THE ASSET MANAGEMENT PLAN FOR THE MUNICIPALITY OF OLIVER PAIPOONGE

2014

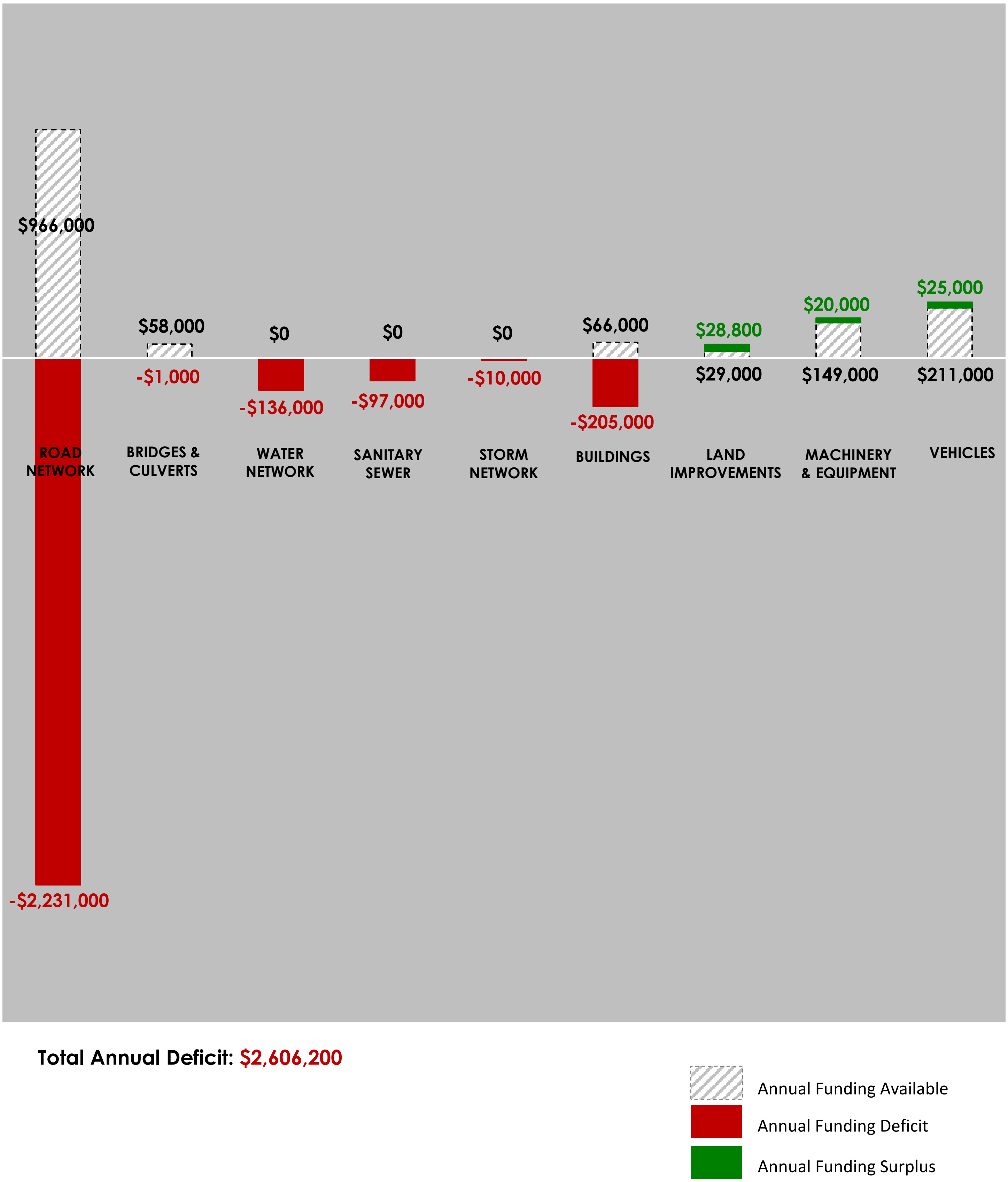
THE MUNICIPALITY OF OLIVER PAIPOONGE
4569 OLIVER ROAD
MURILLO, ONTARIO, P0T 2G0

SUBMITTED APRIL 2015
BY PUBLIC SECTOR DIGEST
148 FULLARTON STREET, SUITE 1410
LONDON, ONTARIO, N6A 5P3

State of the Infrastructure

The Municipality of Oliver Paipoonge

AVERAGE ANNUAL FUNDING REQUIRED **vs.** AVERAGE ANNUAL FUNDING AVAILABLE



Total Annual Deficit: $2,606,200

PUBLIC SECTOR DIGEST
INTELLIGENCE FOR THE PUBLIC SECTOR.

148 Fullarton Street, Suite 1410
London, Ontario, N6A 5P3
T: 519.690.2565 F: 519.649.2010
www.publicsectordigest.com
www.citywidesolutions.com

April 2015

THE MUNICIPALITY OF OLIVER PAIPOONGE
4569 OLIVER ROAD
MURILLO, ONTARIO, P0T 2G0

We are pleased to submit the 2014 Asset Management Plan (AMP) for The Municipality of Oliver Paipoonge based on 2013 data. This AMP complies with the requirements as outlined within the provincial *Building Together Guide for Municipal Asset Management Plans.* It will serve as a strategic, tactical, and financial document, ensuring the management of the municipal infrastructure follows sound asset management practices and principles, while optimizing available resources and establishing desired levels of service. Given the broad and profound impact of asset management on the community, and the financial & administrative complexity involved in this ongoing process, we recommend that senior decision-makers from across the organization are actively involved in its implementation.

The performance of a community's infrastructure provides the foundation for its economic development, competitiveness, prosperity, reputation, and the overall quality of life for its residents. As such, we are appreciative of your decision to entrust us with the strategic direction of its infrastructure and asset management planning, and are confident that this AMP will serve as a valuable tool.

Sincerely,
The Public Sector Digest Inc.

Matthew Dawe
Vice President
mdawe@publicsectordigest.com

Israr Ahmad
Managing Editor
iahmad@publicsectordigest.com

PUBLIC SECTOR DIGEST
INTELLIGENCE FOR THE PUBLIC SECTOR.

Contacts

Matthew Dawe
Vice President
mdawe@publicsectordigest.com

Israr Ahmad
Managing Editor
iahmad@publicsectordigest.com

Lindsay Kay
Data Analyst
lkay@publicsectordigest.com

Jona Mema
Data Analyst
jmema@publicsectordigest.com

Amadea Setiabudhi
Data Analyst
asetiabudhi@publicsectordigest.com

Matthew Van Dommelen
Regional Director
mvandommelen@publicsectordigest.com

Gabe Metron
Regional Director
gmetron@publicsectordigest.com

Christine Beneteau
Account Manager
cbeneteau@publicsectordigest.com

Holly Jennings
Account Manager
hjennings@publicsectordigest.com

Tyler Sutton
Senior Research Analyst
tsutton@publicsectordigest.com

Cover Photo: Oscar Mattas

Table *of* Contents

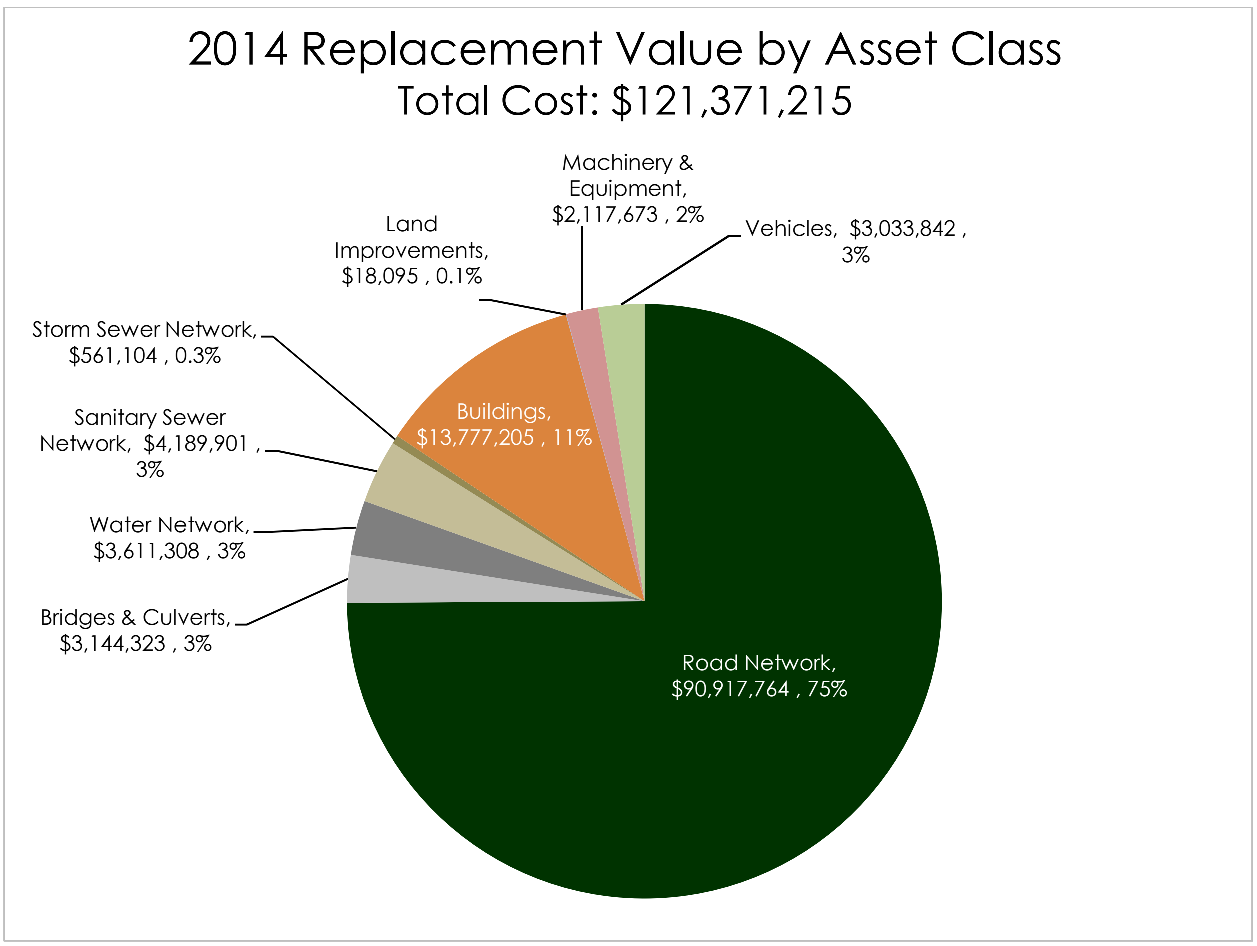
1.0 Executive Summary

The performance of a community's infrastructure provides the foundation for its economic development, competitiveness, prosperity, reputation, and the overall quality of life for its residents. Reliable and well-maintained infrastructure and general capital assets are essential for the delivery of critical core services for the citizens of a municipality.

A technically precise and financially rigorous asset management plan, diligently implemented, will mean that sufficient investments are made to ensure delivery of sustainable infrastructure and general capital services to current and future residents. The plan will also indicate the respective financial obligations required to maintain this delivery at established levels of service.

This Asset Management Plan (AMP) for the Municipality of Oliver Paipoonge meets all requirements as outlined within the provincial *Building Together Guide for Municipal Asset Management Plans.* It will serve as a strategic, tactical, and financial document, ensuring the management of the municipal infrastructure follows sound asset management practices and principles, while optimizing available resources and establishing desired levels of service. Given the expansive financial and social impact of asset management on both a municipality, and its citizens, it is critical that senior decision-makers, including department heads as well as the chief executives, are strategically involved.

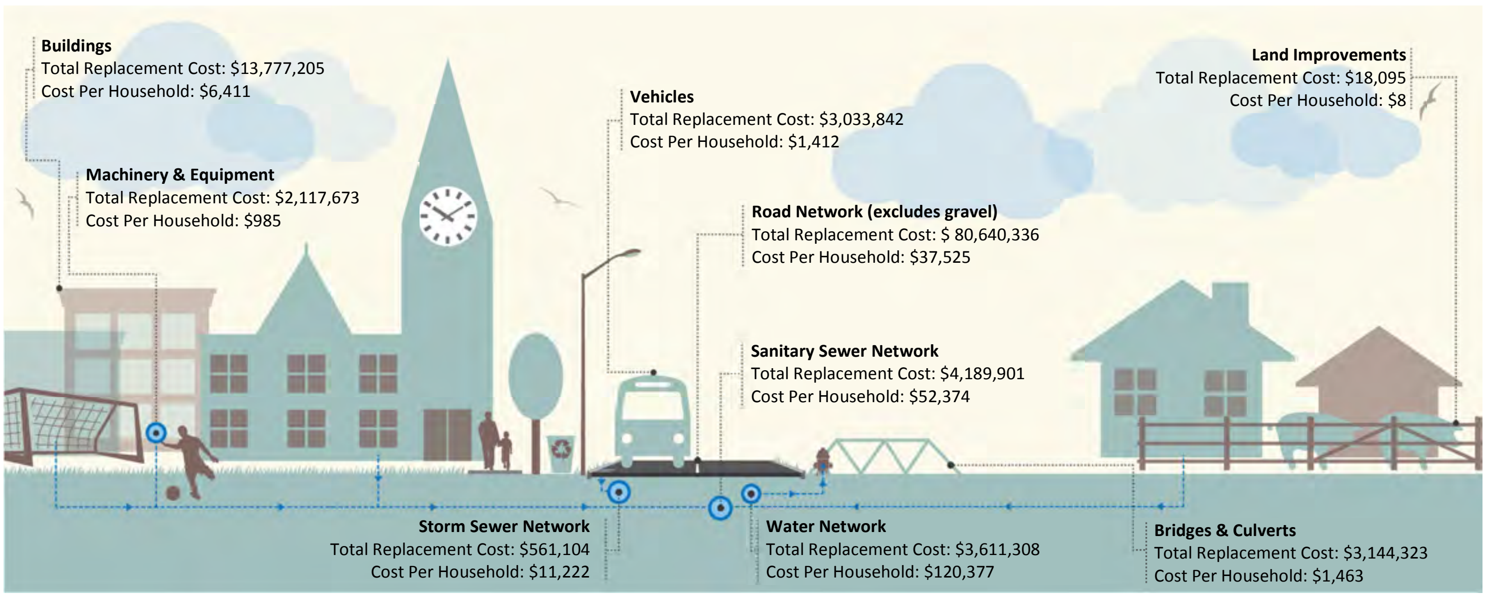
Measured in 2014 dollars, the replacement value of the asset categories analyzed totaled approximately **$121.4 million** for the Municipality of Oliver Paipoonge.



While the municipality is responsible for the strategic direction, it is the taxpayer in Oliver Paipoonge who ultimately bears the financial burden. As such, a 'cost per household' (CPH) analysis was conducted for each of the asset categories to determine the financial obligation of each household in sharing the replacement cost of the municipality's assets. Such a measurement can serve as an excellent communication tool for both the administration and the council in communicating the importance of asset management to the citizen. The diagram below illustrates the total CPH, as well as the CPH for individual asset categories.

Infrastructure Replacement Cost Per Household

Total: $231,777 per household



In assessing the municipality's state of the infrastructure, we examined, and graded, both the current condition of the asset categories (Condition vs. Performance), as well as the municipality's financial capacity to fund the asset's average annual requirement for sustainability (Funding vs. Need). We then generated the municipality's infrastructure report card based on these ratings for each asset category addressed. The municipality received a **cumulative GPA of 'C'**, with an **annual infrastructure deficit of $2,606,200**.

Based mostly on age data, the municipality's grades on the Condition vs. Performance dimension were inconsistent and comparable. Oliver Paipoonge received its highest grades of 'A' for its land improvements and 'B+' in the storm sewer and roads categories respectively. For the remaining asset classes, its grades varied from a high of 'B' to a low of 'F'. These grades are indicative of increasing and significant disrepair in the assets. They also signal a potential and substantial financial demand on the municipality in the near future. For example, based on age data, there is a significant portion of the road network in poor and critical condition, generating a backlog of needs totaling approximately $4.5 million in the next 5 years.

In order for an AMP to be effectively put into action, it must be integrated with financial planning and long-term budgeting. We have developed scenarios that would enable Oliver Paipoonge Municipality to achieve full funding within 5 years or 10 years for the following: tax funded assets, including road network (paved roads), bridges & culverts, storm sewer network, and; rate funded assets, including water network, and sanitary sewer network.

The average annual investment requirement for paved roads, bridges/culverts, storm network, buildings, land improvements, machinery & equipment, and vehicles is $3,852,200. Annual revenue currently allocated to these assets is $1,479,000 leaving an annual deficit of $2,373,200. To put it another way, these infrastructure and general capital categories are currently funded at 38% of their long-term requirements. Oliver Paipoonge has annual tax revenues of $5,668,000 in 2014. Full funding would require an increase in tax revenue of 41.9% over time.

In order to reach full funding, we recommend a 15 year option that includes debt reallocations. This involves full funding being achieved over 15 years by:

a) when realized, reallocating the debt cost reductions of $509,000 to the infrastructure deficit as outlined above.
b) increasing tax revenues by 2.2% each year for the next 15 years solely for the purpose of phasing in full funding to the asset categories covered in section 7.3.2 of the AMP.
c) allocating the $341,000 of gas tax revenue as outlined in table 1of the financial strategy.
d) allocating the $74,000 OCIF grant to the paved roads category.
e) increasing existing and future infrastructure budgets by the applicable inflation index on an annual basis in addition to the deficit phase-in.

The average annual investment requirement for sanitary and water services is $233,000. Annual revenue currently allocated to these assets for capital purposes is $0 leaving an annual deficit of $233,000. As a result, these infrastructure categories are currently funded at 0% of their long-term requirements. In 2014, Oliver Paipoonge has annual sanitary revenues of $0 and water revenues of $37,000. Full funding would require an increase water rates of 368% over time.

To achieve full funding, we recommend a rate increase over 20 years, which will be achieved by:

a) increasing rate revenues by 18% for water services each year for the next 20 years solely for the purpose of phasing in full funding to the water network.
b) with respect to the sanitary sewer network, the following is recommended:
   1. review the existing subdivision agreement to determine if it is possible to implement a capital component in the existing fee structure that accrues to the municipality.
   2. Implement the appropriate fee structures and phase-in periods when operational responsibility is transferred to the municipality.
c) increasing existing and future infrastructure budgets by the applicable inflation index on an annual basis in addition to the deficit phase-in.

Although this option achieves full funding on an annual basis in 20 years and provides financial sustainability over the period modeled, the recommendations do require prioritizing capital projects to fit the resulting annual funding available. As of 2014, age based data shows a pent up investment demand of $0 for sanitary services and $738,000 for water services. Prioritizing future projects will require the age based data to be replaced by condition based data. Although our recommendations include no further use of debt, the results of the condition based analysis may require otherwise.

Reserves can certainly mitigate the financial burden as they play a critical role in long-term planning. However, there is no clear guideline indicating the optimal level of reserves, and debate continues in the municipal sector. Nonetheless, due to the relatively low level of reserves available for the tax based asset categories covered by this AMP, the scenarios developed in this report do not draw on those reserves during the phase-in period to full funding.

The reserves available for rate based assets appear to be fairly healthy. However, as outlined in section 7.4.2, a detailed condition based plan should be developed to determine immediate investment needs in these asset categories. The results of this plan, coupled with Oliver Paipoonge's judicious use of debt in the past, allows the scenarios to assume that, if required, available reserves and debt capacity can be used for emergency situations until annual funding and reserves are built to desired levels

2.0 Introduction

This Asset Management Plan meets all provincial requirements as outlined within the Ontario Building Together Guide for Municipal Asset Management Plans. As such, the following key sections and content are included:

1. Executive Summary and Introduction
2. State of the Current Infrastructure
3. Desired Levels of Service
4. Asset Management Strategy
5. Financial Strategy

The following asset classes are addressed:

1. **Road Network:** Urban / rural roads & appurtenances
2. **Bridges**: Bridges with a span greater than 3m
3. **Water Network:** Water mains, hydrants, valves, pump stations
4. **Sanitary Sewer Network:** Sanitary sewer mains, man holes, treatment plant
5. **Storm Sewer Network:** Storm sewer mains, catch basins
6. **Buildings:** All corporate and community facilities
7. **Land Improvements:** Well
8. **Machinery & Equipment:** Miscellaneous departmental equipment
9. **Vehicles:** Fire, parks and recreation, public works

This asset management plan will serve as a strategic, tactical, and financial document ensuring the management of the municipal infrastructure follows sound asset management practices and principles, while optimizing available resources and establishing desired levels of service.

At a strategic level, within the State of the Current Infrastructure section, it will identify current and future challenges that should be addressed in order to maintain sustainable infrastructure services on a long-term, life cycle basis.

It will outline a Desired Level of Service (LOS) Framework for each asset category to assist the development and tracking of LOS through performance measures across strategic, financial, tactical, operational, and maintenance activities within the organization.

At a tactical level, within the Asset Management Strategy section, it will develop an implementation process to be applied to the needs-identification and prioritization of renewal, rehabilitation, and maintenance activities, resulting in a 10 year plan that will include growth projections.

At a financial level, within the Financial Strategy section, a strategy will be developed that fully integrates with other sections of this asset management plan, to ensure delivery and optimization of the 10 year infrastructure budget.

Through the development of this plan, all data, analysis, life cycle projections, and budget models will be provided through the Public Sector Digest's CityWide suite of software products. The software and plan will be synchronized, will evolve together, and therefore, will allow for ease of updates, and annual reporting of performance measures and overall results.

This will allow for continuous improvement of the plan and its projections. It is therefore recommended that the plan be revisited and updated on an annual basis, particularly as more detailed information becomes available.

2.1 Importance of Infrastructure

Municipalities throughout Ontario, large and small, own a diverse portfolio of infrastructure assets that in turn provide a varied number of services to their citizens. The infrastructure, in essence, is a conduit for the various public services the municipality provides, e.g., the roads supply a transportation network service; the water infrastructure supplies a clean drinking water service. A community's prosperity, economic development, competitiveness, image, and overall quality of life are inherently and explicitly tied to the performance of its infrastructure.

2.2 Asset Management Plan (AMP) - Relationship to Strategic Plan

The major benefit of strategic planning is the promotion of strategic thought and action. A strategic plan spells out where an organization wants to go, how it's going to get there, and helps decide how and where to allocate resources, ensuring alignment to the strategic priorities and objectives. It will help identify priorities and guide how municipal tax dollars and revenues are spent into the future.

The strategic plan usually includes a vision and mission statement, and key organizational priorities with alignment to objectives and action plans. Given the growing economic and political significance of infrastructure, the asset management plan will become a central component of most municipal strategic plans, influencing corporate priorities, objectives, and actions.

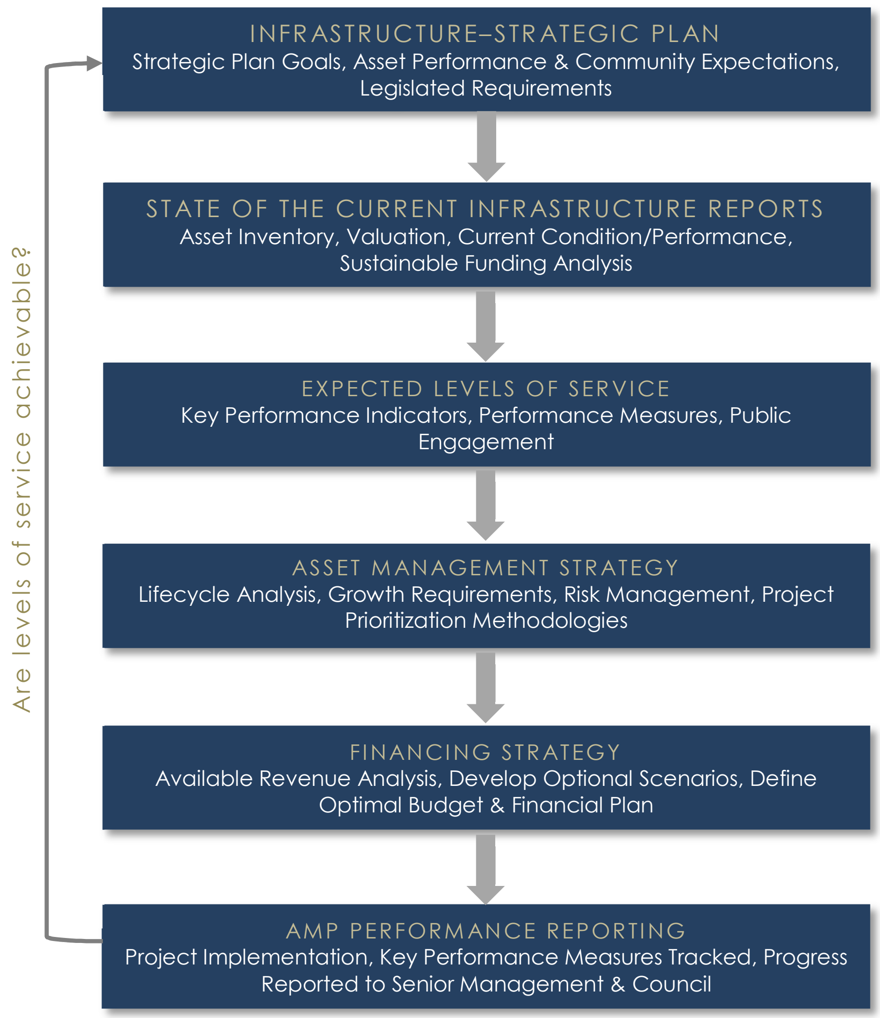
2.3 AMP - Relationship to other Plans

An asset management plan is a key component of the municipality's planning process linking with multiple other corporate plans and documents. For example:

- **The Official Plan** – The AMP should utilize and influence the land use policy directions for long-term growth and development as provided through the Official Plan.
- **Long Term Financial Plan** – The AMP should both utilize and conversely influence the financial forecasts within the long-term financial plan.
- **Capital Budget** – The decision framework and infrastructure needs identified in the AMP form the basis on which future capital budgets are prepared.
- **Infrastructure Master Plans** – The AMP will utilize goals and projections from infrastructure master plans and in turn will influence future master plan recommendations.
- **By-Laws, standards, and policies** – The AMP will influence and utilize policies and by-laws related to infrastructure management practices and standards.
- **Regulations** – The AMP must recognize and abide by industry and senior government regulations.
- **Business Plans** – The service levels, policies, processes, and budgets defined in the AMP are incorporated into business plans as activity budgets, management strategies, and performance measures.

