safety is a priority.
**Value-based affordability:** The Township will choose practices, interventions and operations that aim at reducing the lifecycle cost of asset ownership, while satisfying agreed levels of services. Decisions are based on balancing service levels, risks and costs.

**Climate change:** The Township will consider climate change as part of our risk management approach embedded in local asset management planning methods. This approach will balance the potential cost of vulnerabilities to climate change impacts and other risks with the cost of reducing these vulnerabilities. Balance will be struck in the levels of service delivered through operations, maintenance schedules, emergency response plans, contingency funding, and capital investments. The Township will attempt to reduce their contribution to climate change through greenhouse gas emissions.

**SECTION 4: GOVERNANCE**

*Asset Management Planning requires the commitment of key stakeholders across the Organization.*

4.1 **COMMITMENT OF RESOURCES**

The Township has an obligation to allocate resources to asset management planning and utilize them in a fiscally responsible manner.

4.2 **ROLES AND RESPONSIBILITIES**

Asset management planning is a corporate wide initiative. Thus corporately, each department has a role to play in ensuring the success of this initiative. This extends from Council to the Senior Management Team and operational staff in each department. The following represents the roles in each area:

**Role of Council**

Township Council are entrusted with the responsibility of overseeing, on behalf of citizens, a large range of services provided through a diverse portfolio of assets. Council is the final decision maker on all matters related to asset management planning in the Township. Council is committed to the success of asset management planning.

Within asset management planning, Council is responsible for:

a) Approving the Strategic Asset Management Policy;
b) Approving by resolution, the Asset Management Plans and any updates, at a minimum, every five years;
c) Understanding and utilizing the Asset Management Plans to aid in decision making, including setting priorities and approving the annual Budget;
d) Articulating community values to Township staff;
e) Annual reviews of asset management planning implementation progress; and
f) Supporting ongoing efforts to implement, update, and improve the asset management planning process.

Council’s annual asset management planning progress reviews are the basis of the Township’s approach for continually improving its methods and adopting appropriate practices. The annual review will be completed during the annual budget process, in consultation with the Asset Management Committee. It will include:

   a) Consideration of the Strategic Asset Management Policy;
   b) Consultation with the Senior Management Team;
   c) Progress on ongoing efforts to implement asset management planning;
   d) Any factors affecting the ability of the Township to implement its Asset Management Plan recommendations; and
   e) A strategy to address these factors including the adoption of appropriate practices.

Role of the Chief Administrative Officer (Asset Management Executive Lead)

The Township’s executive lead of the asset management process is the Township’s Chief Administrative Officer (CAO). This emphasizes a corporate approach to asset management planning.

The Executive Lead is responsible for:

   a) Maintaining compliance with the Strategic Asset Management Policy and provincial asset management acts and regulations;
   b) Providing organization-wide leadership in asset management practices and concepts;
   c) Coordinating and tracking asset management program implementation and progress; and
   d) Endorsing all Asset Management Plans before Council approval.

Role of the Senior Management Team

The Senior Management Team, representing the CAO and Managing Directors Group, are responsible for:

   a) Overseeing asset management planning activities that fall within their service area;
   b) Promoting the asset management planning process and resulting Asset Management Plans;
   c) The ongoing review of assets within the asset management planning process that fall within their service area, at a minimum, on an annual basis; and
   d) Utilizing Asset Management Plan recommendations and strategies in the development of the draft budget and 10-year capital forecast annually.

Role of the Asset Management Committee

The Township has established an Asset Management Committee with representatives from all departments. This committee will coordinate asset management planning corporately, incorporating the requirements of all departments and consolidating them to ensure consistency of approach and distribution of appropriate resources.
Representatives include:

- Managing Directors (1)
- Corporate Services: Financial Services (2)
- Corporate Services: Information Technology & Services (1)
- Infrastructure Services (2)
- Community Services (1)
- Planning & Development Services (1)

The number of representatives by department shown above are minimum requirements.

Committee representatives can be added as needed. In addition, staff that specialize in specific service/operational areas within the Township will be consulted and utilized as needed.