2.4 Purpose and Methodology

The following diagram depicts the approach and methodology, including the key components and links between those components that embody this asset management plan:



It can be seen from the above that a municipality's infrastructure planning starts at the corporate level with ties to the strategic plan, alignment to the community's expectations, and compliance with industry and government regulations.

Then, through the State of the Infrastructure analysis, overall asset inventory, valuation, condition and performance are reported. In this initial AMP, due to a lack of current condition data for the majority of asset classes, present performance and condition are estimated by using the current age of the asset in comparison to its overall useful design life. In future updates to this AMP, accuracy of reporting will be significantly increased through the use of holistically captured condition data. Also, a life cycle analysis of needs for each infrastructure and general capital class is conducted. This analysis yields the sustainable funding level, compared against actual current funding levels, and determines whether there is a funding surplus or deficit for each infrastructure and general capital program. The overall measure of condition and available funding is finally scored for each asset class and presented as a star rating (similar to the hotel star rating) and a letter grade (A-F) within the Infrastructure Report card.

From the lifecycle analysis above, the municipality gains an understanding of the level of service provided today for each infrastructure and general capital class and the projected level of service for the future. The next section of the AMP provides a framework for a municipality to develop a Desired Level of Service (or target service level) and develop performance measures to track the year-to-year progress towards this established target level of service.

The Asset Management Strategy then provides a detailed analysis for each infrastructure and general capital class. Included in this analysis are best practices and methodologies from within the industry which can guide the overall management of the infrastructure in order to achieve the desired level of service. This section also provides an overview of condition assessment techniques for each asset class; life cycle interventions required, including those interventions that yield the best return on investment; and prioritization techniques, including risk quantification, to determine which priority projects should move forward into the budget first.

The Financing Strategy then fully integrates with the asset management strategy and asset management plan, and provides a financial analysis that optimizes the 10 year infrastructure budget. All revenue sources available are reviewed, such as the tax levy, debt allocations, rates, reserves, grants, gas tax, development charges, etc., and necessary budget allocations are analysed to inform and deliver the infrastructure programs.

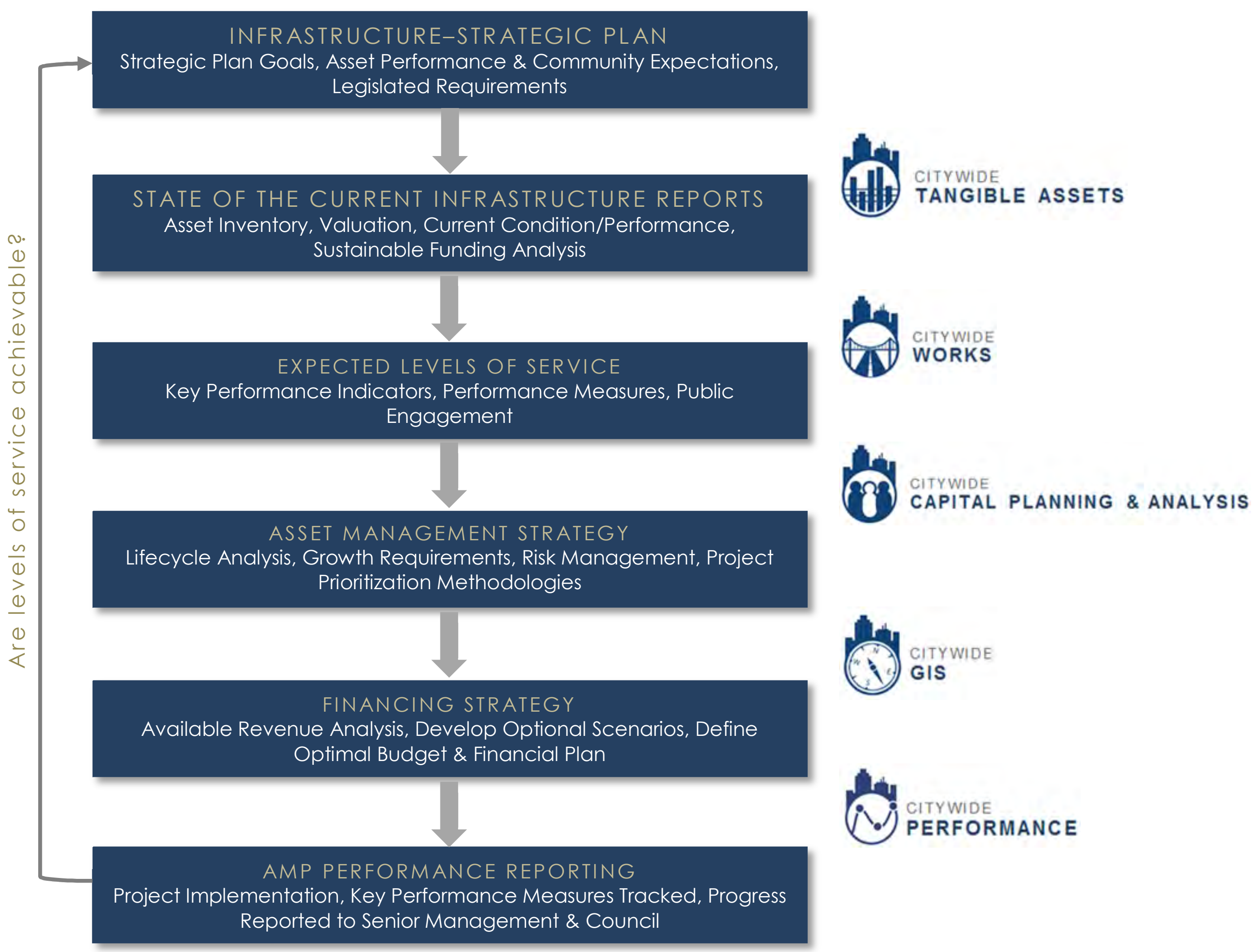
Finally, in subsequent updates to this AMP, actual project implementation will be reviewed and measured through the established performance metrics to quantify whether the desired level of service is achieved or achievable for each infrastructure and general capital class. If shortfalls in performance are observed, these will be discussed and alternate financial models or service level target adjustments will be presented.

2.5 CityWide Software alignment with AMP

The plan will be built and developed hand in hand with a database of municipal infrastructure and general capital information in the CityWide software suite of products. The software will ultimately contain the municipality's asset base, valuation information, life cycle activity predictions, costs for activities, sustainability analysis, project prioritization parameters, key performance indicators and targets, 10 year asset management strategy, and the financial plan to deliver the required infrastructure budget.

The software and plan will be synchronized, and will evolve together year-to-year as more detailed information becomes available. This synchronization will allow for ease of updates, modeling and scenario building, and annual reporting of performance measures and results. This will allow for continuous improvement of the plan and its projections. It is therefore recommended that it is revisited and updated on an annual basis.

The following diagram outlines the various CityWide software products and how they align to the various components of the AMP.



3.0 State of the Infrastructure (SOTI)

3.1 Objective and Scope

Objective: To identify the state of the municipality's infrastructure today and the projected state in the future if current funding levels and management practices remain status quo.

The analysis and subsequent communication tools will outline future asset requirements, will start the development of tactical implementation plans, and ultimately assist the organization to provide cost effective sustainable services to the current and future community.

The approach was based on the following key industry state of the infrastructure documents:

- Canadian Infrastructure Report Card
- City of Hamilton's State of the Infrastructure reports
- Other Ontario Municipal State of the Infrastructure reports

The above reports are themselves based on established principles found within key, industry best practices documents such as:

- The National Guide for Sustainable Municipal Infrastructure (Canada)
- The International Infrastructure Management Manual (Australia / New Zealand)
- American Society of Civil Engineering Manuals (U.S.A.)

Scope: Within this State of the Infrastructure report, a high level review will be undertaken for the following asset classes:

1. **Road Network:** Urban / rural roads & appurtenances
2. **Bridges**: Bridges with a span greater than 3m
3. **Water Network:** Water mains, hydrants, valves, pump stations
4. **Sanitary Sewer Network:** Sanitary sewer mains, man holes, treatment plant
5. **Storm Sewer Network:** Storm sewer mains, catch basins
6. **Buildings:** All corporate and community facilities
7. **Land Improvements:** Well
8. **Machinery & Equipment:** Miscellaneous departmental equipment
9. **Vehicles:** Fire, parks and recreation, public works

3.2 Approach

The asset classes above were reviewed at a very high level due to the nature of data and information available. Subsequent detailed reviews of this analysis are recommended on an annual basis, as more detailed conditions assessment information becomes available for each infrastructure and general capitalprogram.

3.2.1 Base Data

In order to understand the full inventory of infrastructure and general capital assets within Oliver Paipoonge, all tangible capital asset data, as collected to meet the PSAB 3150 accounting standard, was loaded into the CityWide Tangible Asset™ software module. This database now provides a detailed and summarized inventory of assets as used throughout the analysis within this report and the entire Asset Management Plan.

3.2.2 Asset Deterioration Review

The municipality has supplied condition data for 95% of the paved road network, and all of the large bridge structures. The condition data recalculates a new performance age for each individual asset and,

as such, a far more accurate prediction of future replacement can be established and applied to the future investment requirements within this AMP report.
For those assets without condition data, the sanitary, water, storm, buildings, and equipment the deterioration review will rely on the 'straight line' amortization schedule approach provided from the accounting data. Although this approach is based on age data and useful life projections, and is not as accurate as the use of detailed condition data, it does provide a relatively reliable benchmark of future requirements.

3.2.3 Identify Sustainable Investment Requirements

A gap analysis was performed to identify sustainable investment requirements for each asset category. Information on current spending levels and budgets was acquired from the organization, future investment requirements were calculated, and the gap between the two was identified.

The above analysis is performed by using investment and financial planning models, and life cycle costing analysis, embedded within the CityWide software suite of applications.

3.2.4 Asset Rating Criteria

Each asset category will be rated on two key dimensions:

- **Condition vs. Performance**: Based on the condition of the asset today and how well performs its function.
- **Funding vs. Need**: Based on the actual investment requirements to ensure replacement of the asset at the right time, versus current spending levels for each asset group.

3.2.5 Infrastructure Report Card

The dimensions above will be based on a simple 1–5 star rating system, which will be converted into a letter grading system ranging from A-F. An average of the two ratings will be used to calculate the combined rating for each asset class. The outputs for all municipal assets will be consolidated within the CityWide software to produce one overall Infrastructure Report Card showing the current state of the assets.

Grading Scale: Condition vs. Performance

Based on the condition of the asset today and how well it performs its function.

Star Rating	Letter Grade	Color Indicator	Description
★★★★★	A		**Excellent**: No noticeable defects
★★★★	B		**Good**: Minor deterioration
★★★	C		**Fair**: Deterioration evident, function is affected
★★	D		**Poor**: Serious deterioration. Function is inadequate
★	F		**Critical**: No longer functional. General or complete failure

Grading Scale: Funding vs. Need

Based on the actual investment requirements to ensure replacement of the asset at the right time, versus current spending levels for each asset group.

Star Rating	Letter Grade	Description
★★★★★	A	**Excellent**: 91 to 100% of need
★★★★	B	**Good**: 76 to 90% of need
★★★	C	**Fair**: 61 to 75% of need
★★	D	**Poor**: 46 – 60% of need
★	F	**Critical**: under 45% of need

3.2.6 General Methodology and Reporting Approach

The report will be based on the seven key questions of asset management as outlined within the National Guide for Sustainable Municipal Infrastructure:

- What do you own and where is it? (inventory)
- What is it worth? (valuation / replacement cost)
- What is its condition / remaining service life? (function & performance)
- What needs to be done? (maintain, rehabilitate, replace)
- When do you need to do it? (useful life analysis)
- How much will it cost? (investment requirements)
- How do you ensure sustainability? (long-term financial plan)

The above questions will be answered for each individual asset category in the following report sections.

3.3 Road Network

D+

INFRASTRUCTURE REPORT CARD GRADE

3.3 Road Network

Note: The financial analysis in this section includes urban and rural paved roads. Gravel roads are excluded from the capital replacement analysis, as by nature, they require perpetual maintenance activities and funding. However, the gravel roads have been included in the Road Network inventory and replacement value tables.

3.3.1 What do we own?

As shown in the summary table below, the entire network comprises approximately 1,867 km2 of road.

Road Network Inventory

Asset Type	Asset Component	Quantity/Units
Road Network	Roads - HCB	412,910 m2
	Roads - LCB	847,544 m2
	Roads - Boundary	55,808 m2
	Road - Gravel	550,627 m2
	Sidewalks	3,509 m2
	Street Lights	204
	Traffic Signs	950

The road network data was extracted from the Tangible Capital Asset module of the CityWide software suite.

3.3.2 What is it worth?

The estimated replacement value of the road network, in 2014 dollars, is approximately $91.2 million. The cost per household for the road network is $37,525 based on 2,149 households (excludes gravel roads).

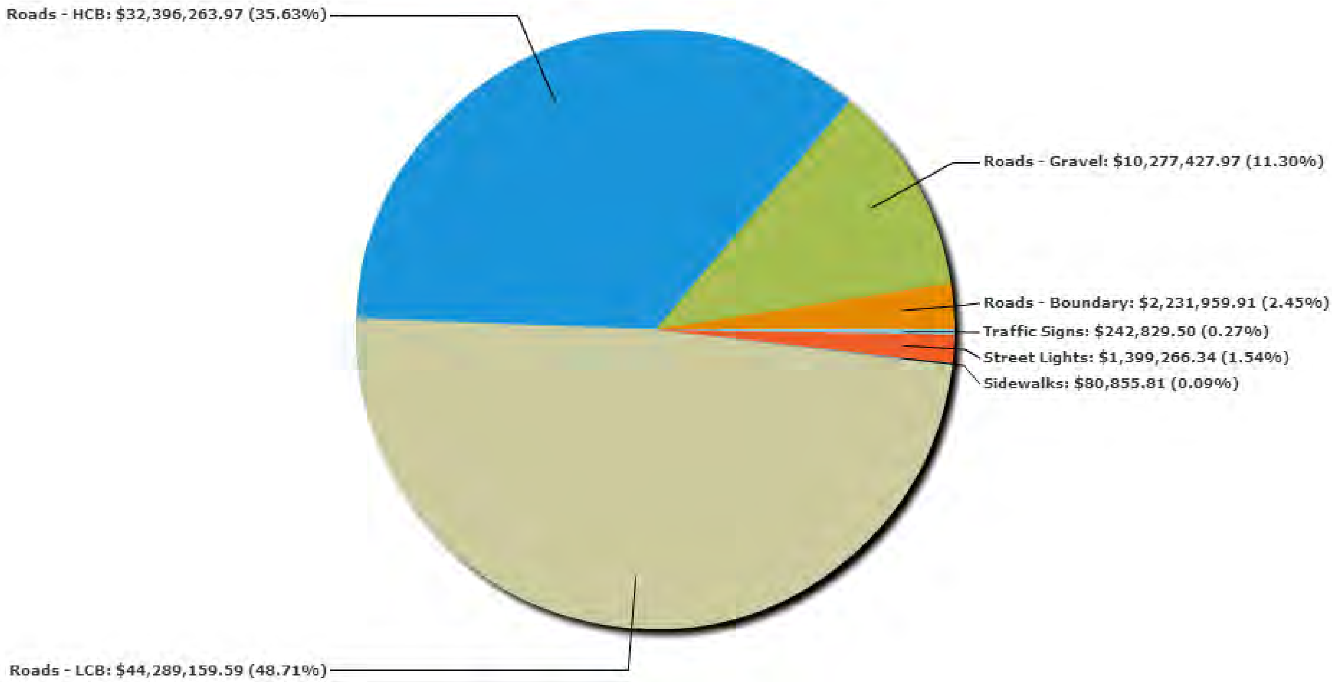
Road Network Replacement Value

Asset Type	Asset Component	Quantity/Units	2014 Inflation Source	2014 Overall Replacement Cost*
Road Network	Roads - HCB	412,910 m2	NRBCPI	$32,396,264
	Roads - LCB	847,544 m2	NRBCPI	$44,289,160
	Roads - Boundary	55,808 m2	NRBCPI	$2,231,960
	Road – Gravel	550,627 m2	Not Planned For Replacement	$10,277,428
	Sidewalks	3,509 m2	NRBCPI	$80,856
	Street Lights	204	NRBCPI	$1,399,266
	Traffic Signs	950	NRBCPI	$242,830
				$90,917,764

***Note**: Replacement Cost as of 2014-02-28 using NRBCPI inflation measure

The pie chart below provides a breakdown of each of the network components to the overall system value.

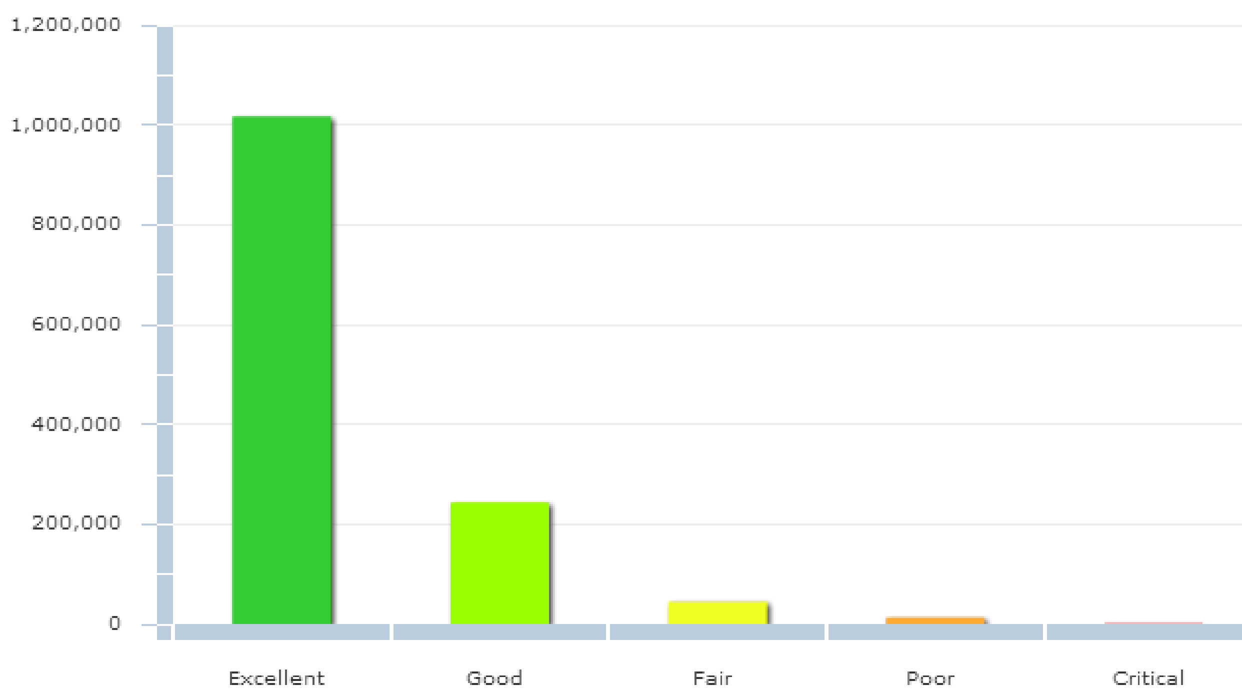
Road Network Components



3.3.3 What condition is it in?

Approximately 99% of the road network, based on field condition data, is in fair to excellent condition. As a result, the municipality received a Condition vs. Performance rating of 'B+'.

Road Network Condition by Length (square metres)



3.3.4 What do we need to do to it?

There are generally four distinct phases in an asset's life cycle that require specific types of attention and lifecycle activity. These are presented at a high level for the road network below. Further detail is provided in the Asset Management Strategy section of this AMP.

Addressing Asset Needs		
Phase	Lifecycle Activity	Asset Life Stage
Minor maintenance	Activities such as inspections, monitoring, sweeping, winter control, etc.	1st Qtr
Major maintenance	Activities such as repairing pot holes, grinding out roadway rutting, and patching sections of road.	2nd Qtr
Rehabilitation	Rehabilitation activities such as asphalt overlays, mill and paves, etc.	3rd Qtr
Replacement	Full road reconstruction	4th Qtr

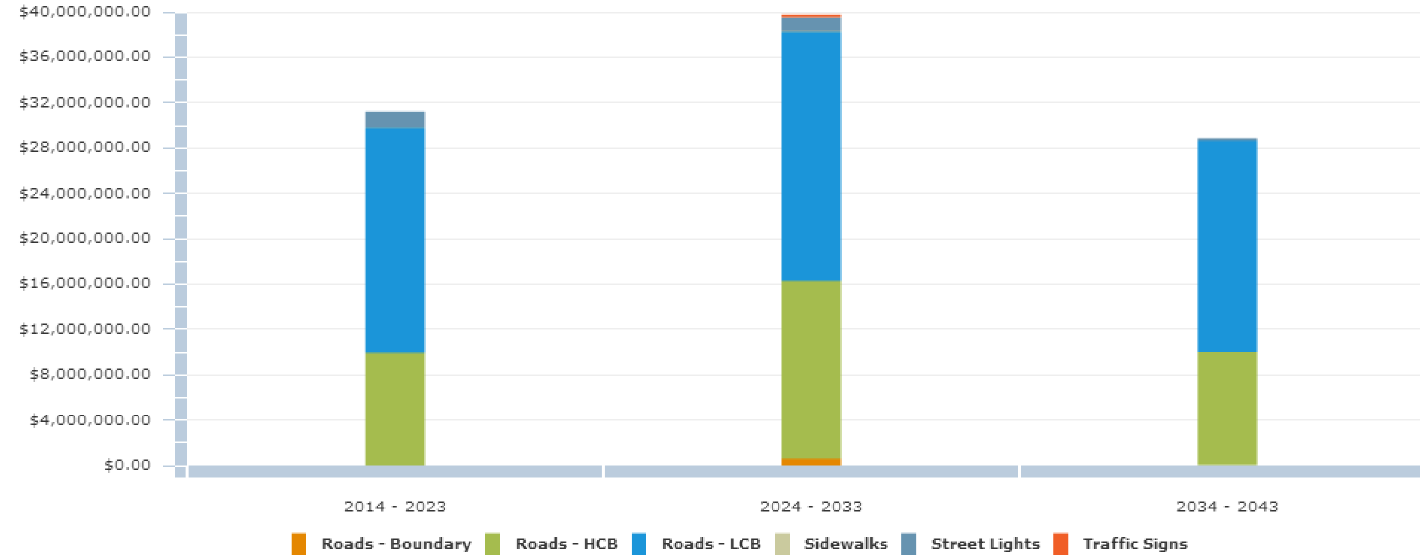
3.3.5 When do we need to do it?

For the purpose of this report, 'useful life' data for each asset class was obtained from the accounting data within the CityWide software database. This proposed useful life is used to determine replacement needs of individual assets. These needs are calculated and quantified in the system as part of the overall financial requirements.

Asset Useful Life in Years		
Asset Type	Asset Component	Useful Life
Road Network	Roads - HCB	5, 20
	Roads - LCB	5, 10, 20
	Roads - Boundary	10, 20
	Road - Gravel	5, 10, 20
	Sidewalks	30
	Street Lights	15
	Traffic Signs	30

As additional field condition information becomes available, the data can be loaded into the CityWide system to increase the accuracy of current asset age and, therefore, that of future replacement requirements. The following graph shows the projection of road network replacement costs based on the age of the asset only.

Road Network Replacement Profile (excludes gravel roads)



3.3.6 How much money do we need?

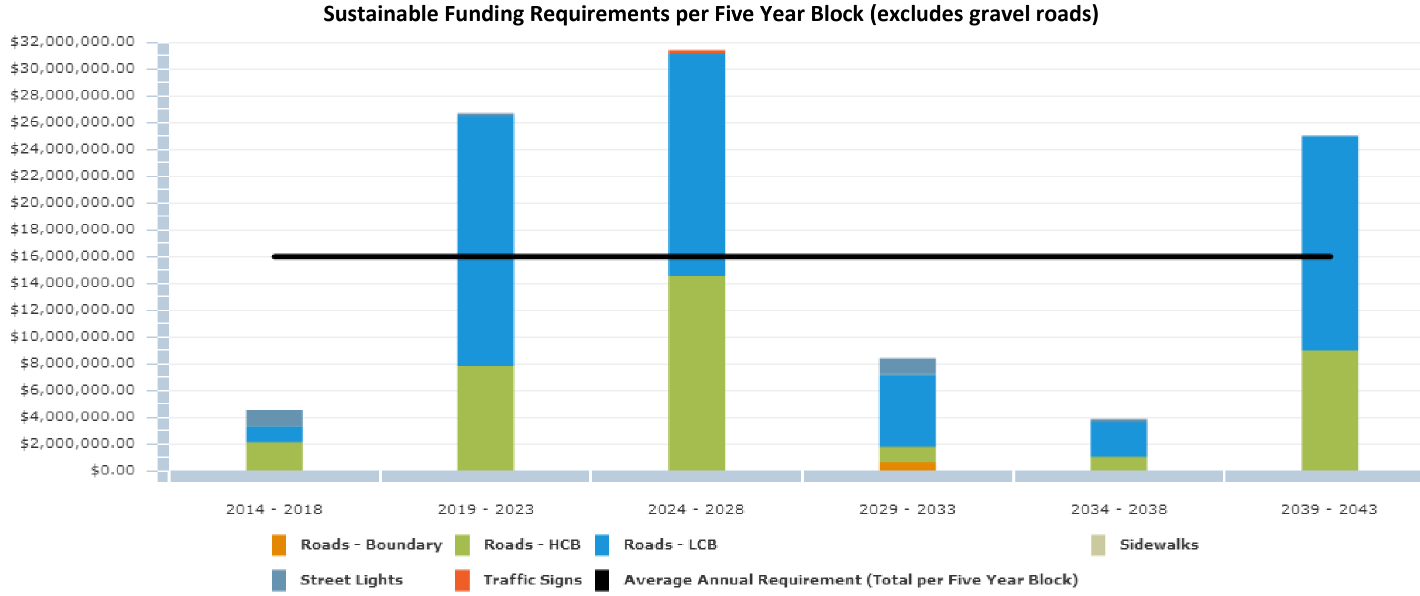
The analysis completed to determine capital revenue requirements was based on the following constraints and assumptions:

1. Replacement costs are based upon the unit costs identified within the "What is it worth" section.
2. The timing for individual road replacement was defined by the replacement year as described in the "When do you need to do it?" section.
3. All values are presented in 2014 dollars.
4. The analysis was run for a 30 year period to ensure all assets went through at least one iteration of replacement, therefore providing a sustainable projection.

3.3.7 How do we reach sustainability?

Based upon the above parameters, the average annual revenue required to sustain Oliver Paipoonge's paved road network is approximately **$3,197,000**. Based on Oliver Paipoonge's current annual funding of **$966,000**, there is an annual **deficit of $2,231,000**. As such, it received a Funding vs. Need rating of 'F' based on a weighted star rating of 1 star. The following graph illustrates the expenditure requirements in five year increments against the sustainable funding threshold line.

Sustainable Funding Requirements per Five Year Block (excludes gravel roads)



In conclusion, based on assessed condition, the majority of road infrastructure is in fair to excellent condition. There is a backlog of needs to be addressed within the next 5 years totaling approximately $4.5 million. The condition assessment data, along with risk management strategies, should be reviewed together to aid in prioritizing overall needs for rehabilitation and replacement and assist with optimizing the long and short term budgets. Further detail is outlined within the Asset Management Strategy section of this AMP.

3.3.8 Recommendations

The municipality received an overall rating of 'D+' for its road network, calculated from the Condition vs. Performance and the Funding vs. Need ratings. Accordingly, we recommend the following:

- The condition assessment data, along with risk management strategies, should be reviewed together to aid in prioritizing overall needs for rehabilitation and replacement.
- A tailored life cycle activity framework should be also be developed by the Municipality as outlined further within the Asset Management Strategy section of this AMP.
- As approximately 30% of the Municipality's road network is gravel roads, a detailed study should be undertaken to assess the overall maintenance costs of gravel roads and whether there is benefit of converting some gravel roads to paved roads to reduce future costs. This is further detail outlined within the Asset Management Strategy section of this AMP.
- Once the above studies are complete or underway, the condition data should be loaded into the CityWide software and an updated "current state of the infrastructure" analysis should be generated.
- An appropriate % of asset replacement value should be used for operations and maintenance activities on an annual basis. This should be determined through a detailed analysis of O & M activities and be added to future AMP reporting.
- The Infrastructure Report Card should be updated on an annual basis.

3.4 Gravel Roads – Maintenance Requirements

3.4.1 Introduction

Paved roads are usually designed and constructed with careful consideration given to the correct shape of the cross section. When paving is complete the roadway will keep its general shape for the duration of its useful life. Gravel roads are quite different. Many have poor base construction, will be prone to wheel track rutting in wet weather, and traffic will continually displace gravel from the surface to the shoulder area, even the ditch, during wet and dry weather. Maintaining the shape of the road surface and shoulder is essential to ensure proper performance and to provide a sufficient level of service for the public.

Therefore, the management of gravel roads is not through major rehabilitation and replacement, but rather through good perpetual maintenance and some minor rehabilitation which depend on a few basic principles: proper techniques and cycles for grading; the use and upkeep of good surface gravel; and, dust abatement and stabilization.

3.4.2 Maintaining a Good Cross Section

In order to maintain a gravel road properly, a good cross section is required consisting of a crowned driving surface, a shoulder with correct slope, and a ditch. The crown of the road is essential for good drainage. A road with no crown, or insufficient crown, will cause water to collect on the surface during a rainfall, will soften the crust, and ultimately lead to rutting which will become severe if the subgrade also softens. Even if the subgrade remains firm, traffic will cause depressions in the road where water collects and the road will develop potholes. It is a generally accepted industry standard that 1.25cm per 12cm (one foot), approximately 2%, on the cross slope is ideal for road crown.

The road shoulder serves some key functions. It supports the edge of the travelled portion of the roadway, provides a safe area for drivers to regain control of vehicles if they are forced to leave the road, and finally, carries water further away from the road surface. The shoulder should ideally meet the edge of the roadway at the same elevation and then slope away gradually towards the ditch.

The ditch is the most important and common drainage structure for gravel roads. Every effort should be made to maintain a minimal ditch. The ditch should be kept free of obstructions such as eroded soil, vegetation or debris.

3.4.3 Grading Operations

Routine grading is the activity that ensures gravel roadways maintain a good cross section or proper profile. The three key components to good grading are: operating speed, blade angle, and blade pitch.

Excessive operating speed can cause many problems such as inconsistent profile, and blade movement or bouncing that can cut depressions and leave ridges in the road surface. It is generally accepted that grader speed should not exceed 8km per hour. The angle of the blade is also critical for good maintenance and industry standards suggest the optimal angle is between 30 and 45 degrees. Finally, the correct pitch or tilt of the blade is very important. If the blade is pitched back too far, the material will tend to build up in front of the blade and will not fall forward, which mixes the materials, and will move along and discharge at the end of the blade.

3.4.4 Good Surface Gravel

Once the correct shape is established on a roadway and drainage matters are taken care of, attention must be given to the placement of good gravel. Good surface gravel requires a percentage of stone which gives strength to support loads, particularly in wet weather. It also requires a percentage of sand size particles to fill the voids between the stones which provide stability. And finally, a percentage of plastic fines are needed to bind the material together which allows a gravel road to form a crust and shed water. Typical municipal maintenance routines will include activities to ensure a good gravel surface through both spot repairs (often annually) and also re-graveling of roadways (approximately every five years).

3.4.5 Dust Abatement and stabilization

A typical maintenance activity for gravel roads also includes dust abatement and stabilization. All gravel roads will give off dust at some point, although the amount of dust can vary greatly from region to region. The most common treatment to reduce dust is the application of Calcium Chloride, in flake or liquid form, or Magnesium Chloride, generally just in liquid form. Of course, there are other products on the market as well. Calcium and Magnesium Chloride can be very effective if used properly. They are hygroscopic products which draw moisture from the air and keep the road surface constantly damp. In addition to alleviating dust issues, the continual dampness also serves to maintain the loss of fine materials within the gravel surface, which in turn helps maintain road binding and stabilization. A good dust abatement program can actually help waterproof and bind the road, in doing so can reduce gravel loss, and therefore, reduce the frequency of grading.

3.4.6 The Cost of Maintaining Gravel Roads

We conducted an industry review to determine the standard cost for maintaining gravel roads. However, it became apparent that no industry standard exists for either the cost of maintenance or for the frequency at which the maintenance activities should be completed. Presented below, as a guideline only, are two studies on the maintenance costs for gravel roads:

3.4.7 Minnesota Study (2005)

The first study is from the Minnesota Department of Transportation (MnDOT) Local Road Research Board (LRRB), where the researchers looked at historical and estimated cost data from multiple counties in Minnesota.

The study team found that the typical maintenance schedule consisted of routine grading and re-graveling with two inches of new gravel every five years. They found that a typical road needed to be graded 21 times a year or three times a month from April – October, and the upper bound for re-graveling was five years for any road over 100 ADT; lower volume roads could possibly go longer. The calculated costs including materials, labour, and hauling totaled $1,400 per year or $67 per visit for the grading activity and $13,800 for the re-gravel activity every five years. The re-gravel included an estimate gravel cost of $7.00 per cubic yard and a 2.5" thick lift of gravel (to be compacted down to 2"). Therefore, they developed an average estimated annual maintenance cost for gravel roads at $4,160 per mile. This converts to $2,600 per km of roadway and if adjusted for inflation into 2013 dollars, using the Non-Residential Building Construction Price Index (NRBCPI), it would be $3,500.

Reference: Jahren, Charles T. et. al. "Economics of Upgrading an Aggregate Road," Minnesota Department of Transportation, St. Paul, Mn, January 2005.

3.4.8 South Dakota study (2004)

This second study was conducted by South Dakota's Department of Transportation (SDDOT). The default maintenance program for gravel roads from SDDOT's report includes grading 50 times per year, re-graveling once every six years, and spot graveling once per year. The unit cost for grading was very similar to Minnesota at $65 per mile, re-gravel at $7,036 per mile and spot graveling or pothole repair at $2,420 per mile, totaling to an average annual maintenance cost of $6,843 per mile. Due to the frequency of the grading activity and the addition of the spot gravel maintenance, the SDDOT number is higher than Minnesota reported even though the re-gravel activity is reported at about half of the price in Minnesota.

This converts to $4,277 per km of roadway and if adjusted for inflation into 2013 dollars, using the NRBCPI, it would be $5,758.

Reference: Zimmerman, K.A. and A.S. Wolters. "Local Road Surfacing Criteria," South Dakota Department of Transportation, Pierre, SD, June 2004.

3.4.9 Ontario Municipal Benchmarking Initiative (OMBI)

One of the many metrics tracked through the Ontario Municipal Benchmarking Initiative is the "Operating costs for Unpaved (Loose top) Roads per lane Km." As referenced from the OMBI data dictionary, this includes maintenance activities such as dust suppression, loose top grading, loose top gravelling, spot base repair and wash out repair.

Of the six Ontario municipalities that included 2013 costs for this category, there is a wide variation in the reporting. The highest cost per lane km was $14,900 while the lowest cost was $397. The average cost was $6,300 per lane km. Assuming two lanes per gravel road to match the studies above, the Ontario OMBI average becomes $12,600 per km of roadway.

Summary of Costs

Source	2013 Maintenance Cost per km (adjusted for inflation using NRBCPI)
Minnesota Study	$3,500
South Dakota Study	$5,758
OMBI Average (six municipalities)	$12,600

3.4.10 Conclusion

As discussed above, there are currently no industry standards in regards to the cost of gravel road maintenance and the frequency at which the maintenance activities should be completed. Also, there is no established benchmark cost for the maintenance of a km of gravel road and the numbers presented above will vary significantly due to the level of service or maintenance that's provided (i.e., frequency of grading cycles and re-gravel cycles).

Oliver Paipoonge currently spends approximately $434,000 (based on 2013 numbers) annually on gravel road maintenance. With a gravel road network of approximately 82 km, the maintenance cost per km of roadway is $5,292. This appears to within the typical budget limits as shown above. Of course, there are many variables in this analysis, therefore it is recommended that a detailed study be undertaken to establish different cost options associated with different levels of service and that this be included with future updates to this AMP.

3.4 Bridges & Culverts

B+

INFRASTRUCTURE REPORT CARD GRADE

3.4 Bridges & Culverts

3.4.1 What do we own?

As shown in the table below, the municipality owns 15 bridges.

Bridges & Culverts Inventory		
Asset Type	Asset Component	Units
Bridges & Culverts	Bridges - Steel	13
	Bridges - Timber	2

The bridges & culverts data was extracted from the Tangible Capital Asset and G.I.S. modules of the CityWide software suite.

3.4.2 What is it worth?

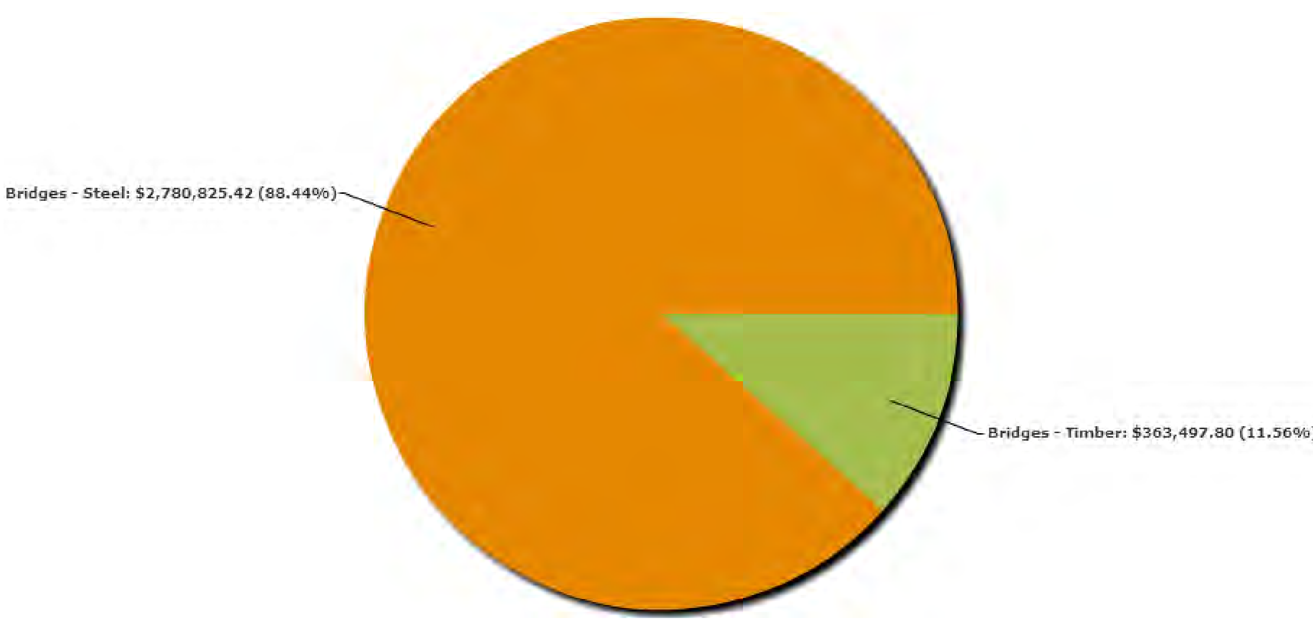
The estimated replacement value of the municipality's bridges & culverts, in 2014 dollars, is approximately $2.7 million. The cost per household for bridges & culverts is $1,277 based on 2,149 households.

Bridges & Culverts Replacement Value				
Asset Type	Asset Component	Units	2014 Inflation Source	2014 Overall Replacement Cost*
Bridges & Culverts	Bridges - Steel	13	NRBCPI	$2,780,825
	Bridges - Timber	2	NRBCPI	$363,498
				$3,144,323

***Note**: Replacement Cost as of 2014-02-28 using NRBCPI inflation measure

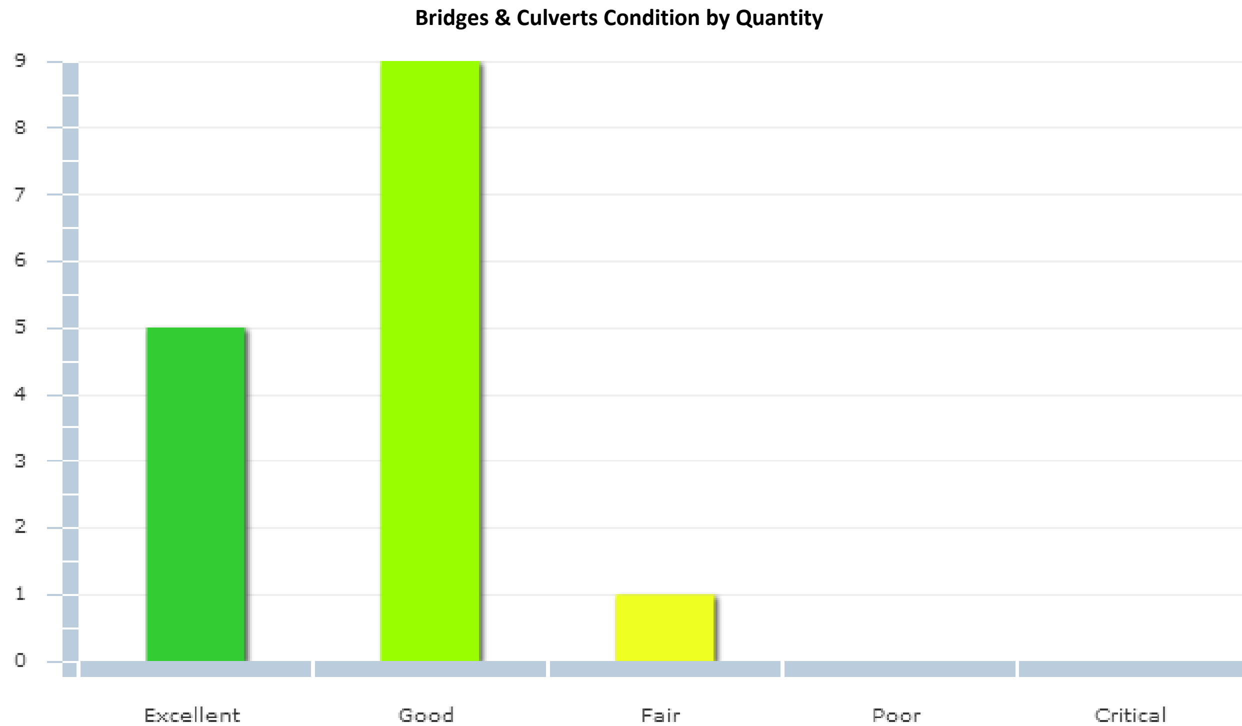
The pie chart below provides a breakdown of each of the bridges & culverts components to the overall structures value.

Bridges & Culverts Components



3.4.3 What condition is it in?

Approximately 93% of the municipality's bridge structures are in good to excellent condition, with the remaining 7% in fair condition. As a result, the municipality received a Condition vs. Performance rating of 'B.



3.4.4 What do we need to do to it?

There are generally four distinct phases in an asset's life cycle. These are presented at a high level for the bridge and culvert structures below. Further detail is provided in the Asset Management Strategy section of this AMP.

Addressing Asset Needs

Phase	Lifecycle Activity	Asset Life Stage
Minor Maintenance	Activities such as inspections, monitoring, sweeping, winter control, etc.	1st Qtr
Major Maintenance	Activities such as repairs to cracked or spalled concrete, damaged expansion joints, bent or damaged railings, etc.	2nd Qtr
Rehabilitation	Rehabilitation events such as structural reinforcement of structural elements, deck replacements, etc.	3rd Qtr
Replacement	Full structure reconstruction	4th Qtr

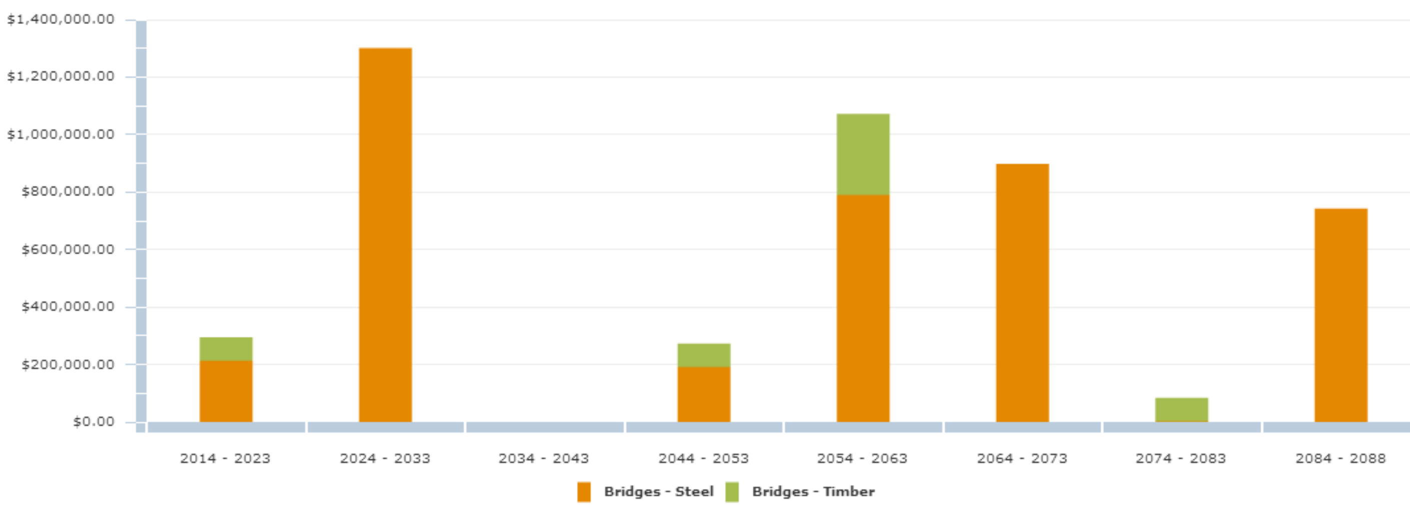
3.4.5 When do we need to do it?

For the purpose of this report, 'useful life' data for each asset class was obtained from the accounting data within the CityWide software database. This proposed useful life is used to determine replacement needs of individual assets, which are calculated in the system as part of the overall financial requirements.

Asset Useful Life in Years		
Asset Type	Asset Component	Useful Life
Bridges & Culverts	Bridges - Steel	45, 60, 75
	Bridges - Timber	30

As field condition information becomes available in time, the data should be loaded into the CityWide system in order to have an increasingly more accurate picture of current asset age and, therefore, future replacement requirements. The following graph shows the current projection of structure replacements based on the age of the asset only.