The Asset Management Committee, reporting to the Senior Management Team, is responsible for:

a) Providing and coordinating corporate support for asset management;
b) Encouraging information sharing and collaboration across departments;
c) Providing a corporate pool of asset management expertise;
d) Ensuring organization-wide accountability for reviewing asset management goals, objectives, and progress; and
e) Leading the implementation and update of Asset Management Plans.

Appendix A outlines the Asset Management Committee structure.

SECTION 5: STAKEHOLDER ENGAGEMENT

The Township will foster informed dialogue and engagement with relevant stakeholders throughout the asset management planning process.

5.1 STAKEHOLDER ENGAGEMENT

The Township recognizes the various stakeholders in municipal service delivery. The Township will foster informed dialogue and engagement with relevant stakeholders throughout the asset management planning process, as follows:

Local Residents, Businesses, Institutions

a) Through Council (representation);
b) Council meetings & Public meetings;
c) Master plans – Public input;
d) Connect CW – Public opinion; and
e) Budget process – Public open houses and budget meeting delegations.
Wellington County & Neighbouring Municipalities

a) Budget and long-term planning coordination; and
b) Regular ongoing communication.

Utilities (Hydro, Gas, Telecommunications, etc.)

a) Budget and long-term planning coordination; and
b) Regular ongoing communication.

School Boards

a) Budget and long-term planning coordination; and
b) Regular ongoing communication.

Province of Ontario and Government of Canada (i.e. Grants)

a) Program funding applications and progress reports; and
b) Regular ongoing communication.

SECTION 6: ASSET MANAGEMENT PLAN DEVELOPMENT

The Township will prepare Asset Management Plans at a minimum, every 5 years, using up-to-date asset data and a refined levels of service analysis.

The development of all Township Asset Management Plans will require the following:

6.1 MAINTAIN ACCURATE AND COMPLETE ASSET DATA
To conduct asset management planning practices and to update Asset Management Plans, it is imperative that accurate and complete asset data is maintained on an ongoing basis. The Township will consolidate and maintain an asset inventory of all municipal capital assets. This inventory will include, at a minimum, a unique ID, asset description, location information, historical and replacement values, asset condition information, estimated useful life, remaining useful life, and an indication of asset priority or risk.

Relevant tools and systems will be used to ensure the ongoing maintenance of this asset data in an efficient and effective manner. This is to include GIS, asset database tools, and asset management planning software and predictive tools.

Capitalization Thresholds
The Township will use capitalization thresholds for asset management planning purposes, equal to the thresholds used for accounting purposes, as defined by the Tangible Capital Asset Policy.
6.2 DETERMINE LEVELS OF SERVICE
The Township exists to deliver various services to the community. Service levels are a measure of what the community is receiving from the Township. The Township must consider the cost of providing current levels of service, the cost of providing proposed levels of service, and the funding available when making asset management planning decisions on levels of service. This levels of service analysis is to be included in all Asset Management Plans.

6.3 CREATE A LONG-TERM FORECAST
The long-term forecast (capital and operating) represents lifecycle costs necessary over a defined period of time to implement the recommended approach to the Township’s asset management planning strategies and recommendations, while considering proposed levels of service, risk, and cost effectiveness. Each Asset Management Plan is to include a long-term forecast that considers these factors.

6.4 DEVELOP A FINANCING STRATEGY
Within each Asset Management Plan, funding required to implement the long-term forecast will be identified. To the extent that the recommended funding is not approved within the annual budget process, gaps in funding will be outlined. The ultimate goal of asset management planning is to move towards a sustainable funding position based on the proposed levels of service in each area.
Appendix A: Asset Management Committee Structure
Attachment B

Français

ONTARIO REGULATION 588/17
made under the
INFRASTRUCTURE FOR JOBS AND PROSPERITY ACT, 2015
Made: December 13, 2017
Filed: December 27, 2017
Published on e-Laws: December 27, 2017
Printed in The Ontario Gazette: January 13, 2018

ASSET MANAGEMENT PLANNING FOR MUNICIPAL INFRASTRUCTURE

CONTENTS

1. Definitions
2. Application
3. Strategic asset management policy
4. Update of asset management policy
5. Asset management plans, current levels of service
6. Asset management plans, proposed levels of service
7. Update of asset management plans
8. Endorsement and approval required
9. Annual review of asset management planning progress
10. Public availability
11. Commencement