Structures Replacement Profile



3.4.6 How much money do we need?

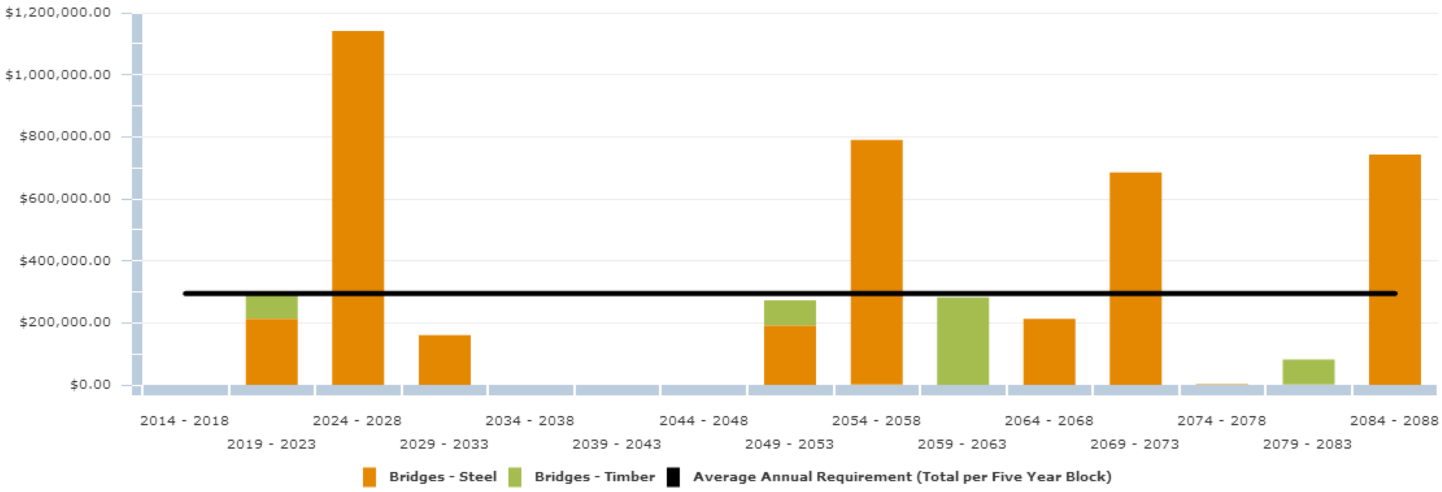
The analysis completed to determine capital revenue requirements was based on the following constraints and assumptions:

1. Replacement costs are based upon the "What is it worth" section above.
2. The timing for individual structure replacement was defined by the replacement year as described in the "When do you need to do it?" section above.
3. All values are presented in 2014 dollars.
4. The analysis was run for a 75 year period to ensure all assets cycled through at least one iteration of replacement, therefore providing a sustainable projection.

3.4.7 How do we reach sustainability?

Based upon the above assumptions, the average annual revenue required to sustain Oliver Paipoonge's bridges & culverts is **$59,000**. Based on Oliver Paipoonge's current annual funding of **$58,000**, there is an annual **deficit of $1,000**. The municipality received a Funding vs. Need rating of 'A' based on a weighted star rating of 4.9 stars. The following graph presents five year blocks of expenditure requirements against the sustainable funding threshold line.

Sustainable Revenue Requirement per Five Year Block



In conclusion, based on field condition data, the majority of bridge structures are in good to excellent condition. There are very few needs to be addressed within the next 5 years. Structures are one of the highest liability assets a municipality owns and therefore a high priority would be enter completed condition results into the CityWide software for further analysis. A full analysis of field condition will aid in prioritizing overall needs for rehabilitation and replacement and will assist with optimizing the long and short term budgets. Further detail is outlined within the Asset Management Strategy section of this AMP.

3.4.8 Recommendations

The municipality received an overall rating of 'B+' for its bridges & culverts, calculated from the Condition vs. Performance and the Funding vs. Need ratings. Accordingly, we recommend the following:

- The biennial OSIM condition assessments should be loaded into the CityWide software program in order to aid in a full and comprehensive analysis of field condition data.
- An appropriate % of asset replacement value should be used for operations and maintenance activities on an annual basis. This should be determined through a detailed analysis of O & M activities and be added to future AMP reporting.
- The Infrastructure Report Card should be updated on an annual basis.

3.5 Water Network

F

INFRASTRUCTURE REPORT CARD GRADE

3.5 Water Network

3.5.1 What do we own?

Oliver Paipoonge is responsible for the following water network inventory which includes approximately 6.7km of water mains:

Water Network Inventory		
Asset Type	Asset Component	Quantity/Units
Water Network	Waterline (50mm) – Iron	290 m
	Waterline (100mm) – PVC	302 m
	Waterline (150mm) – HIDENPOLY	1,480 m
	Waterline (200mm) – PVC	1,955 m
	Waterline (300mm) – PVC	54 m
	Waterline (350mm) – PVC	2,628 m
	Hydrants	25
	Water Valves	217
	Pump Station	2

The water network data was extracted from the Tangible Capital Asset module of the CityWide software suite.

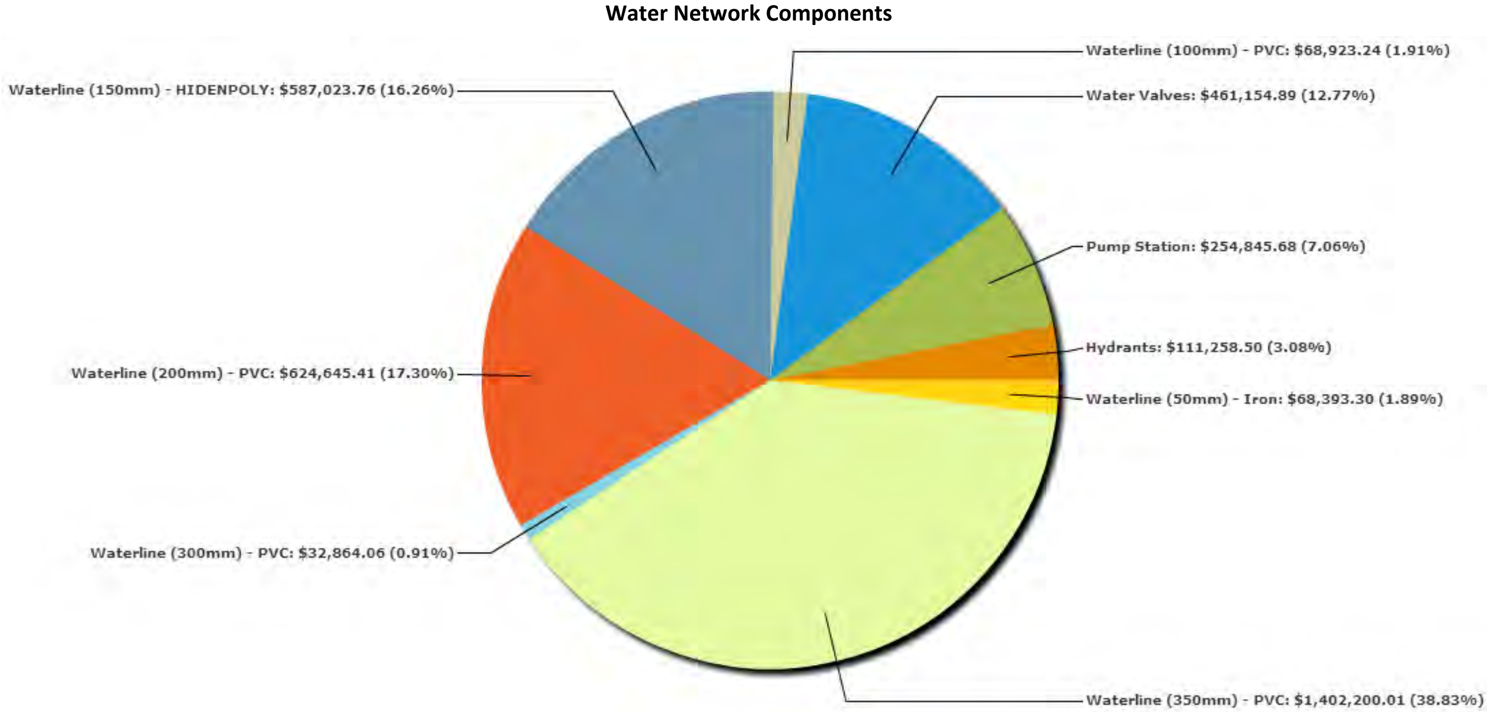
3.5.2 What is it worth?

The estimated replacement value of the water network, in 2014 dollars, is approximately $3.6 million. The cost per household for the water network is $120,377 based on 30 households.

Water Network Replacement Value				
Asset Type	Asset Component	Quantity/Units	2014 Inflation Source	2014 Overall Replacement Cost*
Water Network	Waterline (50mm) – Iron	290 m	NRBCPI	$68,393
	Waterline (100mm) – PVC	302 m	NRBCPI	$68,923
	Waterline (150mm) – HIDENPOLY	1,480 m	NRBCPI	$587,023
	Waterline (200mm) – PVC	1,955 m	NRBCPI	$624,645
	Waterline (300mm) – PVC	54 m	NRBCPI	$32,864
	Waterline (350mm) – PVC	2,628 m	NRBCPI	$1,402,200
	Hydrants	25	NRBCPI	$111,259
	Water Valves	217	NRBCPI	$461,155
	Pump Station	2	NRBCPI	$254,846
				$3,611,308

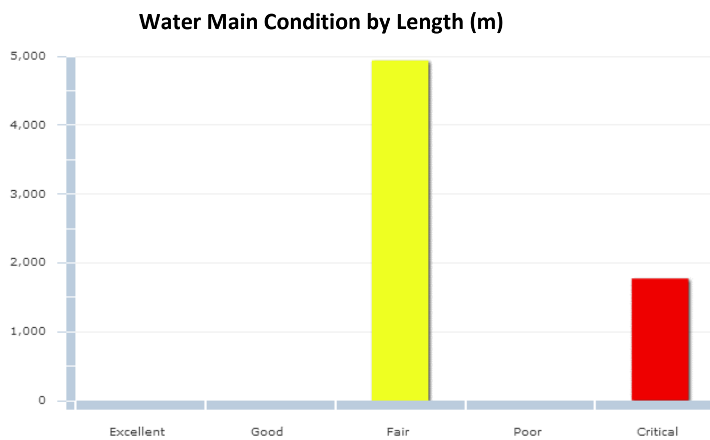
***Note**: Replacement Cost as of 2014-02-28 using NRBCPI inflation measure

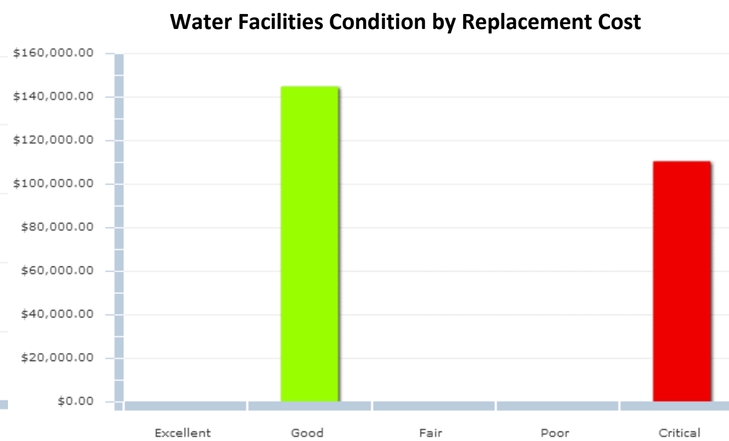
The pie chart below provides a breakdown of each of the network components to the overall system value.



3.5.3 What condition is it in?

Based on age data only, approximately 26% of the municipality's water mains, as well as 43% of the facilities are in critical condition. As such, the municipality received a Condition vs. Performance rating of 'D+'.





3.5.4 What do we need to do to it?

There are generally four distinct phases in an asset's life cycle. These are presented at a high level for the water network below. Further detail is provided in the Asset Management Strategy section of this AMP.

Addressing Asset Needs		
Phase	Lifecycle Activity	Asset Age
Minor Maintenance	Activities such as inspections, monitoring, cleaning and flushing, hydrant flushing, pressure tests, visual inspections, etc.	1st Qtr
Major Maintenance	Such events as repairing water main breaks, repairing valves, replacing individual small sections of pipe etc.	2nd Qtr
Rehabilitation	Rehabilitation events such as structural lining of pipes and a cathodic protection program to slow the rate of pipe deterioration.	3rd Qtr
Replacement	Pipe replacements	4th Qtr

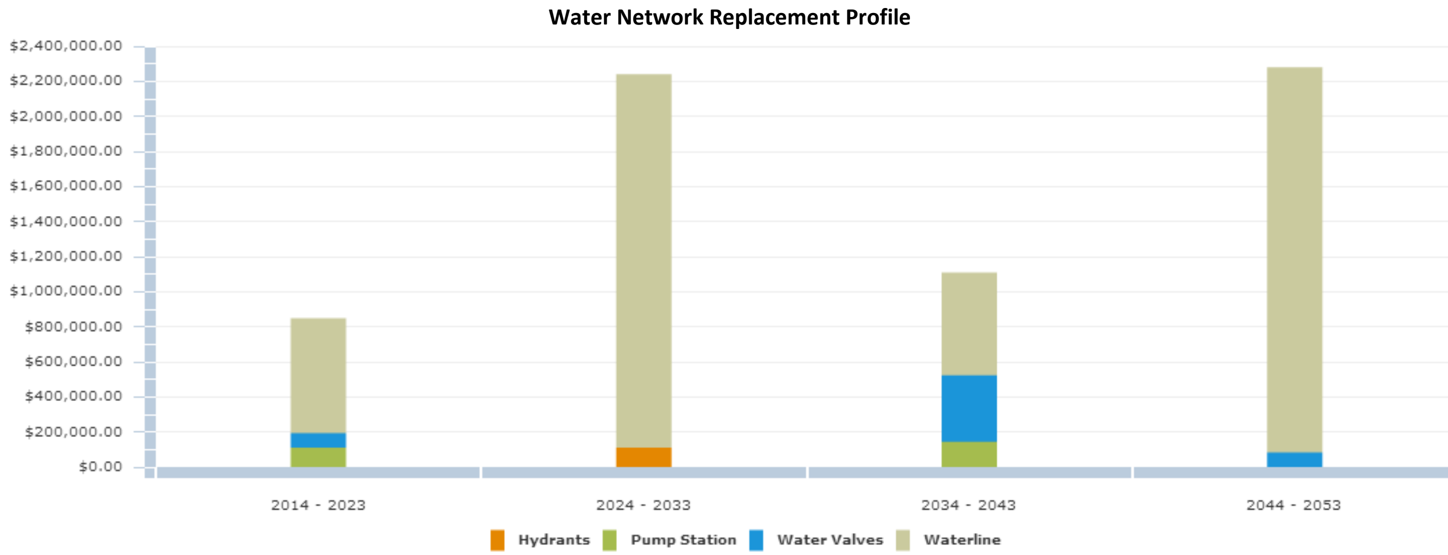
3.5.5 When do we need to do it?

For the purpose of this report "useful life" data for each asset class was obtained from the accounting data within the CityWide software database. This proposed useful life is used to determine replacement needs of individual assets, which are calculated in the system as part of the overall financial requirements.

Asset Useful Life in Years		
Asset Type	Asset Component	Useful Life (Years)
Water Network	Waterline (50mm) – Iron	30
	Waterline (100mm) – PVC	25
	Waterline (150mm) – HIDENPOLY	25
	Waterline (200mm) – PVC	25
	Waterline (300mm) – PVC	25
	Waterline (350mm) – PVC	25
	Hydrants	30
	Water Valves	30
	Pump Station	40

As field condition information becomes available in time, the data should be loaded into the CityWide system in order to increasingly have a more accurate picture of current asset age and condition, therefore, future replacement requirements.

The following graph shows the current projection of water network replacements based on the age of the assets only.



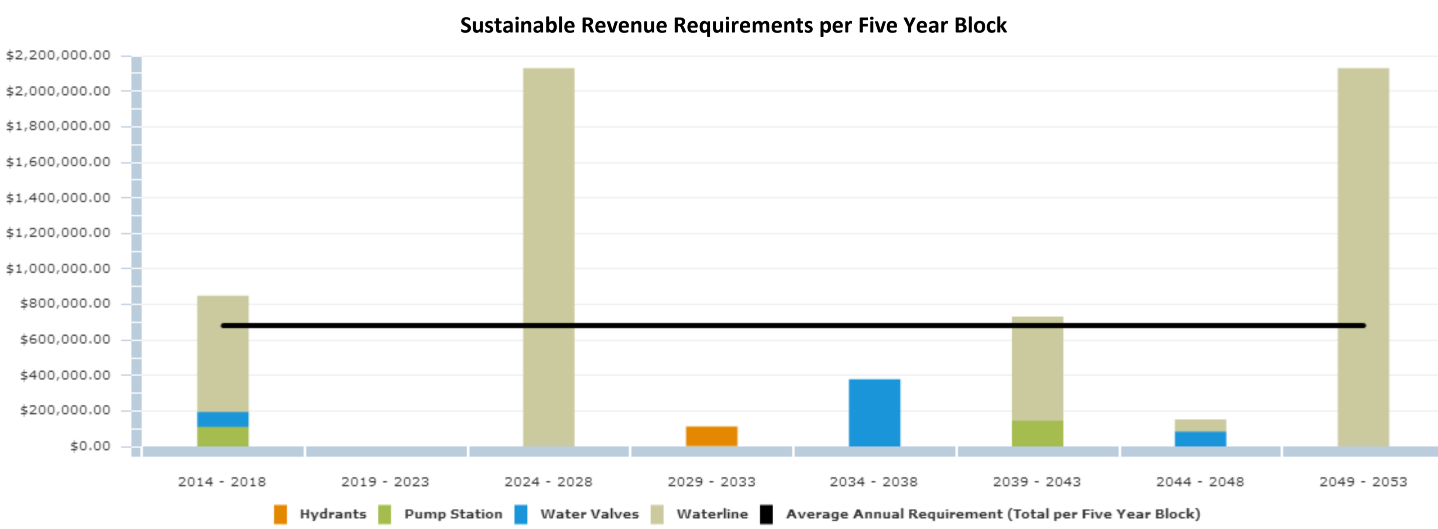
3.5.6 How much money do we need?

The analysis completed to determine capital revenue requirements was based on the following assumptions:

1. Replacement costs are based upon the unit costs identified within the "What is it worth" section above.
2. The timing for individual water main replacement was defined by the replacement year as described in the "When do you need to do it?" section above.
3. All values are presented in 2014 dollars.
4. The analysis was run for a 40 year period to ensure all assets went through at least one iteration of replacement, therefore providing a sustainable projection.

3.5.7 How do we reach sustainability?

Based upon the above assumptions, the average annual revenue required to sustain Oliver Paipoonge's water network is approximately **$136,000**. Based on Oliver Paipoonge's current annual funding of **$0**, there is a **deficit of $136,000**. Given this deficit, the municipality received a Funding vs. Need rating of 'F' based on a weighted star rating of 0 stars. The following graph presents five year blocks of expenditure requirements against the sustainable funding threshold line.



In conclusion, approximately 43% of Oliver Paipoonge's water facilities and 26% of the water distribution network are in critical condition based on age data only. There are needs to be addressed within the next 5 years totaling approximately $849 thousand. It should be noted that water mains have been listed as having a 25 year useful life and this should probably be reviewed, as typical industry standards are normally 80 – 100 years. By extending the useful life expected, service levels will change and annual expenditure requirements will be reduced. Also, a system to establish a better understanding of field condition, as explained in the Asset Management Strategy section of this AMP, would be useful to re-prioritize needs and optimize future budgets.

3.5.8 Recommendations

The municipality received an overall rating of 'F' for its water network, calculated from the Condition vs. Performance and the Funding vs. Need ratings. Accordingly, we recommend the following:

- A more detailed study to define the current condition of the water network should be undertaken as described further within the Asset Management Strategy section of this AMP.
- Also, a detailed study to define the current condition of the water facilities and their components (structural, architectural, electrical, mechanical, process, etc.) should be undertaken, as collectively they account for 7% of the water infrastructure's value.
- The useful life projections used by the municipality should be reviewed for consistency with industry standards.
- Once the above studies are complete, a new performance age should be applied to each asset and an updated "current state of the infrastructure" analysis should be generated.
- An appropriate % of asset replacement value should be used for operations and maintenance activities on an annual basis. This should be determined through a detailed analysis of O & M activities and be added to future AMP reporting.
- The Infrastructure Report Card should be updated on an annual basis.

3.6 Sanitary Sewer Network

D

INFRASTRUCTURE REPORT CARD GRADE

3.6 Sanitary Sewer Network

3.6.1 What do we own?

The inventory components of the sanitary sewer collection system are outlined in the table below. The entire network consists of approximately 3.5km of sewer line, manholes, and a treatment plant.

Sanitary Sewer Network Inventory		
Asset Type	Asset Component	Quantity/Units
Sanitary Sewer Network	Sanitary sewerlines (200mm) – PVC	484.70 m
	Sanitary sewerlines (250mm) – PVC	875.35 m
	Sanitary sewerlines (300mm) – PVC	2,195.64 m
	Sanitary sewer manholes	44
	Waste water treatment plant	1

The Sanitary Sewer Network data was extracted from the Tangible Capital Asset module of the CityWide software application.

3.6.2 What is it worth?

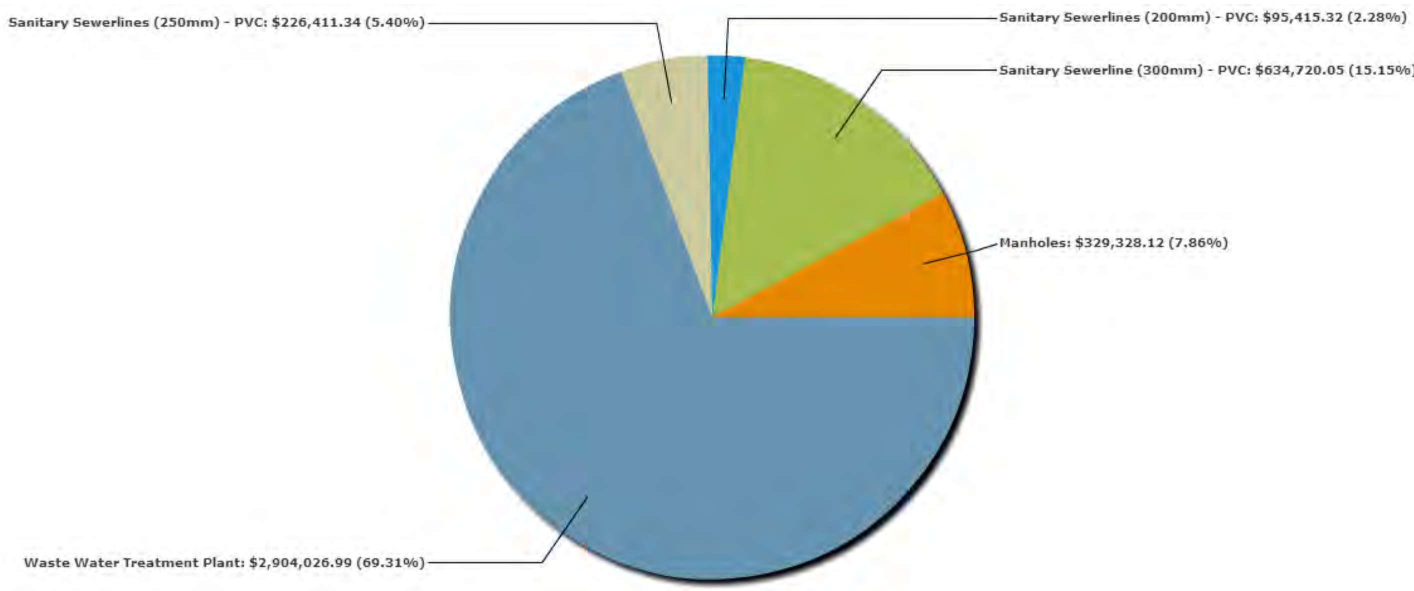
The estimated replacement value of the sanitary sewer network, in 2014 dollars, is approximately $4.2 million. The cost per household for the sanitary network is $52,374 based on 80 households.

Sanitary Sewer Network Replacement Value				
Asset Type	Asset Component	Quantity/Units	2014 Inflation Source	2014 Overall Replacement Cost*
Sanitary Sewer Network	Sanitary sewerlines (200mm) – PVC	484.70 m	NRBCPI	$95,415
	Sanitary sewerlines (250mm) – PVC	875.35 m	NRBCPI	$226,411
	Sanitary sewerlines (300mm) – PVC	2,195.64 m	NRBCPI	$634,720
	Sanitary sewer manholes	44	NRBCPI	$329,328
	Waste water treatment plant	1	NRBCPI	$2,904,027
				$4,189,901

***Note**: Replacement Cost as of 2014-02-28 using NRBCPI inflation measure

The pie chart below provides a breakdown of each of the network components to the overall system value.

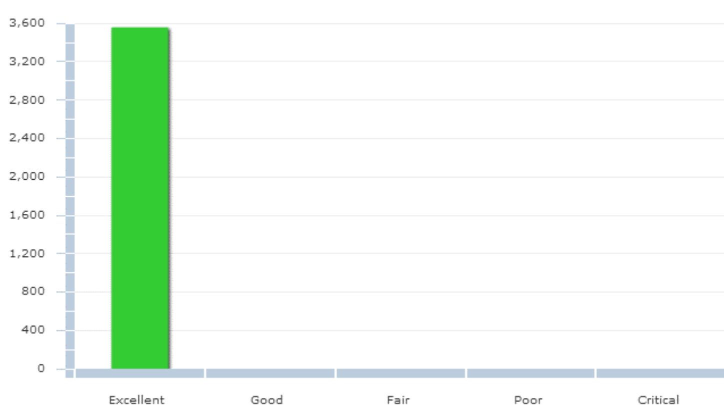
Sanitary Sewer Network Components



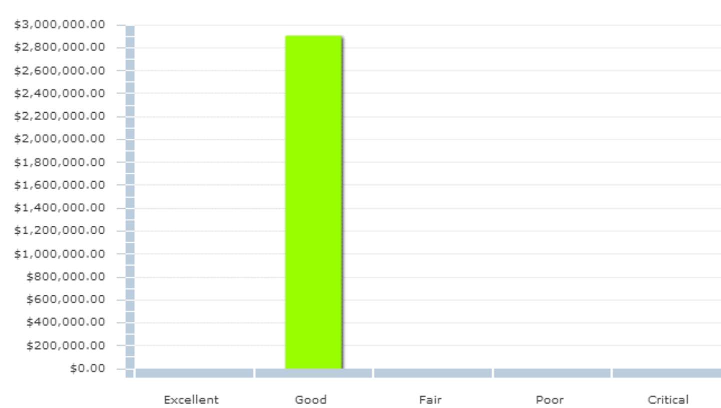
3.6.3 What condition is it in?

100% of the sanitary sewer lines are in excellent condition, and 100% of the municipality's facilities are in good condition. Further, 100% of the municipality's appurtenances are in good condition. As such, the municipality received a Condition vs Performance rating of 'B'.

Sanitary Sewer lines Condition by Length (m)



Sanitary Facilities Condition by Replacement Cost



3.6.4 What do we need to do to it?

There are generally four distinct phases in an assets life cycle. These are presented at a high level for the sanitary sewer network below. Further detail is provided in the Asset Management Strategy section of this AMP.

Addressing Asset Needs		
Phase	Lifecycle Activity	Asset Life Stage
Minor Maintenance	Activities such as inspections, monitoring, cleaning and flushing, zoom camera and CCTV inspections, etc.	1st Qtr
Major Maintenance	Activities such as repairing manholes and replacing individual small sections of pipe.	2nd Qtr
Rehabilitation	Rehabilitation events such as structural lining of pipes are extremely cost effective and provide an additional 75 plus years of life.	3rd Qtr
Replacement	Pipe replacements	4th Qtr

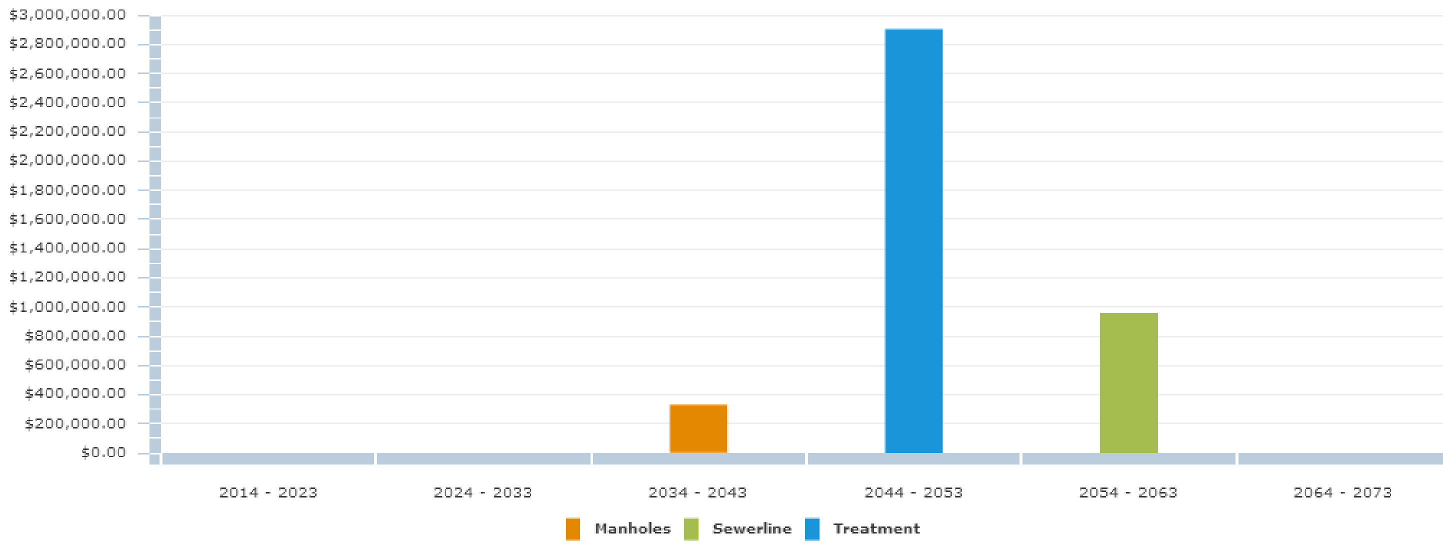
3.6.5 When do we need to do it?

For the purpose of this report "useful life" data for each asset class was obtained from the accounting data within the CityWide software database. This proposed useful life is used to determine replacement needs of individual assets, which are calculated in the system as part of the overall financial requirements.

Asset Useful Life in Years		
Asset Type	Asset Component	Useful Life
Sanitary Sewer Network	Sanitary sewer lines (200mm) – PVC	60
	Sanitary sewer lines (250mm) – PVC	60
	Sanitary sewer lines (300mm) – PVC	60
	Sanitary sewer manholes	40
	Waste water treatment plant	40

As field condition information becomes available in time, the data should be loaded into the CityWide system in order to increasingly have a more accurate picture of current asset performance age and, therefore, future replacement requirements. The following graph shows the current projection of sanitary sewer line replacements based on the age of the asset only.

Sanitary Sewer Network Replacement Profile



3.6.6 How much money do we need?

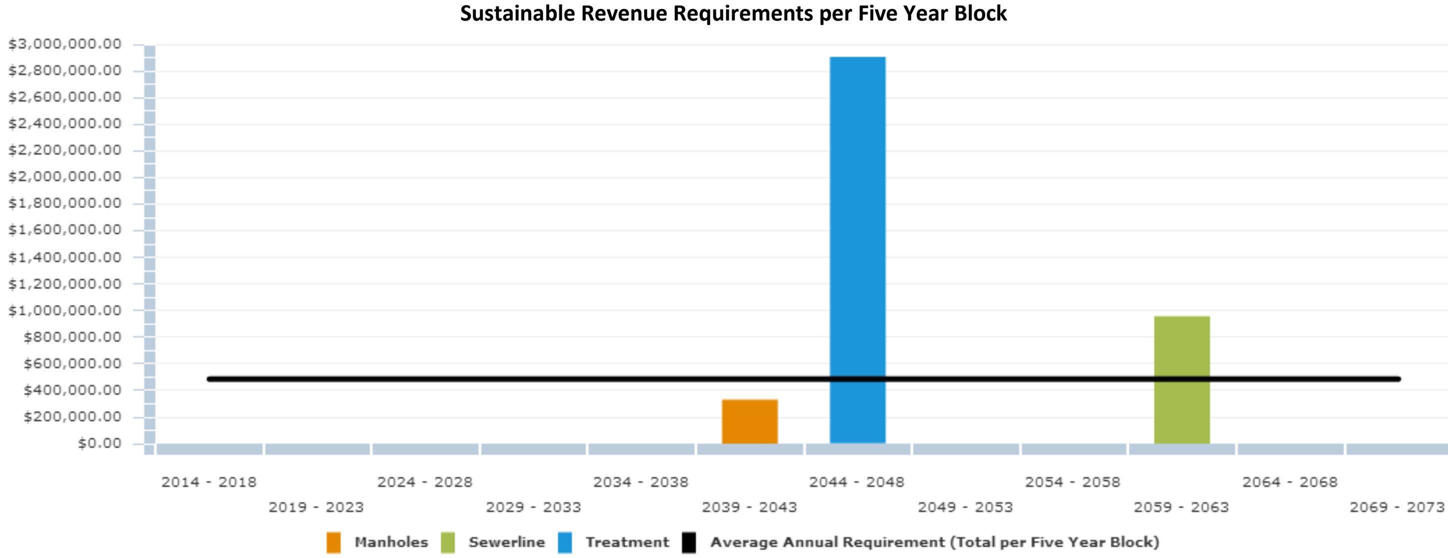
The analysis completed to determine capital revenue requirements was based on the following assumptions:

1. Replacement costs are based upon the unit costs identified within the "What is it worth" section above.
2. The timing for individual sewer line replacement was defined by the replacement year as described in the "When do you need to do it?" section above.
3. All values are presented in 2014 dollars.
4. The analysis was run for a 60 year period to ensure all assets went through at least one iteration of replacement, therefore providing a sustainable projection.

3.6.7 How do we reach sustainability?

Based upon the above assumptions, the average annual revenue required to sustain Oliver Paipoonge's sanitary sewer network is approximately **$97,000**. Based on Oliver Paipoonge's current annual funding of **$0**, there is an annual **deficit of $97,000**. Given this deficit, the municipality received a Funding vs. Need rating of 'F' based on weighted star rating of 0 stars. The following graph presents five year blocks of expenditure requirements against the sustainable funding threshold line.

Sustainable Revenue Requirements per Five Year Block



In conclusion, the sanitary sewer infrastructure including sewerlines and facilities are in good to excellent condition based on age data analysis only. As such, there are not any immediate needs over the next 5 years. It should be noted that sewerlines have been listed as having a 60 year useful life and this should probably be reviewed. The industry standard is close to 100 years. By extending the useful life expected, service levels will change and annual expenditure requirements will be reduced. Also, a system to establish a better understanding of field condition, as explained in the Asset Management Strategy section of this AMP, would be useful to re-prioritize future needs and optimize future budgets.

3.6.8 Recommendations

The municipality received an overall rating of ‘D’ for its sanitary sewer network, calculated from the Condition vs. Performance and the Funding vs. Need ratings. Accordingly, we recommend the following:

- A condition assessment program should be established for the sanitary sewer network to gain a better understanding of current condition and performance as outlined further within the Asset Management Strategy section of this AMP.
- Also, a detailed study to define the current condition of the sanitary facilities and their components (structural, architectural, electrical, mechanical, process, etc.) should be undertaken, as collectively they account for 70% of the sanitary infrastructure’s value.
- The useful life projections used by the municipality should be reviewed for consistency with industry standards.
- Once the above studies are complete or underway, the condition data should be loaded into the CityWide software and an updated “current state of the infrastructure” analysis should be generated.
- An appropriate % of asset replacement value should be used for operations and maintenance activities on an annual basis. This should be determined through a detailed analysis of O & M activities and be added to future AMP reporting.
- The Infrastructure Report Card should be updated on an annual basis.

3.7 Storm Sewer Network

D

INFRASTRUCTURE REPORT CARD GRADE

3.7 Storm Sewer Network

3.7.1 What do we own?

The inventory components of the storm sewer network are outlined in the table below. The entire network consists of approximately 1.1 km of storm sewer line.

Storm Network Inventory (Detailed)		
Asset Type	Asset Component	Quantity
Storm Sewer Network	Storm sewer lines (300mm)	332 m
	Storm sewer lines (375mm)	239 m
	Storm sewer lines (450mm)	96 m
	Storm sewer lines (525mm)	408.12 m
	Catch basins	48

The storm sewer network data was extracted from the Tangible Capital Asset and G.I.S. modules of the CityWide software suite.

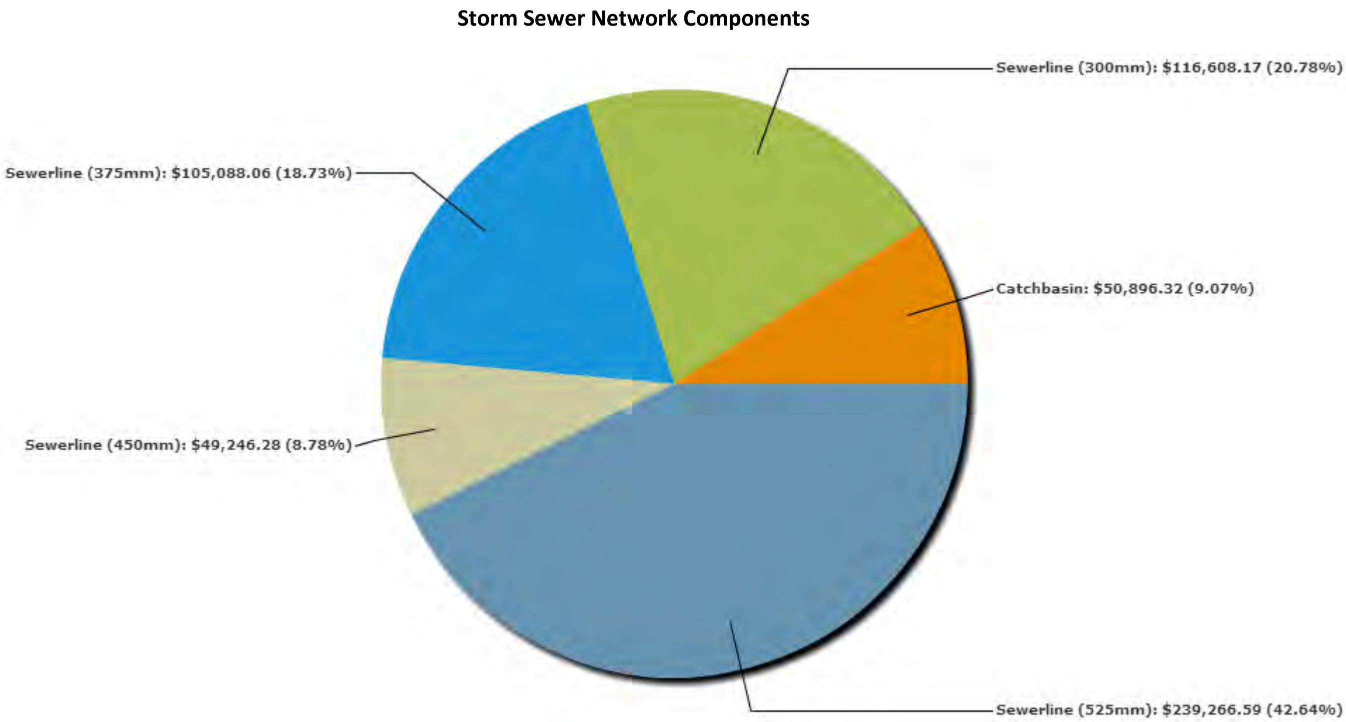
3.7.2 What is it worth?

The estimated replacement value of the storm sewer network, in 2014 dollars, is approximately $561,000. The cost per household for the storm sewer network is $11,222 based on 50 households.

Storm Replacement Value				
Asset type	Asset component	Quantity/units	2014 Inflation Source	2014 Overall Replacement Cost*
Storm Sewer Network	Storm sewer lines (300mm)	332 m	NRBCPI	$116,608
	Storm sewer lines (375mm)	239 m	NRBCPI	$105,088
	Storm sewer lines (450mm)	96 m	NRBCPI	$49,246
	Storm sewer lines (525mm)	408.12 m	NRBCPI	$239,266
	Catch basins	48	NRBCPI	$50,896
				$561,104

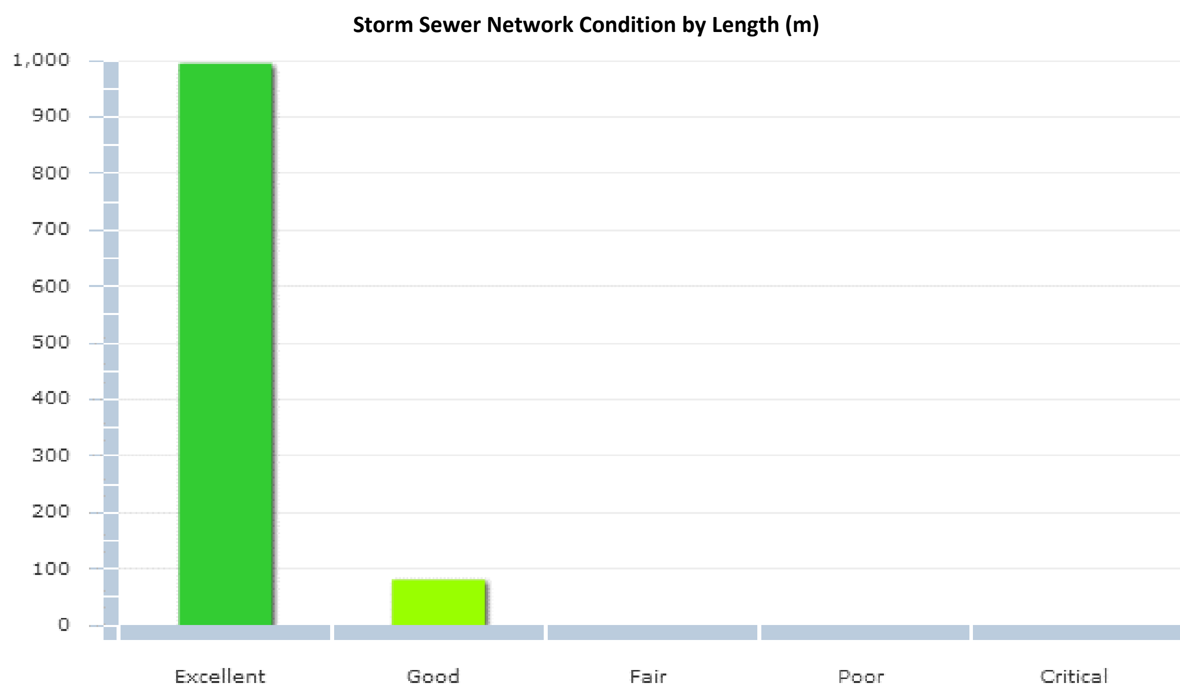
***Note**: Replacement Cost as of 2014-02-28 using NRBCPI inflation measure

The pie chart below provides a breakdown of each of the network components to the overall system value.



3.7.3 What condition is it in?

All of the municipality's storm sewer lines and catch basins are in good to excellent condition. As such, the municipality received a Condition vs. Performance rating of 'B+'.



3.7.4 What do we need to do to it?

There are generally four distinct phases in an assets life cycle. These are presented at a high level for the storm sewer network below. Further detail is provided in the Asset Management Strategy section of this AMP.

Addressing Asset Needs		
Phase	Lifecycle Activity	Asset Age
Minor Maintenance	Activities such as inspections, monitoring, cleaning and flushing, zoom camera and CCTV inspections, etc.	1st Qtr
Major Maintenance	Activities such as repairing manholes and replacing individual small sections of pipe.	2nd Qtr
Rehabilitation	Rehabilitation events such as structural lining of pipes are extremely cost effective and provide an additional 75 plus years of life.	3rd Qtr
Replacement	Pipe replacements	4th Qtr

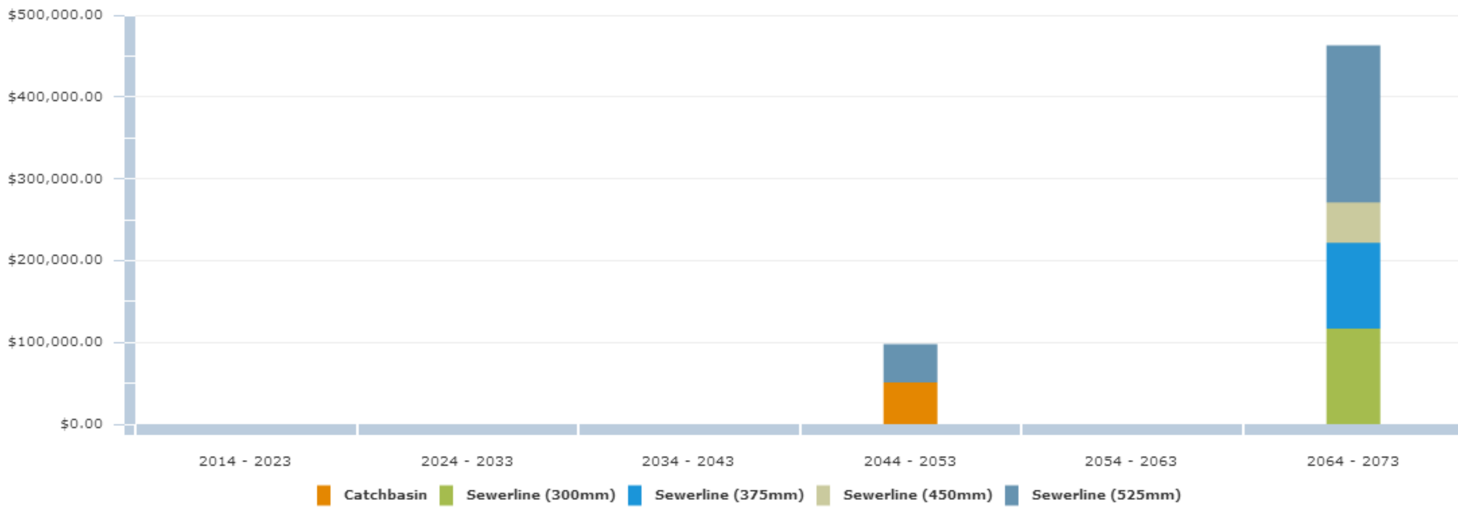
3.7.5 When do we need to do it?

For the purpose of this report "useful life" data for each asset class was obtained from the accounting data within the CityWide software database. This proposed useful life is used to determine replacement needs of individual assets, which are calculated in the system as part of the overall financial requirements.

Asset Useful Life in Years		
Asset Type	Asset Component	Useful Life
Storm Sewer Network	Storm sewer lines (300mm)	60
	Storm sewer lines (375mm)	60
	Storm sewer lines (450mm)	60
	Storm sewer lines (525mm)	40, 60
	Catch basins	50

As field condition information becomes available in time, the data should be loaded into the CityWide system in order to increasingly have a more accurate picture of current asset performance age and, therefore, future replacement requirements. The following graph shows the current projection of storm sewer line replacements based on the age of the asset only.

Storm Sewerline Replacement Profile



3.7.6 How much money do we need?

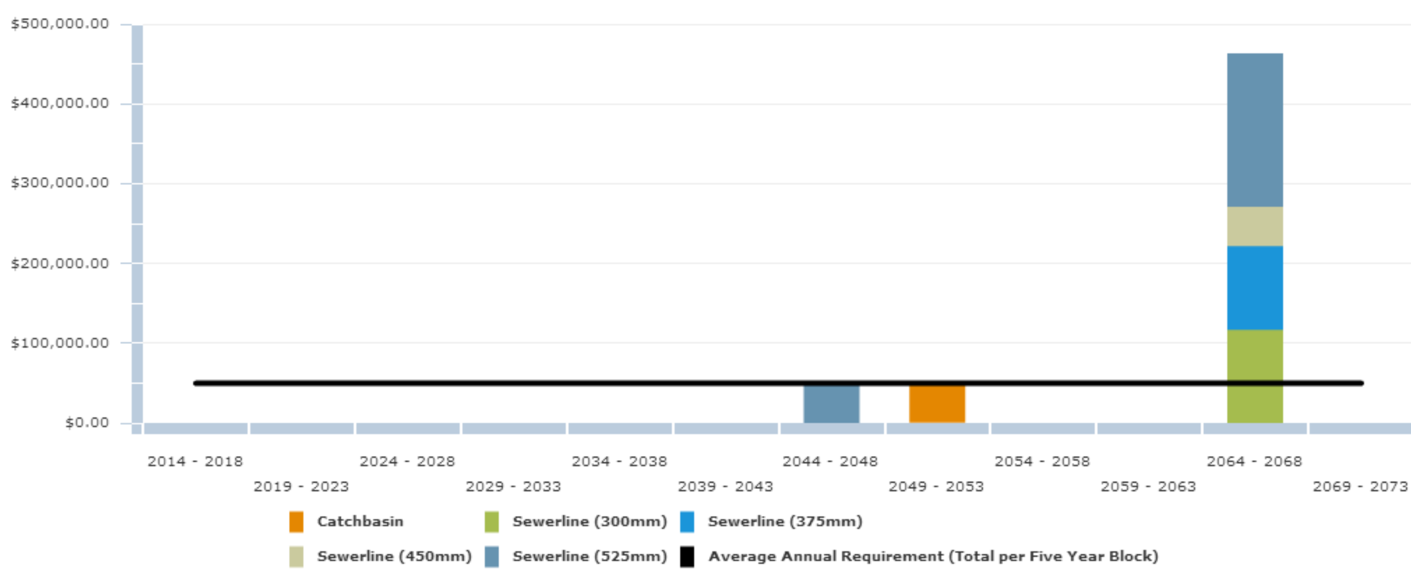
The analysis completed to determine capital revenue requirements was based on the following assumptions:

1. Replacement costs are based upon the unit costs identified within the "What is it worth" section above.
2. The timing for individual storm sewer line replacement was defined by the replacement year as described in the "When do you need to do it?" section above.
3. All values are presented in current 2014 dollars.
4. The analysis was run for a 60 year period to ensure all assets went through one iteration of replacement, therefore providing a sustainable projection.