1. Definitions

“asset category” means a category of municipal infrastructure assets that is,
(a) an aggregate of assets described in each of clauses (a) to (e) of the definition of core municipal infrastructure asset, or
(b) composed of any other aggregate of municipal infrastructure assets that provide the same type of service; (“catégorie de biens”)

“core municipal infrastructure asset” means any municipal infrastructure asset that is a,
(a) water asset that relates to the collection, production, treatment, storage, supply or distribution of water,
(b) wastewater asset that relates to the collection, transmission, treatment or disposal of wastewater, including any wastewater asset that from time to time manages stormwater,
(c) stormwater management asset that relates to the collection, transmission, treatment, retention, infiltration, control or disposal of stormwater,
(d) road, or
(e) bridge or culvert; (“bien d’infrastructure municipale essentiel”)

“ecological functions” has the same meaning as in Ontario Regulation 140/02 (Oak Ridges Moraine Conservation Plan) made under the Oak Ridges Moraine Conservation Act, 2001; (“fonctions écologiques”)

“green infrastructure asset” means an infrastructure asset consisting of natural or human-made elements that provide ecological and hydrological functions and processes and includes natural heritage features and systems, parklands,
stormwater management systems, street trees, urban forests, natural channels, permeable surfaces and green roofs; (“bien d’infrastructure verte”)

“hydrological functions” has the same meaning as in Ontario Regulation 140/02; (“fonctions hydrologiques”)

“joint municipal water board” means a joint board established in accordance with a transfer order made under the Municipal Water and Sewage Transfer Act, 1997; (“conseil mixte de gestion municipale des eaux”)

“lifecycle activities” means activities undertaken with respect to a municipal infrastructure asset over its service life, including constructing, maintaining, renewing, operating and decommissioning, and all engineering and design work associated with those activities; (“activités relatives au cycle de vie”)

“municipal infrastructure asset” means an infrastructure asset, including a green infrastructure asset, directly owned by a municipality or included on the consolidated financial statements of a municipality, but does not include an infrastructure asset that is managed by a joint municipal water board; (“bien d’infrastructure municipale”)

“municipality” has the same meaning as in the Municipal Act, 2001; (“municipalité”)

“operating costs” means the aggregate of costs, including energy costs, of operating a municipal infrastructure asset over its service life; (“frais d’exploitation”)

“service life” means the total period during which a municipal infrastructure asset is in use or is available to be used; (“durée de vie”)

“significant operating costs” means, where the operating costs with respect to all municipal infrastructure assets within an asset category are in excess of a threshold amount set by the municipality, the total amount of those operating costs. (“frais d’exploitation importants”)

(2) In Tables 1 and 2, “connection-days” means the number of properties connected to a municipal system that are affected by a service issue, multiplied by the number of days on which those properties are affected by the service issue. (“jours-branchements”)

(3) In Table 4, “arterial roads” means Class 1 and Class 2 highways as determined under the Table to section 1 of Ontario Regulation 239/02 (Minimum Maintenance Standards for Municipal Highways) made under the Municipal Act, 2001; (“artères”)

“collector roads” means Class 3 and Class 4 highways as determined under the Table to section 1 of Ontario Regulation 239/02; (“routes collectrices”)

“lane-kilometre” means a kilometre-long segment of roadway that is a single lane in width; (“kilomètre de voie”)

“local roads” means Class 5 and Class 6 highways as determined under the Table to section 1 of Ontario Regulation 239/02. (“routes locales”)


“structural culvert” has the meaning set out for “culvert (structural)” in the Ontario Structure Inspection Manual. (“ponceau structural”)

Application

2. For the purposes of section 6 of the Act, every municipality is prescribed as a broader public sector entity to which that section applies.

STRATEGIC ASSET MANAGEMENT POLICIES

Strategic asset management policy

3. (1) Every municipality shall prepare a strategic asset management policy that includes the following:

1. Any of the municipality’s goals, policies or plans that are supported by its asset management plan.

2. The process by which the asset management plan is to be considered in the development of the municipality’s budget or of any long-term financial plans of the municipality that take into account municipal infrastructure assets.

3. The municipality’s approach to continuous improvement and adoption of appropriate practices regarding asset management planning.