3.7.7 How do we reach sustainability?

Based upon the above assumptions, the average annual revenue required to sustain Oliver Paipoonge's storm sewer network is approximately **$10,000**. Based on Oliver Paipoonge's current annual funding of **$0**, there is an annual **deficit of $10,000**. As such, the municipality received a Funding vs. Need rating of 'F' based on a weighted star rating of 0 stars.

Storm Sewerline Replacement Profile per Five Year Block



In conclusion, Oliver Paipoonge's storm sewerlines are primarily in excellent condition, with 100% of catch basins in good condition. There are no immediate needs to be addressed in the next 5 years, however, an established condition assessment program will aid in prioritizing overall needs for rehabilitation and replacement and will assist with optimizing the long term budget. Further detail is outlined within Asset Management Strategy section of this AMP.

3.7.8 Recommendations

The municipality received an overall rating of 'D' for its storm sewer network, calculated from the Condition vs. Performance and the Funding vs. Need ratings. Accordingly, we recommend the following:

- A condition assessment program should be established for the storm sewer network to gain a better understanding of current condition and performance as outlined further within the Asset Management Strategy section of this AMP.
- Once the above study is complete or underway, the condition data should be loaded into the CityWide software and an updated "current state of the infrastructure" analysis should be generated.
- The useful life assigned to storm infrastructure should be reviewed for industry consistency.
- An appropriate % of asset replacement value should be used for operations and maintenance activities on an annual basis. This should be determined through a detailed analysis of O & M activities and be added to future AMP reporting.
- The Infrastructure Report Card should be updated on an annual basis.

3.9 Buildings

F

INFRASTRUCTURE REPORT CARD GRADE

3.9 Buildings

3.9.1 What do we own?
The table below outlines the municipality's facility inventory:

Buildings Inventory		
Asset Type	Asset Component	Quantity
Buildings	Administration	4.00
	Fire	5.00
	Parks and Recreation	2.00
	Public Works	5.00

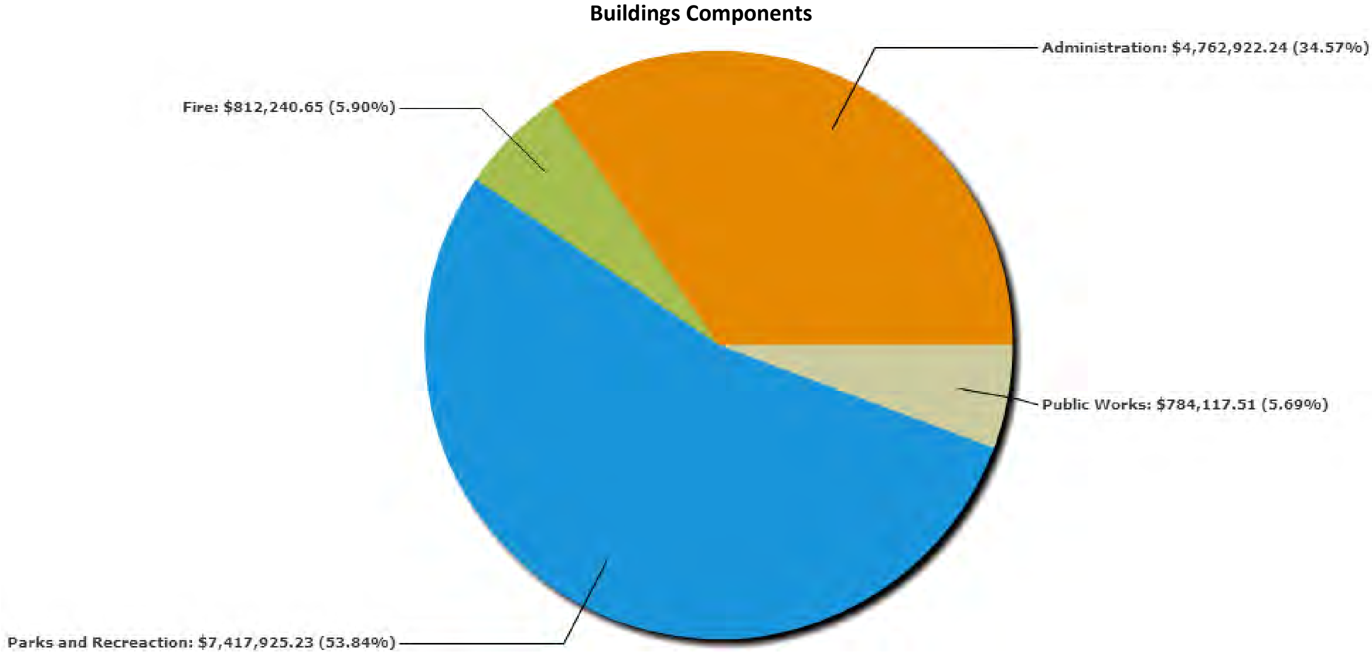
The buildings data was extracted from the Tangible Capital Asset module of the CityWide software suite.

3.9.2 What is it worth?
The estimated replacement value of the municipality's buildings, in 2014 dollars, is approximately $13.8 million. The cost per household for Buildings is $6,411 based on 2,149 households.

Buildings Replacement Value				
Asset Type	Asset Component	Quantity/Units	2014 Unit Replacement Cost	2014 Overall Replacement Cost*
Buildings	Administration	4.00	CPI Tables	$4,762,922
	Fire	5.00	CPI Tables	$812,241
	Parks and Recreation	2.00	CPI Tables	$7,417,925
	Public Works	5.00	CPI Tables	$784,117
				$13,777,205

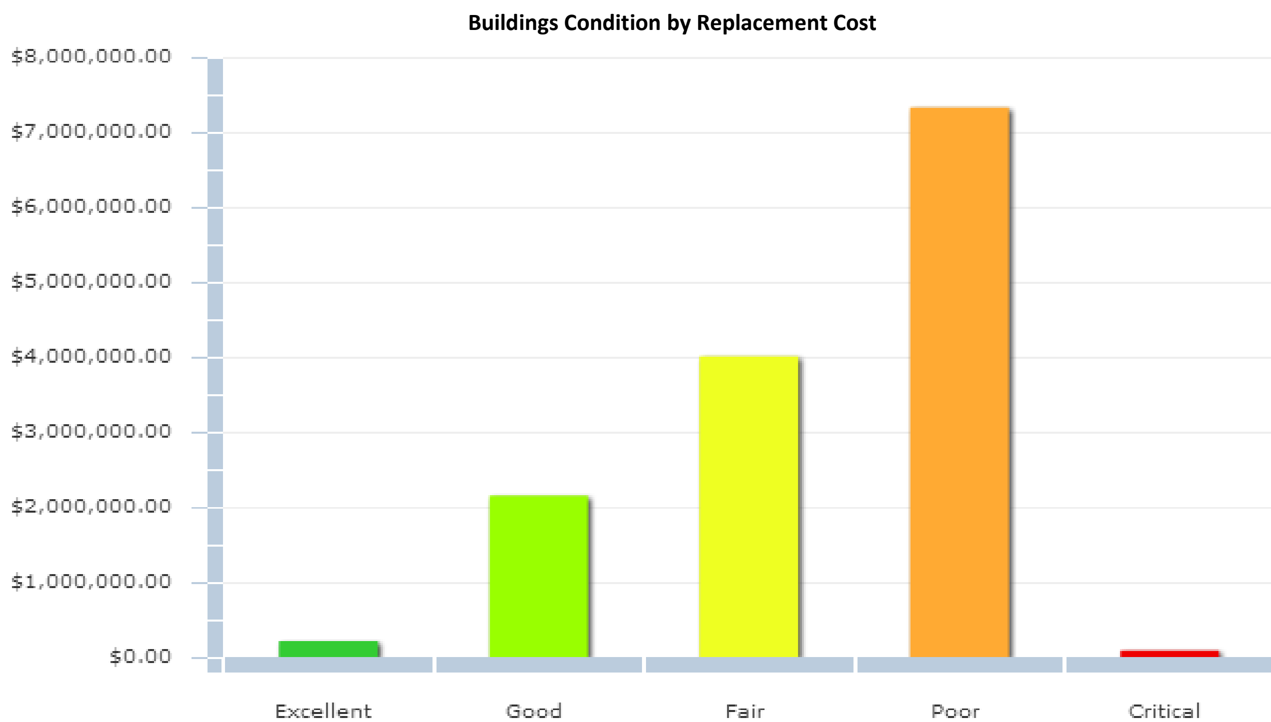
***Note**: Replacement Cost as of 2014-01-31 using CPI (ON) inflation measure

The pie chart below provides a breakdown of each of the Buildings components to the overall structures value.



3.9.3 What condition is it in?

Based on age data only, approximately 46% of the municipality's buildings are in fair to excellent condition. As such, the municipality received a Condition vs. Performance rating of 'D+'.



3.9.4 What do we need to do to it?

There are generally four distinct phases in an asset's life cycle. These are presented at a high level for the buildings below. Further detail is provided in the Asset Management Strategy section of this AMP.

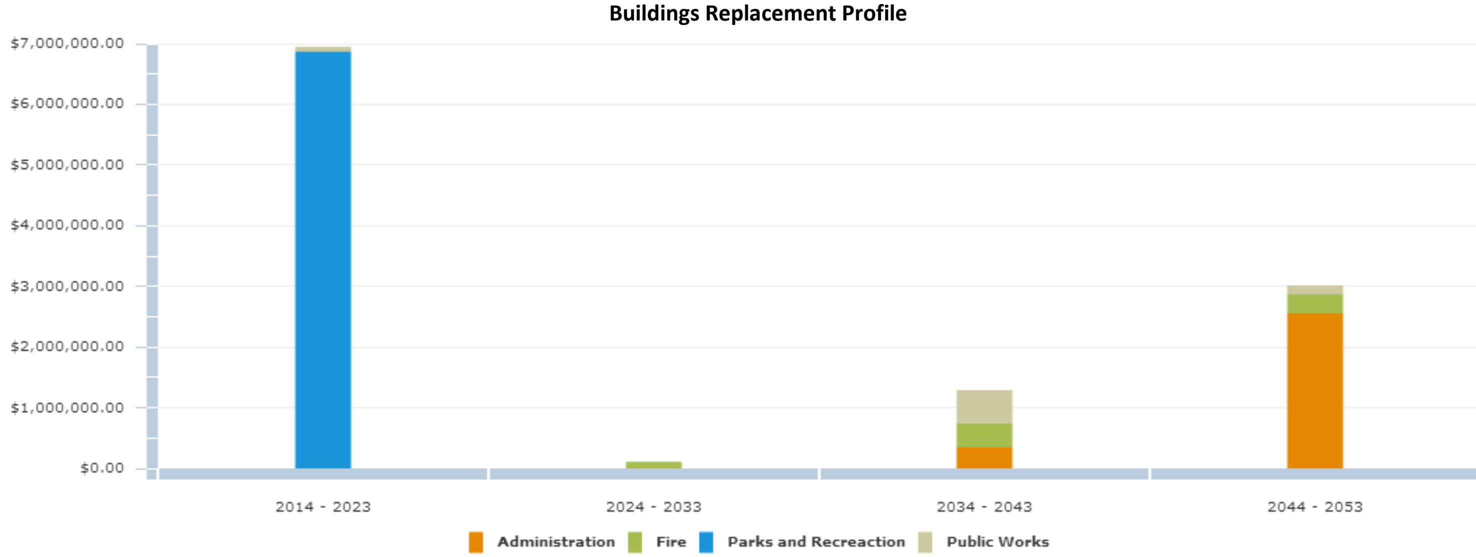
Addressing Asset Needs		
Phase	Lifecycle Activity	Asset Age
Minor Maintenance	Planned activities such as inspections, monitoring, etc.	1st Qtr
Major Maintenance	Maintenance and repair activities, generally unplanned, however, anticipated activities that are included in the annual operating budget.	2nd Qtr
Rehabilitation	Major activities such as the upgrade or replacement of smaller individual facility components (e.g. windows)	3rd Qtr
Replacement	Complete replacement of asset components or a facility itself.	4th Qtr

3.9.5 When do we need to do it?

For the purpose of this report, 'useful life' data for each asset class was obtained from the accounting data within the CityWide software database. This proposed useful life is used to determine replacement needs of individual assets, which are calculated in the system as part of the overall financial requirements.

Asset Useful Life in Years		
Asset Type	Asset Component	Useful Life in Years
Buildings	Administration	40
	Fire	40
	Parks and Recreation	40
	Public Works	40

The following graph shows the current projection of structure replacements based on the age of the asset only.



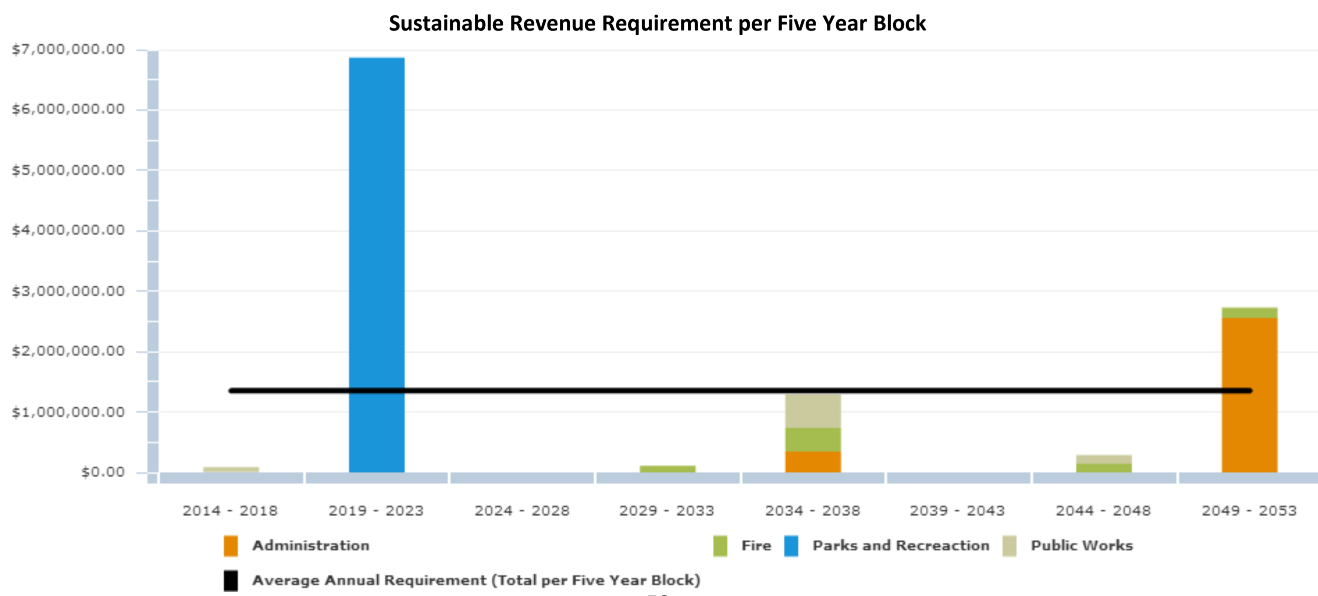
3.9.6 How much money do we need?

The analysis completed to determine capital revenue requirements was based on the following constraints and assumptions:

5. Replacement costs are based upon the "What is it worth" section above.
6. The timing for individual structure replacement was defined by the replacement year as described in the "When do you need to do it?" section above.
7. All values are presented in 2014 dollars.
8. The analysis was run for a 40 year period to ensure all assets cycled through at least one iteration of replacement, therefore providing a sustainable projection.

3.9.7 How do we reach sustainability?

Based upon the above assumptions, the average annual revenue required to sustain Oliver Paipoonge's buildings is **$271,000**. Based on Oliver Paipoonge's current annual funding of **$66,000**, there is an annual **deficit of $205,000**. As such, the municipality received a Funding vs. Need rating of 'F'. The following graph presents five year blocks of expenditure requirements against the sustainable funding threshold line.



In conclusion, the municipality's buildings, based on age data only, are generally in poor condition (particularly the recreation buildings), while approximately 46% of buildings or components are in fair to excellent condition. There are needs to be addressed within the next 5 years totaling approximately only $83,000. However, there are significant replacement requirements within the 5 – 10 year window. A condition assessment program should be established to aid in prioritizing overall needs for rehabilitation and replacement and to assist with optimizing the long and short term budgets. Further detail is outlined within the Asset Management Strategy section of this AMP.

3.9.8 Recommendations

The municipality received an overall rating of 'F' for its buildings, calculated from the Condition vs. Performance and the Funding vs. Need ratings. Accordingly, we recommend the following:

- A detailed study to define the current condition of the buildings and their components (structural, architectural, electrical, mechanical, site, etc.) should be undertaken, as described further within the Asset Management Strategy section of this AMP.
- Once the above study is complete, a new performance age should be applied to each asset and an updated "current state of the infrastructure" analysis should be generated.
- An appropriate % of asset replacement value should be used for operations and maintenance activities on an annual basis. This should be determined through a detailed analysis of O & M activities and be added to future AMP reporting.
- The Infrastructure Report Card should be updated on an annual basis.

3.10 Land Improvements

A

INFRASTRUCTURE REPORT CARD GRADE

3.10 Land Improvements

3.10.1 What do we own?

Oliver Paipoonge is responsible for the following land improvements inventory:

Land Improvements Inventory		
Asset Type	Asset Component	Quantity/Units
Land Improvements	Well	1.00

The land improvements data was extracted from the Tangible Capital Asset module of the CityWide software suite

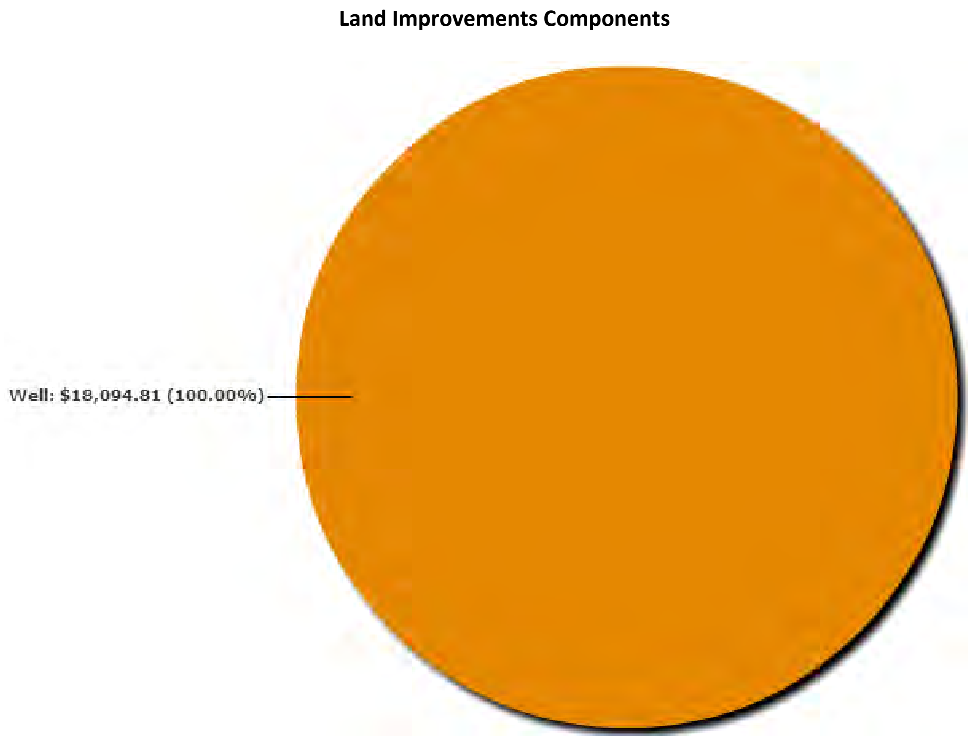
3.10.2 What is it worth?

The estimated replacement value of all land improvements, in 2014 dollars, is $18,000. The cost per household for the Land Improvements is $8 based on 2,149 households.

Land Improvements Replacement Value				
Asset Type	Asset Component	Quantity/Units	2014 Inflation Source	2014 Overall Replacement Cost*
Land Improvements	Well	1.00	CPI Tables	$18,095
				$18,095

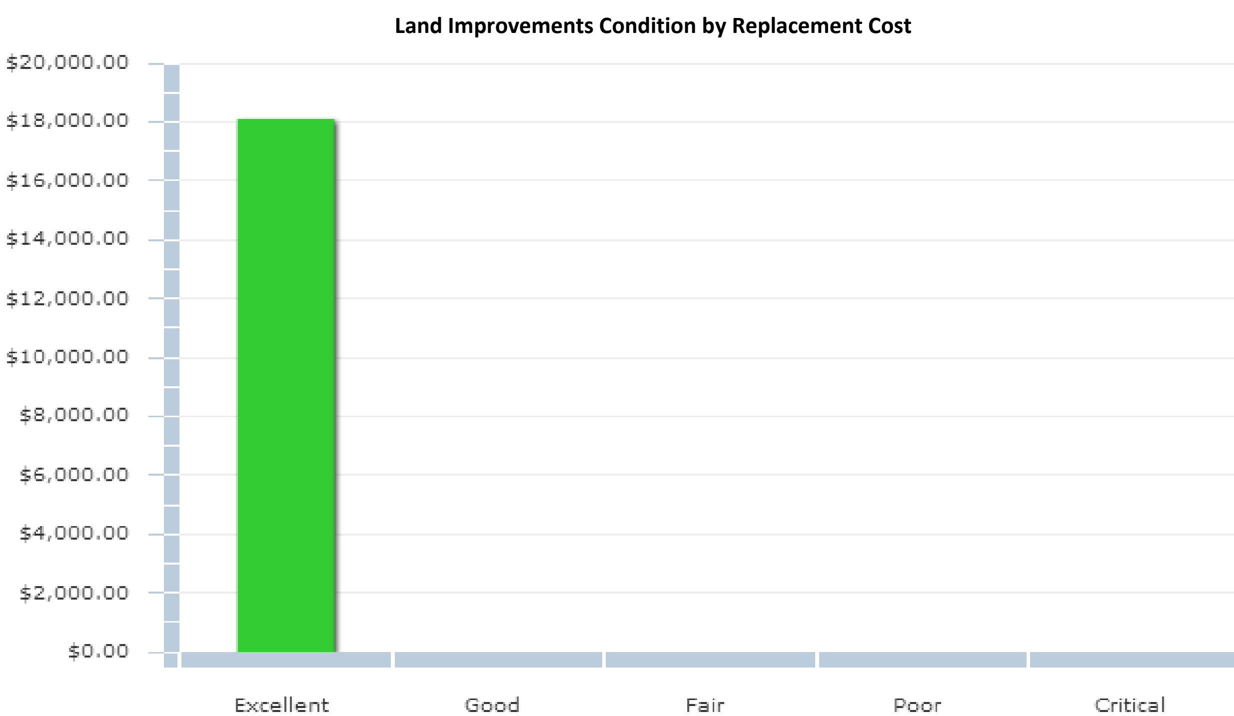
***Note**: Replacement Cost as of 2014-01-31 using CPI (ON) inflation measure

The pie chart below provides a breakdown of each of the network components to the overall system value.



3.10.3 What condition is it in?

100% of the municipality's land improvements are in excellent condition. As such, the municipality received a Condition vs. Performance rating of 'A'.



3.10.4 What do we need to do to it?

There are generally four distinct phases in an asset's life cycle. These are presented at a high level for the land improvements below. Further detail is provided in the Asset Management Strategy section of this AMP.