4. The principles to be followed by the municipality in its asset management planning, which must include the principles set out in section 3 of the Act.
5. The municipality’s commitment to consider, as part of its asset management planning,
   i. the actions that may be required to address the vulnerabilities that may be caused by climate change to the
      municipality’s infrastructure assets, in respect of such matters as,
      A. operations, such as increased maintenance schedules,
      B. levels of service, and
      C. lifecycle management,
   ii. the anticipated costs that could arise from the vulnerabilities described in subparagraph i,
   iii. adaptation opportunities that may be undertaken to manage the vulnerabilities described in subparagraph i,
   iv. mitigation approaches to climate change, such as greenhouse gas emission reduction goals and targets, and
   v. disaster planning and contingency funding.

6. A process to ensure that the municipality’s asset management planning is aligned with any of the following financial
   plans:
   i. Financial plans related to the municipality’s water assets including any financial plans prepared under the *Safe
      Drinking Water Act, 2002*.
   ii. Financial plans related to the municipality’s wastewater assets.

7. A process to ensure that the municipality’s asset management planning is aligned with Ontario’s land-use planning
   framework, including any relevant policy statements issued under subsection 3 (1) of the *Planning Act*, any provincial
   plans as defined in the *Planning Act* and the municipality’s official plan.

8. An explanation of the capitalization thresholds used to determine which assets are to be included in the municipality’s
   asset management plan and how the thresholds compare to those in the municipality’s tangible capital asset policy, if it
   has one.

9. The municipality’s commitment to coordinate planning for asset management, where municipal infrastructure assets
   connect or are interrelated with those of its upper-tier municipality, neighbouring municipalities or jointly-owned
   municipal bodies.

10. The persons responsible for the municipality’s asset management planning, including the executive lead.

11. An explanation of the municipal council’s involvement in the municipality’s asset management planning.

12. The municipality’s commitment to provide opportunities for municipal residents and other interested parties to provide
    input into the municipality’s asset management planning.

(2) For the purposes of this section,

   “capitalization threshold” is the value of a municipal infrastructure asset at or above which a municipality will capitalize the
   value of it and below which it will expense the value of it. (“seuil de capitalisation”)

**Update of asset management policy**

4. Every municipality shall prepare its first strategic asset management policy by July 1, 2019 and shall review and, if
   necessary, update it at least every five years.

**ASSET MANAGEMENT PLANS**

**Asset management plans, current levels of service**

5. (1) Every municipality shall prepare an asset management plan in respect of its core municipal infrastructure assets by
    July 1, 2021, and in respect of all of its other municipal infrastructure assets by July 1, 2023.

   (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. 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.
      ii. With respect to all other municipal infrastructure assets, the qualitative descriptions and technical metrics
         established by the municipality.

   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.

3. For each asset category,
   i. a summary of the assets in the category,
   ii. the replacement cost of the assets in the category,
   iii. the average age of the assets in the category, determined by assessing the average age of the components of the assets,
   iv. the information available on the condition of the assets in the category, and
   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.

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. The full lifecycle of the assets.
   ii. The options for which lifecycle activities could potentially be undertaken to maintain the current levels of service.
   iii. The risks associated with the options referred to in subparagraph ii.
   iv. The lifecycle activities referred to in subparagraph ii that can be undertaken for the lowest cost to maintain the current levels of service.

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.
   ii. How the assumptions referred to in subparagraph i relate to the information required by paragraph 4.

6. For municipalities with a population of 25,000 or more, as reported by Statistics Canada in the most recent official census, the following:
   i. With respect to municipalities in the Greater Golden Horseshoe growth plan area, if the population and employment forecasts for the municipality are set out in Schedule 3 or 7 to the 2017 Growth Plan, those forecasts.
   ii. With respect to lower-tier municipalities in the Greater Golden Horseshoe growth plan area, if the population and employment forecasts for the municipality are not set out in Schedule 7 to the 2017 Growth Plan, the portion of the forecasts allocated to the lower-tier municipality in the official plan of the upper-tier municipality of which it is a part.
   iii. With respect to upper-tier municipalities or single-tier municipalities outside of the Greater Golden Horseshoe growth plan area, the population and employment forecasts for the municipality that are set out in its official plan.
   iv. With respect to lower-tier municipalities outside of the Greater Golden Horseshoe growth plan area, the population and employment forecasts for the lower-tier municipality that are set out in the official plan of the upper-tier municipality of which it is a part.
   v. If, with respect to any municipality referred to in subparagraph iii or iv, the population and employment forecasts for the municipality cannot be determined as set out in those subparagraphs, a description of assumptions regarding future changes in population or economic activity.
   vi. For each of the 10 years following the year for which the current levels of service under paragraph 1 are determined, the estimated capital expenditures and significant operating costs related to the lifecycle activities required to maintain the current levels of service in order to accommodate projected increases in demand caused by growth, including estimated capital expenditures and significant operating costs related to new construction or to upgrading of existing municipal infrastructure assets.

(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.

(4) In this section, “2017 Growth Plan” means the Growth Plan for the Greater Golden Horseshoe, 2017 that was approved under subsection 7 (6) of the Places to Grow Act, 2005 on May 16, 2017 and came into effect on July 1, 2017; (“Plan de croissance de 2017”)
Asset management plans, proposed levels of service

6. (1) Subject to subsection (2), by July 1, 2024, every asset management plan prepared under section 5 must include the following additional information:

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. 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.
   ii. With respect to all other municipal infrastructure assets, the qualitative descriptions and technical metrics established by the municipality.

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. The options for the proposed levels of service and the risks associated with those options to the long term sustainability of the municipality.
   ii. How the proposed levels of service differ from the current levels of service set out under paragraph 1 of subsection 5 (2).
   iii. Whether the proposed levels of service are achievable.
   iv. The municipality’s ability to afford the proposed levels of service.

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.

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. 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:
      A. The full lifecycle of the assets.
      B. The options for which lifecycle activities could potentially be undertaken to achieve the proposed levels of service.
      C. The risks associated with the options referred to in sub-subparagraph B.
      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.
   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.
   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.
   iv. If, based on the funding projected to be available, the municipality identifies a funding shortfall for the lifecycle activities identified in subparagraph i,
      A. an identification of the lifecycle activities, whether set out in subparagraph i or otherwise, that the municipality will undertake, and
      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.

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.

6. For municipalities with a population of 25,000 or more, as reported by Statistics Canada in the most recent official census,
i. the estimated capital expenditures and significant operating costs to achieve the proposed levels of service as described in paragraph 1 in order to accommodate projected increases in demand caused by population and employment growth, as set out in the forecasts or assumptions referred to in paragraph 6 of subsection 5 (2), including estimated capital expenditures and significant operating costs related to new construction or to upgrading of existing municipal infrastructure assets,

ii. the funding projected to be available, by source, as a result of increased population and economic activity, and

iii. an overview of the risks associated with implementation of the asset management plan and any actions that would be proposed in response to those risks.

7. An explanation of any other key assumptions underlying the plan that have not previously been explained.

(2) With respect to an asset management plan prepared under section 5 on or before July 1, 2021, if the additional information required under this section is not included before July 1, 2023, 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.

Update of asset management plans

7. (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.

(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).

Endorsement and approval required

8. Every asset management plan prepared under section 5 or 6, or updated under section 7, must be,

(a) endorsed by the executive lead of the municipality; and

(b) approved by a resolution passed by the municipal council.

Annual review of asset management planning progress

9. (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.

(2) The annual review must address,

(a) the municipality’s progress in implementing its asset management plan;

(b) any factors impeding the municipality’s ability to implement its asset management plan; and

(c) a strategy to address the factors described in clause (b).

Public availability

10. 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.

**TABLE 1**

<table>
<thead>
<tr>
<th>Column 1: Service attribute</th>
<th>Column 2: Community levels of service (qualitative descriptions)</th>
<th>Column 3: Technical levels of service (technical metrics)</th>
</tr>
</thead>
</table>
| Scope                       | 1. Description, which may include maps, of the user groups or areas of the municipality that are connected to the municipal water system.  
2. Description, which may include maps, of the user groups or areas of the municipality that have fire flow. | 1. Percentage of properties connected to the municipal water system.  
2. Percentage of properties where fire flow is available. |
| Reliability                 | Description of boil water advisories and service interruptions. | 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.  
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. |