Addressing Asset Needs

Phase	Lifecycle Activity	Asset Age
Minor Maintenance	Planned activities such as inspections, monitoring, etc	1st Qtr
Major Maintenance	Maintenance and repair activities, generally unplanned, however, anticipated activities that are included in the annual operating budget.	2nd Qtr
Rehabilitation	Upgrades or rehabilitation of components to ensure continuation of service	3rd Qtr
Replacement	Full asset or component renewal or replacement	4th Qtr

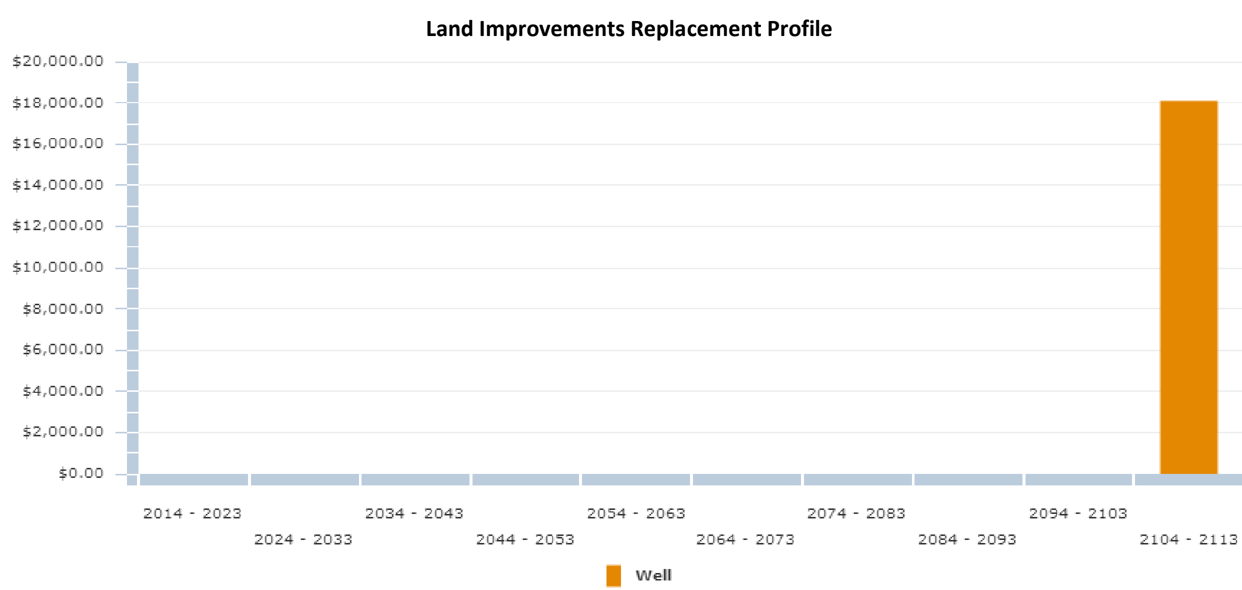
3.10.5 When do we need to do it?

For the purpose of this report "useful life" data for each asset class was obtained from the accounting data within the CityWide software database. This proposed useful life is used to determine replacement needs of individual assets, which are calculated in the system as part of the overall financial requirements.

Asset Useful Life in Years

Asset Type	Asset Component	Useful Life in Years
Land Improvements	Well	100

As field condition information becomes available in time, the data should be loaded into the CityWide system in order to increasingly have a more accurate picture of current asset age and condition, therefore, future replacement requirements. The following graph shows the current projection of water main replacements based on the age of the assets only.



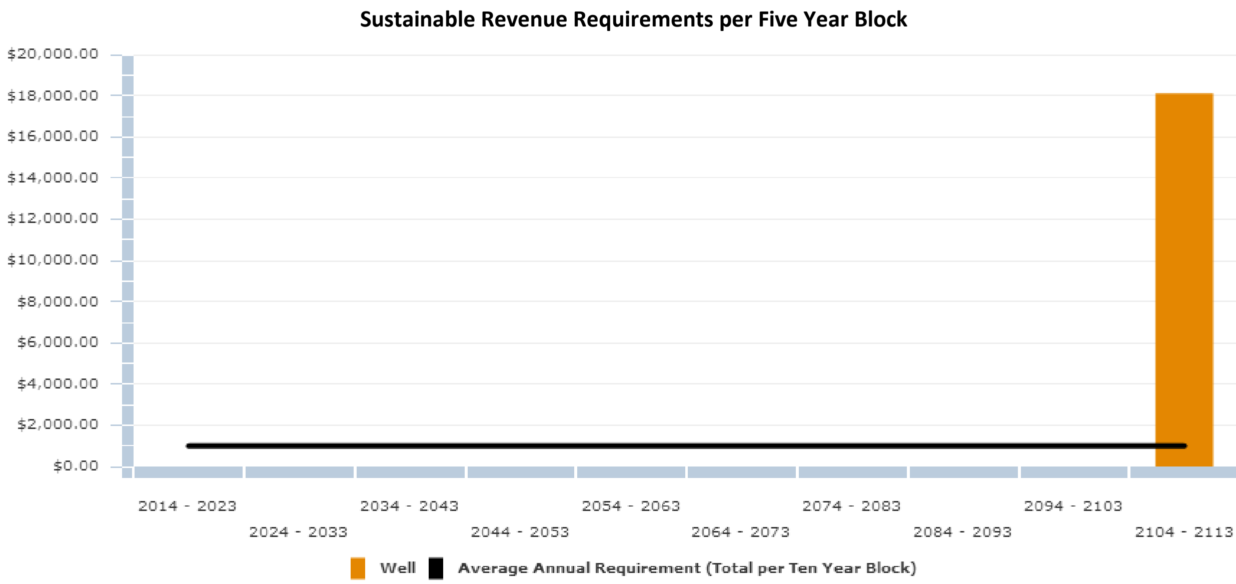
3.10.6 How much money do we need?

The analysis completed to determine capital revenue requirements was based on the following assumptions:

1. Replacement costs are based upon the unit costs identified within the "What is it worth" section above.
2. The timing for individual water main replacement was defined by the replacement year as described in the "When do you need to do it?" section above.
3. All values are presented in 2014 dollars.
4. The analysis was run for a 100 year period to ensure all assets went through at least one iteration of replacement, therefore providing a sustainable projection.

3.10.7 How do we reach sustainability?

Based upon the above assumptions, the average annual revenue required to sustain Oliver Paipoonge's land improvements is approximately **$200**. Based on Oliver Paipoonge's current annual funding of **$29,000**, there is a **surplus of $28,800**. Given this deficit, the municipality received a Funding vs. Need rating of 'A'. The following graph presents five year blocks of expenditure requirements against the sustainable funding threshold line.



In conclusion, Oliver Paipoonge's well is in excellent condition, based on age data only. In time, a condition assessment program should be established for this asset to aid in prioritizing overall needs for rehabilitation and replacement and to assist with optimizing the long and short term budgets.

3.10.8 Recommendations

The municipality received an overall rating of 'A' for its Land Improvements, calculated from the Condition vs. Performance and the Funding vs. Need ratings. Accordingly, we recommend the following:

- A more detailed study to define the current condition of the well should be undertaken
- Once the above study is complete, a new performance age should be applied to the asset and an updated "current state of the infrastructure" analysis should be generated.
- An appropriate % of asset replacement value should be used for operations and maintenance activities on an annual basis. This should be determined through a detailed analysis of O & M activities and be added to future AMP reporting.
- The Infrastructure Report Card should be updated on an annual basis.

3.11 Machinery & Equipment

C+

INFRASTRUCTURE REPORT CARD GRADE

3.11 Machinery & Equipment

3.11.1 What do we own?

The inventory components of the equipment class are outlined in the table below.

Machinery & Equipment Inventory		
Asset Type	Asset Component	Quantity/Units
Machinery & Equipment	Computers	3.00
	Fire	72.00
	Public Works	51.00
	Railings	2.00

The equipment class data was extracted from the Tangible Capital Asset module of the CityWide software application.

3.11.2 What is it worth?

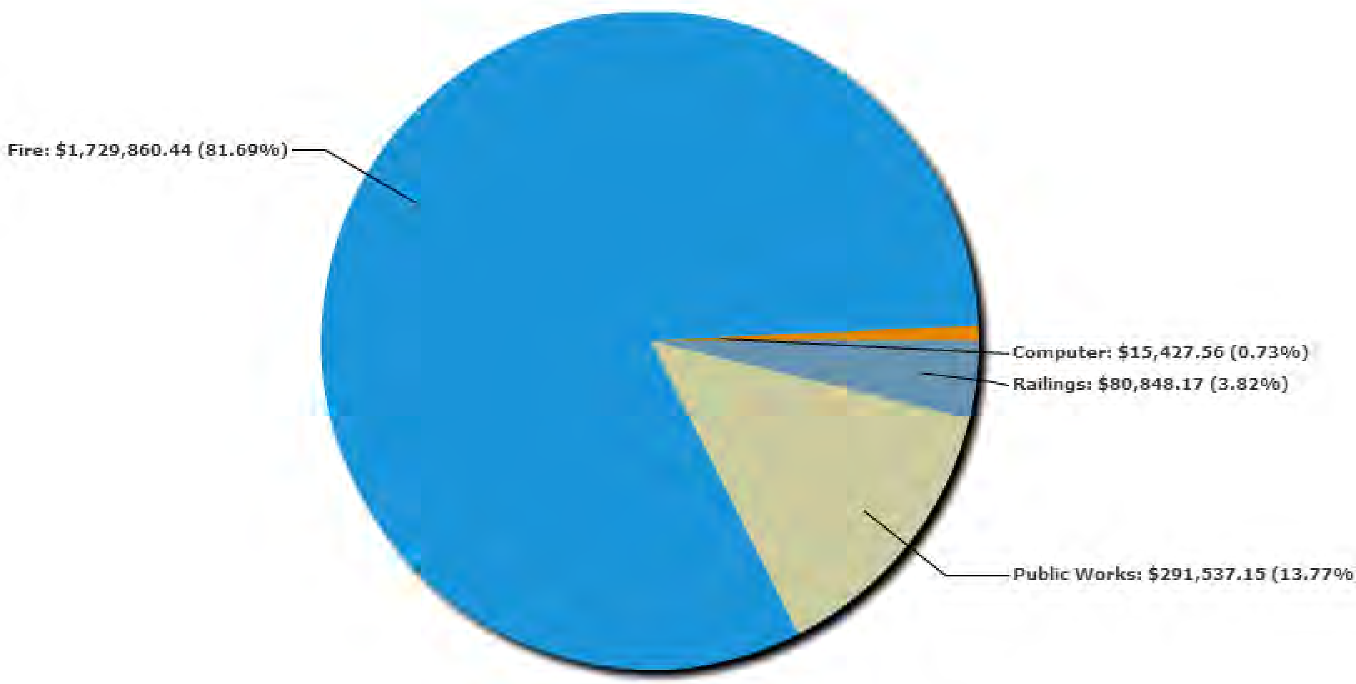
The estimated replacement value of the equipment class, in 2014 dollars, is $2.1 million. The cost per household for the sanitary network is $985 based on 2,149 households.

Machinery & Equipment Replacement Value				
Asset Type	Asset Component	Quantity/ Units	2014 Inflation Source	2014 Overall Replacement Cost*
Machinery & Equipment	Computers	3.00	CPI Tables	$15,428
	Fire	72.00	CPI Tables	$1,729,860
	Public Works	51.00	CPI Tables	$291,538
	Railings	2.00	CPI Tables	$80,848
				$2,117,673

***Note**: Replacement Cost as of 2014-01-31 using CPI (ON) inflation measure

The pie chart below provides a breakdown of each of the network components to the overall system value.

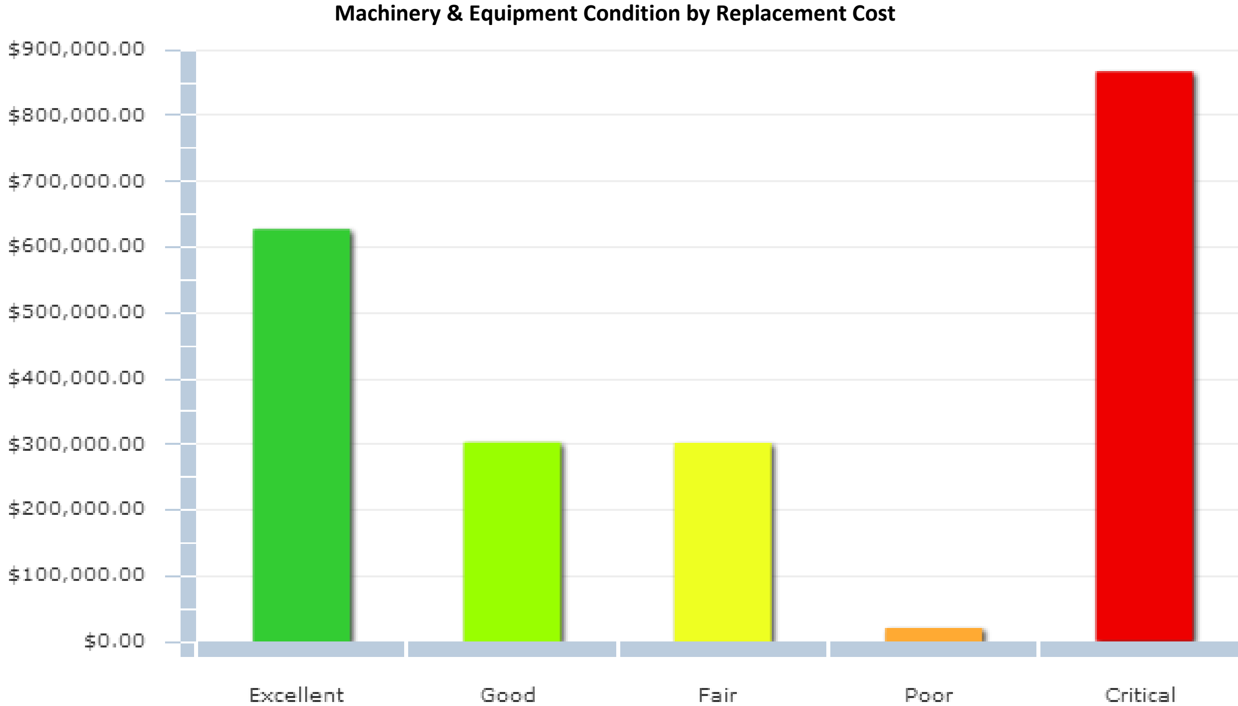
Machinery & Equipment Class Components



3.11.3 What condition is it in?

Based on age data only, approximately 58% of the municipality's machinery & equipment is in fair to excellent condition based on replacement cost. As such, the municipality received a Condition vs. Performance rating of 'D+'.

Machinery & Equipment Condition by Replacement Cost



3.11.4 What do we need to do to it?

There are generally four distinct phases in an assets life cycle. These are presented at a high level for the equipment class below. Further detail is provided in the Asset Management Strategy section of this AMP.

Addressing Asset Needs

Phase	Lifecycle Activity	Asset Age
Minor Maintenance	Planned activities such as inspections, monitoring, etc	1st Qtr
Major Maintenance	Maintenance and repair activities, generally unplanned, however, anticipated activities that are included in the annual operating budget.	2nd Qtr
Rehabilitation	Upgrades or rehabilitation of components to ensure continuation of service	3rd Qtr
Replacement	Full asset or component renewal or replacement	4th Qtr

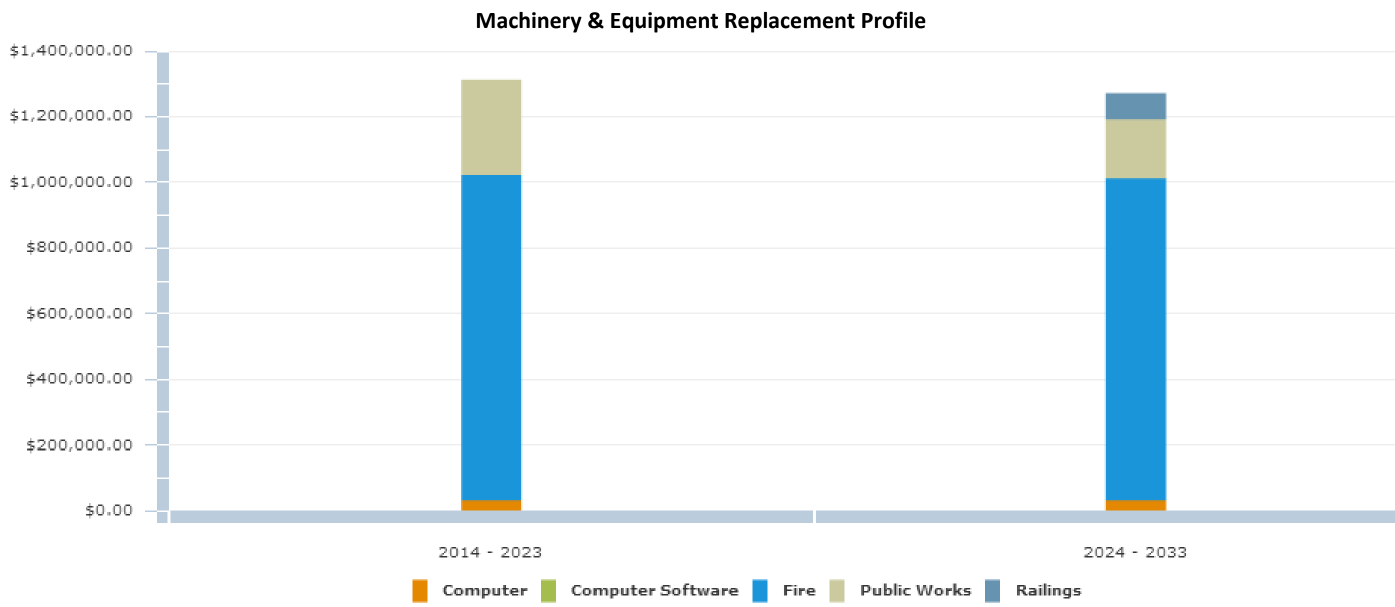
3.11.5 When do we need to do it?

For the purpose of this report "useful life" data for each asset class was obtained from the accounting data within the CityWide software database. This proposed useful life is used to determine replacement needs of individual assets, which are calculated in the system as part of the overall financial requirements.

Asset Useful Life in years

Asset Type	Asset Component	Useful Life in Years
Machinery & Equipment	Computers	5
	Fire	5, 10, 20
	Public Works	10, 20
	Railings	20

As field condition information becomes available in time, the data should be loaded into the CityWide system in order to increasingly have a more accurate picture of current asset performance age and, therefore, future replacement requirements. The following graph shows the current projection of Equipment main replacements based on the age of the asset only.



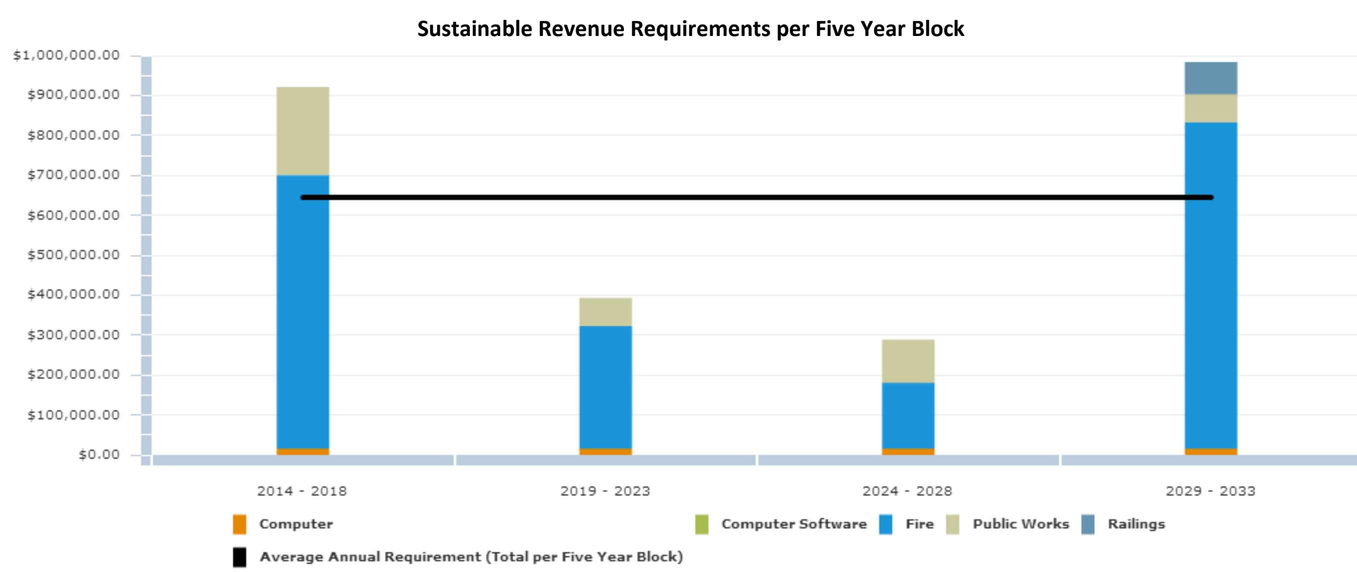
3.11.6 How much money do we need?

The analysis completed to determine capital revenue requirements was based on the following assumptions:

1. Replacement costs are based upon the unit costs identified within the "What is it worth" section above.
2. The timing for individual sewer line replacement was defined by the replacement year as described in the "When do you need to do it?" section above.
3. All values are presented in 2014 dollars.
4. The analysis was run for a 20 year period to ensure all assets went through at least one iteration of replacement, therefore providing a sustainable projection.

3.11.7 How do we reach sustainability?

Based upon the above assumptions, the average annual revenue required to sustain Oliver Paipoonge's equipment class is approximately **$129,000**. Based on Oliver Paipoonge's current annual funding of **$149,000**, there is an annual **surplus of $20,000**. Given this deficit, the municipality received a Funding vs. Need rating of 'A'. The following graph presents five year blocks of expenditure requirements against the sustainable funding threshold line.



In conclusion, based on age analysis a significant inventory of the equipment class assets are in critical condition. There are replacement needs to be addressed within the next 5 years totaling approximately $921,000. It is important that a condition assessment should be established for these assets to aid in prioritizing overall needs for rehabilitation and replacement and to assist with optimizing the long and short term budgets.

3.11.8 Recommendations

The municipality received an overall rating of 'C+' for its Equipment class, calculated from the Condition vs. Performance and the Funding vs. Need ratings. Accordingly, we recommend the following:

- A condition assessment program should be established for the Equipment class of assets to gain a better understanding of current condition and performance. This will assist with optimizing expenditures within the long and short term capital budgets.
- Once the above study is complete or underway, the condition data should be loaded into the CityWide software and an updated "current state of the infrastructure" analysis should be generated.
- An appropriate % of asset replacement value should be used for operations and maintenance activities on an annual basis. This should be determined through a detailed analysis of O & M activities and be added to future AMP reporting.
- The Infrastructure Report Card should be updated on an annual basis.

3.12 Vehicles

B

INFRASTRUCTURE REPORT CARD GRADE

3.12 Vehicles

3.12.1 What do we own?

The inventory components of the vehicles class are outlined in the table below.

Vehicles Inventory		
Asset Type	Asset Component	Quantity/Units
Vehicles	Fire	8.00
	Parks & Recreation	4.00
	Public Works	23.00

The equipment class data was extracted from the Tangible Capital Asset module of the CityWide software suite.

3.12.2 What is it worth?

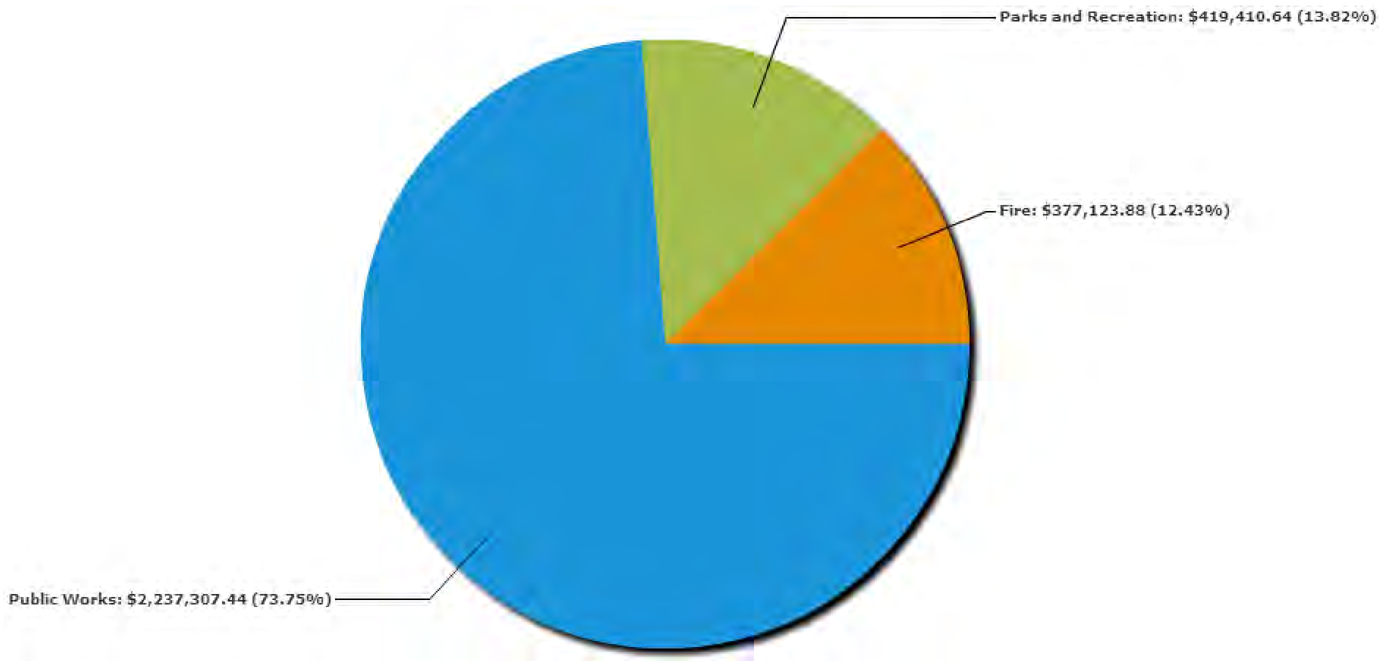
The estimated replacement value of the vehicles class, in 2014 dollars, is $3 million. The cost per household for the vehicles class is $1,429 based on 2,149 households.