**TABLE 2**

<table>
<thead>
<tr>
<th>Column 1</th>
<th>Column 2</th>
<th>Column 3</th>
</tr>
</thead>
<tbody>
<tr>
<td>Service attribute</td>
<td>Community levels of service (qualitative descriptions)</td>
<td>Technical levels of service (technical metrics)</td>
</tr>
<tr>
<td>-------------------</td>
<td>--------------------------------------------------------</td>
<td>-----------------------------------------------</td>
</tr>
<tr>
<td>Scope</td>
<td>Description, which may include maps, of the user groups or areas of the municipality that are connected to the municipal wastewater system.</td>
<td>Percentage of properties connected to the municipal wastewater system.</td>
</tr>
<tr>
<td></td>
<td><strong>Reliability</strong>&lt;br&gt;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.&lt;br&gt;2. Description of the frequency and volume of overflows in combined sewers in the municipal wastewater system that occur in habitable areas or beaches.&lt;br&gt;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.&lt;br&gt;4. Description of how sanitary sewers in the municipal wastewater system are designed to be resilient to avoid events described in paragraph 3.&lt;br&gt;5. Description of the effluent that is discharged from sewage treatment plants in the municipal wastewater system.</td>
<td><strong>Reliability</strong>&lt;br&gt;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.&lt;br&gt;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.&lt;br&gt;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.</td>
</tr>
</tbody>
</table>

### TABLE 3
STORMWATER MANAGEMENT ASSETS

<table>
<thead>
<tr>
<th>Column 1 Service attribute</th>
<th>Column 2 Community levels of service (qualitative descriptions)</th>
<th>Column 3 Technical levels of service (technical metrics)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Scope</td>
<td>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.</td>
<td><strong>Scope</strong>&lt;br&gt;1. Percentage of properties in municipality resilient to a 100-year storm.&lt;br&gt;2. Percentage of the municipal stormwater management system resilient to a 5-year storm.</td>
</tr>
<tr>
<td><em>Quality</em></td>
<td>Description or images that illustrate the different levels of road class pavement condition.</td>
<td><em>Quality</em>&lt;br&gt;1. For paved roads in the municipality, the average pavement condition index value.&lt;br&gt;2. For unpaved roads in the municipality, the average surface condition (e.g. excellent, good, fair or poor).</td>
</tr>
</tbody>
</table>

### TABLE 4
ROADS

<table>
<thead>
<tr>
<th>Column 1 Service attribute</th>
<th>Column 2 Community levels of service (qualitative descriptions)</th>
<th>Column 3 Technical levels of service (technical metrics)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Scope</td>
<td>Description, which may include maps, of the road network in the municipality and its level of connectivity.</td>
<td>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.</td>
</tr>
<tr>
<td><em>Quality</em></td>
<td>Description or images that illustrate the different levels of road class pavement condition.</td>
<td><em>Quality</em>&lt;br&gt;1. For paved roads in the municipality, the average pavement condition index value.&lt;br&gt;2. For unpaved roads in the municipality, the average surface condition (e.g. excellent, good, fair or poor).</td>
</tr>
</tbody>
</table>

### TABLE 5
BRIDGES AND CULVERTS

<table>
<thead>
<tr>
<th>Column 1 Service attribute</th>
<th>Column 2 Community levels of service (qualitative descriptions)</th>
<th>Column 3 Technical levels of service (technical metrics)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Scope</td>
<td>Description of the traffic that is supported by municipal bridges (e.g., heavy transport vehicles, motor vehicles, emergency vehicles, pedestrians, cyclists).</td>
<td>Percentage of bridges in the municipality with loading or dimensional restrictions.</td>
</tr>
<tr>
<td><em>Quality</em></td>
<td>1. Description or images of the condition of bridges and how this would affect use of the bridges.&lt;br&gt;2. Description or images of the condition of culverts and how this would affect use of the culverts.</td>
<td><em>Quality</em>&lt;br&gt;1. For bridges in the municipality, the average bridge condition index value.&lt;br&gt;2. For structural culverts in the municipality, the average bridge condition index value.</td>
</tr>
</tbody>
</table>

### COMMENCEMENT

11. This Regulation comes into force on the later of January 1, 2018 and the day it is filed.