Vehicles Replacement Value				
Asset Type	Asset Component	Quantity/ Units	2014 Inflation Source	2014 Overall Replacement Cost*
Vehicles	Fire	8.00	CPI Tables	$377,124
	Parks & Recreation	4.00	CPI Tables	$419,410
	Public Works	23.00	CPI Tables	$2,237,307
				$3,033,842

***Note**: Replacement Cost as of 2014-01-31 using CPI (ON) inflation measure

The pie chart below provides a breakdown of each of the network components to the overall system value.

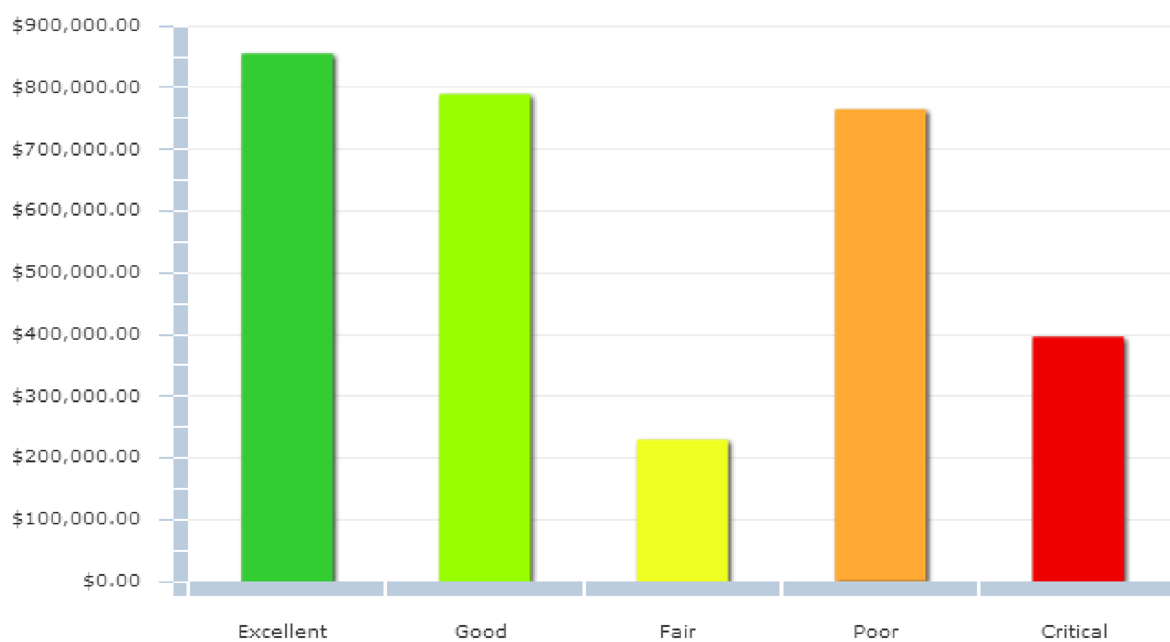
Vehicles Components



3.12.3 What condition is it in?

Nearly 62% of the municipality's vehicles is in fair to excellent condition, with the remaining in critical to poor condition. As such, the municipality received a Condition vs. Performance rating of 'C'.

Vehicles Condition by Replacement Cost



3.12.4 What do we need to do to it?

There are generally four distinct phases in an assets life cycle. These are presented at a high level for the vehicles class below. Further detail is provided in the Asset Management Strategy section of this AMP.

Addressing Asset Needs

Phase	Lifecycle Activity	Asset Age
Minor Maintenance	Planned activities such as inspections, monitoring, etc	1st Qtr
Major Maintenance	Maintenance and repair activities – optimally anticipated activities that are included in the annual operating budget.	2nd Qtr
Rehabilitation	Upgrades or rehabilitation of components to ensure continuation of service	3rd Qtr
Replacement	Full asset or component renewal or replacement	4th Qtr

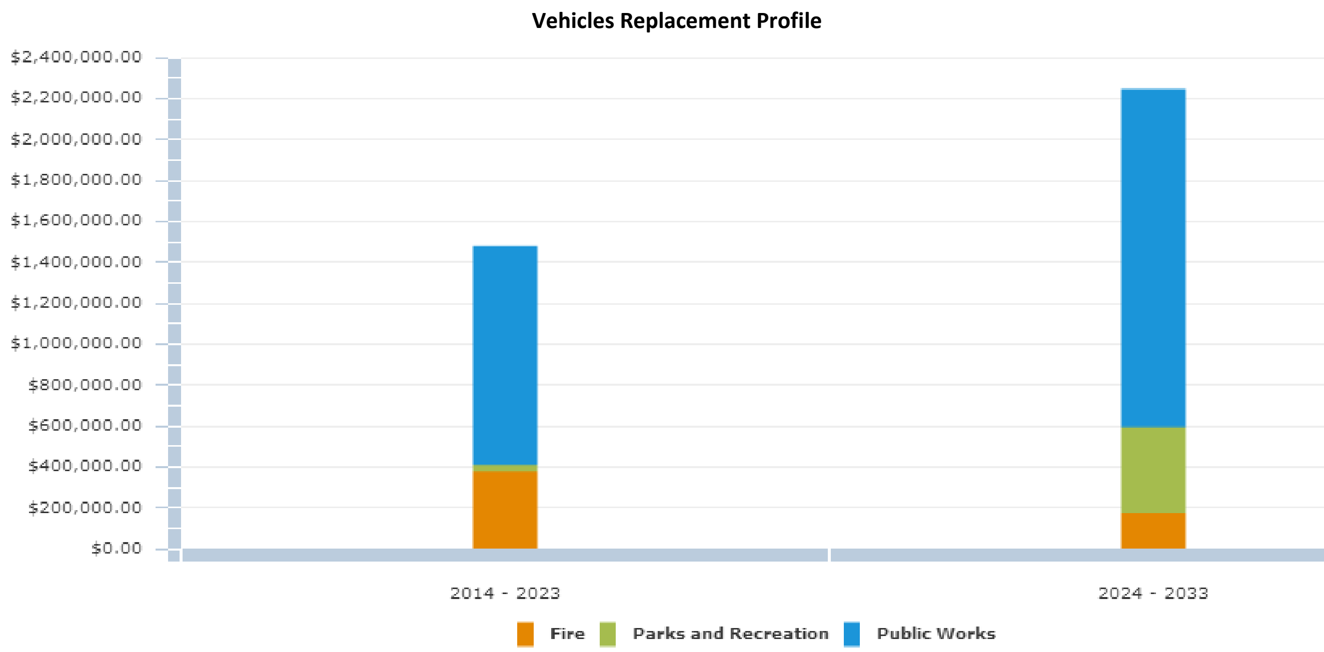
3.12.5 When do we need to do it?

For the purpose of this report "useful life" data for each asset class was obtained from the accounting data within the CityWide software database. This proposed useful life is used to determine replacement needs of individual assets, which are calculated in the system as part of the overall financial requirements.

Asset Useful Life in Years

Asset Type	Asset Component	Useful Life in Years
Vehicles	Fire	10, 20
	Parks & Recreation	10, 20
	Public Works	10, 20

As field condition information becomes available in time, the data should be loaded into the CityWide system in order to increasingly have a more accurate picture of current asset performance age and, therefore, future replacement requirements. The following graph shows the current projection of storm sewer line replacements based on the age of the asset only.



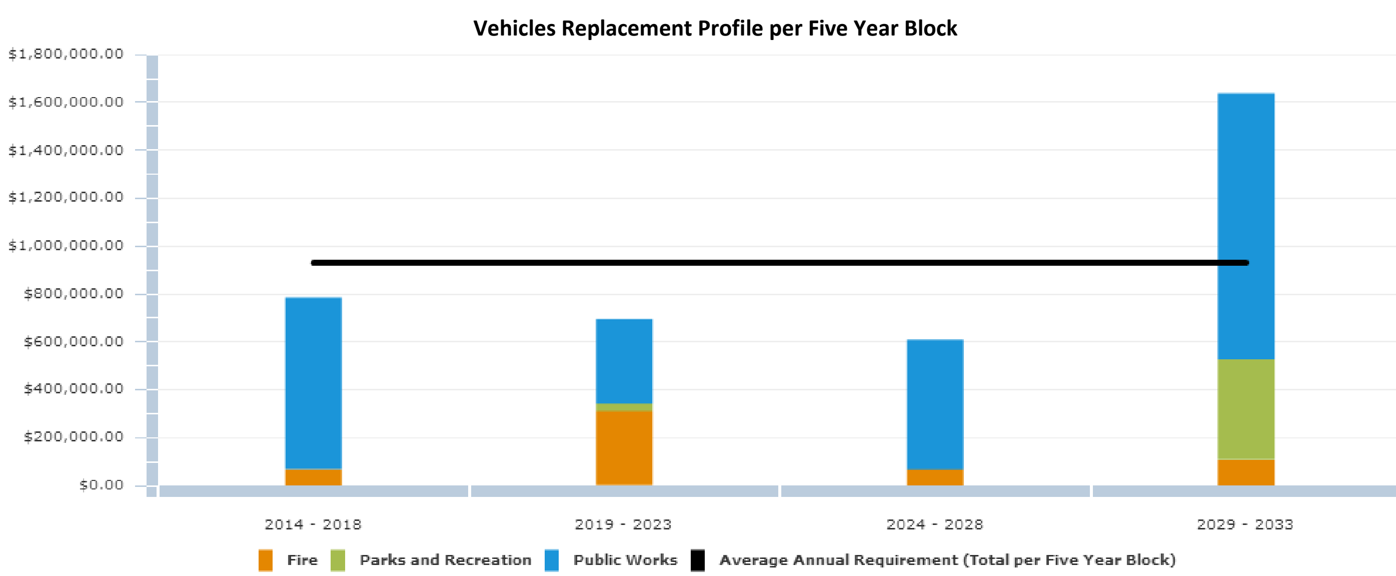
3.12.6 How much money do we need?

The analysis completed to determine capital revenue requirements was based on the following assumptions:

1. Replacement costs are based upon the unit costs identified within the "What is it worth" section above.
2. The timing for individual storm sewer line replacement was defined by the replacement year as described in the "When do you need to do it?" section above.
3. All values are presented in 2014 dollars.
4. The analysis was run for a 20 year period to ensure all assets went through one iteration of replacement, therefore providing a sustainable projection.

3.12.7 How do we reach sustainability?

Based upon the above assumptions, the average annual revenue required to sustain Oliver Paipoonge's vehicles class is approximately **$186,000**. Based on Oliver Paipoonge's current annual funding of **$211,000**, there is an annual **surplus of $25,000**. As such, the municipality received a Funding vs. Need rating of 'A'.



In conclusion, Oliver Paipoonge's fleet of vehicles, based on age data only, are generally in fair condition, with approximately 38% in poor or critical condition. There are replacement needs to be addressed within the next 5 years totaling approximately $784,000. If not already in place a preventative maintenance and life cycle assessment program should be established for these assets to aid in prioritizing overall needs for rehabilitation and replacement and to assist with optimizing the long and short term budgets. Further detail is outlined within the Asset Management Strategy section of this AMP.

3.12.8 Recommendations

The municipality received an overall rating of 'B' for its vehicles class, calculated from the Condition vs. Performance and the Funding vs. Need ratings. Accordingly, we recommend the following:

- A preventative maintenance and life cycle assessment program should be established for the vehicles class to gain a better understanding of current condition and performance as outlined further within the Asset Management Strategy section of this AMP.
- Once the above studies are complete or underway, the data should be loaded into the CityWide software and an updated "current state of the infrastructure" analysis should be generated.
- An appropriate % of asset replacement value should be used for operations and maintenance activities on an annual basis. This should be determined through a detailed analysis of O & M activities and be added to future AMP reporting.
- The Infrastructure Report Card should be updated on an annual basis.

4.0 Infrastructure Report Card

CUMULATIVE GPA

C

Infrastructure Report Card

The Municipality of Oliver Paipoonge

1. Each asset category was rated on two key, equally weighted (50/50) dimensions: **Condition vs. Performance**, and **Funding vs. Need**.
2. See the "***What condition is it in***?" section for each asset category for its star rating on the Condition vs. Performance dimension.
3. See the "***How do we reach sustainability***?" section for each asset category for its star rating on the Funding vs. Need dimension.
4. The 'Overall Rating' below is the average of the two star ratings converted to a letter grade.

Asset Category	Condition vs. Performance	Funding vs. Need	Overall Grade	Comments
Road Network	**B+** (4.6 Stars)	**F** (1 Star)	**D+**	Approximately 99% of the road network, based on field condition data, is in fair to excellent condition. The average annual revenue required to sustain Oliver Paipoonge's paved road network is approximately **$3,197,000**. Based on Oliver Paipoonge's current annual funding of **$966,000**, there is an annual **deficit of $2,231,000**.
Bridges & Culverts	**B** (4.3 Stars)	**A** (4.9 Stars)	**B+**	Approximately 93% of the municipality's bridge structures are in good to excellent condition, with the remaining 7% in fair condition. The average annual revenue required to sustain Oliver Paipoonge's bridges & culverts is **$59,000**. Based on Oliver Paipoonge's current annual funding of **$58,000**, there is an annual **deficit of $1,000**.
Water Network	**D+** (2.6 Stars)	**F** (0 Stars)	**F**	Based on age data only, approximately 26% of the municipality's water mains, as well as 43% of the facilities are in critical condition. The average annual revenue required to sustain Oliver Paipoonge's water network is approximately **$136,000**. Based on Oliver Paipoonge's current annual funding of **$0**, there is a **deficit of $136,000**.
Sanitary Sewer Network	**B** (4.2 Stars)	**F** (0 Stars)	**D**	Based on age based data only, 100% of the sanitary sewer lines are in excellent condition, and 100% of the municipality's facilities are in good condition. The average annual revenue required to sustain Oliver Paipoonge's sanitary sewer network is approximately **$97,000**. Based on Oliver Paipoonge's current annual funding of **$0**, there is an annual **deficit of $97,000**.
Storm Sewer Network	**B+** (4.8 Stars)	**F** (0 Stars)	**D**	All of the municipality's storm sewer lines and catch basins are in good to excellent condition, based on age based condition only. The average annual revenue required to sustain Oliver Paipoonge's storm sewer network is approximately **$10,000**. Based on Oliver Paipoonge's current annual funding of **$0**, there is an annual **deficit of $10,000**.

Asset Category	Condition vs. Performance	Funding vs. Need	Overall Grade	Comments
Buildings	**D+** (2.6 Stars)	**F** (0 Stars)	**F**	Based on age data only, approximately 46% of the municipality's buildings are in fair to excellent condition. The average annual revenue required to sustain Oliver Paipoonge's buildings is **$271,000**. Based on Oliver Paipoonge's current annual funding of **$66,000**, there is an annual **deficit of $205,000**.
Land Improvements	**A** (5.0 Stars)	**A** (5 Stars)	**A**	100% of the municipality's land improvements are in excellent condition. The average annual revenue required to sustain Oliver Paipoonge's land improvements is approximately **$200**. Based on Oliver Paipoonge's current annual funding of **$29,000**, there is a **surplus of $28,800**.
Machinery & Equipment	**D+** (2.6 Stars)	**A** (5 Stars)	**C+**	Based on age data only, approximately 58% of the municipality's machinery & equipment is in fair to excellent condition based on replacement cost. The average annual revenue required to sustain Oliver Paipoonge's equipment class is approximately **$129,000**. Based on Oliver Paipoonge's current annual funding of **$149,000**, there is an annual **surplus of $20,000**.
Vehicles	**C** (3.3 Stars)	**A** (5 Stars)	**B**	Nearly 62% of the municipality's vehicles is in fair to excellent condition, with the remaining in critical to poor condition. The average annual revenue required to sustain Oliver Paipoonge's vehicles class is approximately **$186,000**. Based on Oliver Paipoonge's current annual funding of **$211,000**, there is an annual **surplus of $25,000**.

5.0 Desired Levels of Service

Desired levels of service are high level indicators, comprising many factors, as listed below, which establish defined quality thresholds at which municipal services should be supplied to the community. They support the organisation's strategic goals and are based on customer expectations, statutory requirements, standards, and the financial capacity of a municipality to deliver those levels of service.

Levels of Service are used:

- to inform customers of the proposed type and level of service to be offered;
- to identify the costs and benefits of the services offered;
- to assess suitability, affordability and equity of the services offered;
- as a measure of the effectiveness of the asset management plan
- as a focus for the AM strategies developed to deliver the required level of service

In order for a municipality to establish a desired level of service, it will be important to review the key factors involved in the delivery of that service, and the interactions between those factors. In addition, it will be important to establish some key performance metrics and track them over an annual cycle to gain a better understanding of the current level of service supplied.

Within this first Asset Management Plan, key factors affecting level of service will be outlined below and some key performance indicators for each asset type will be outlined for further review. This will provide a framework and starting point from which the municipality can determine future desired levels of service for each infrastructure and general capital class.

5.1 Key factors that influence a level of service:

- Strategic and Corporate Goals
- Legislative Requirements
- Expected Asset Performance
- Community Expectations
- Availability of Finances

5.1.1 Strategic and Corporate Goals

Infrastructure levels of service can be influenced by strategic and corporate goals. Strategic plans spell out where an organization wants to go, how it's going to get there, and helps decide how and where to allocate resources, ensuring alignment to the strategic priorities and objectives . It will help identify priorities and guide how municipal tax dollars and revenues are spent into the future. The level of importance that a community's vision is dependent upon infrastructure, will ultimately affect the levels of service provided or those levels that it ultimately aspires to deliver.

5.1.2 Legislative Requirements

Infrastructure levels of service are directly influenced by many legislative and regulatory requirements. For instance, the Safe Drinking Water Act, the Minimum Maintenance Standards for municipal highways, building codes, and the Accessibility for Ontarians with Disabilities Act are all legislative requirements that prevent levels of service from declining below a certain standard.

5.1.3 Expected Asset Performance

A level of service will be affected by current asset condition, and performance and limitations in regards to safety, capacity, and the ability to meet regulatory and environmental requirements. In addition, the design life of the asset, the maintenance items required, the rehabilitation or replacement schedule of the asset, and the total costs, are all critical factors that will affect the level of service that can be provided.

5.1.4 Community Expectations

Levels of services are directly related to the expectations that the general public has from the infrastructure. For example, the public will have a qualitative opinion on what an acceptable road looks like, and a quantitative one on how long it should take to travel between two locations. Infrastructure costs are projected to increase dramatically in the future, therefore it is essential that the public is not only consulted, but also be educated, and ultimately make choices with respect to the service levels that they wish to pay for.

5.1.5 Availability of Finances

Availability of finances will ultimately control all aspects of a desired level of service. Ideally, these funds must be sufficient to achieve corporate goals, meet legislative requirements, address an asset's life cycle needs, and meet community expectations. Levels of service will be dictated by availability of funds or elected officials' ability to increase funds, or the community's willingness to pay.

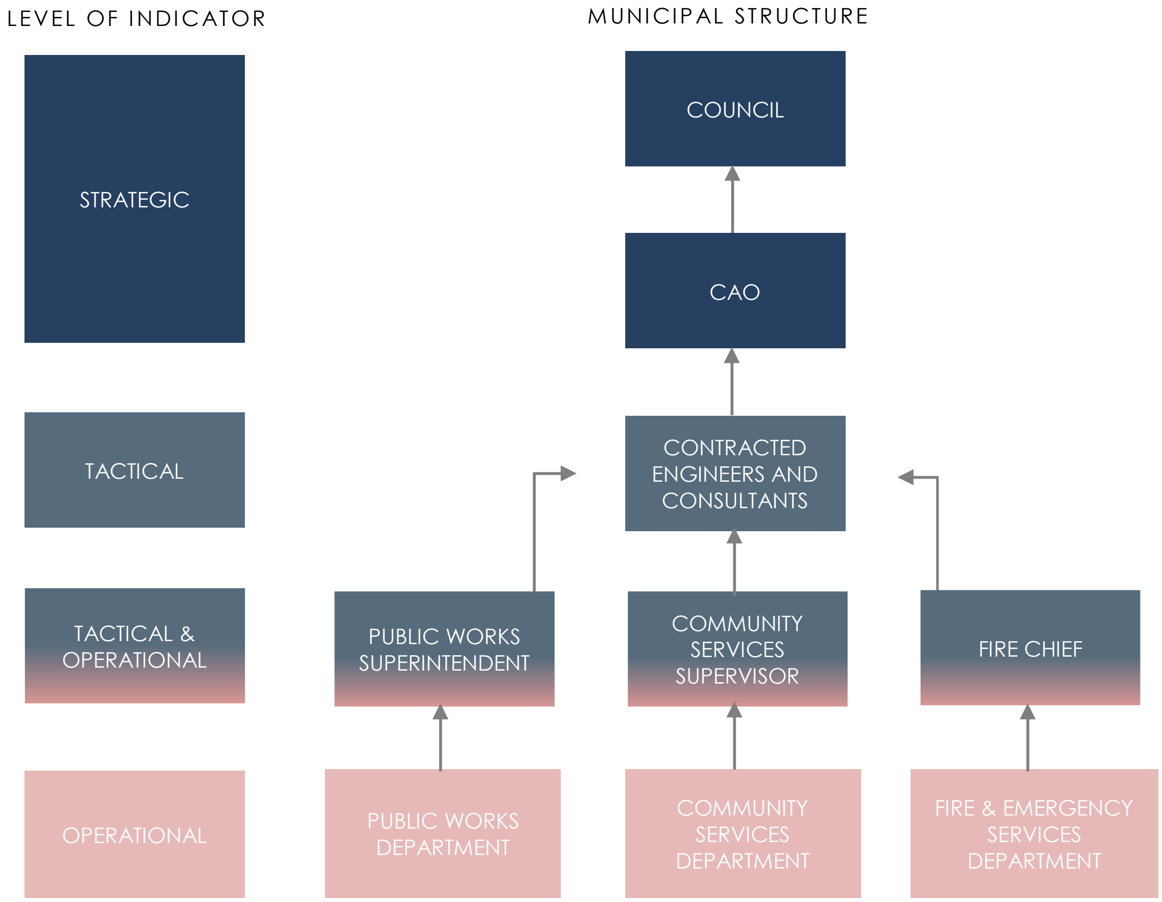
5.2 Key Performance Indicators

Performance measures or key performance indicators (KPIs) that track levels of service should be specific, measurable, achievable, relevant, and timebound (SMART). Many good performance measures can be established and tracked through the CityWide suite of software products. In this way, through automation, results can be reviewed on an annual basis and adjustments can be made to the overall asset management plan, including the desired level of service targets.

In establishing measures, a good rule of thumb to remember is that maintenance activities ensure the performance of an asset and prevent premature aging, whereas rehab activities extend the life of an asset. Replacement activities, by definition, renew the life of an asset. In addition, these activities are constrained by resource availability (in particular, finances) and strategic plan objectives. Therefore, performance measures should not just be established for operating and maintenance activities, but also for the strategic, financial, and tactical levels of the asset management program. This will assist all levels of program delivery to review their performance as part of the overall level of service provided.

This is a very similar approach to the "balanced score card" methodology, in which financial and non-financial measures are established and reviewed to determine whether current performance meets expectations. The "balanced score card", by design, links day to day operations activities to tactical and strategic priorities in order to achieve an overall goal, or in this case, a desired level of service.

The structure of accountability and level of indicator with this type of process is represented in the following table, modified from the InfraGuide's best practice document, "Developing Indicators and Benchmarks" published in April 2003.



As a note, a caution should be raised over developing too many performance indicators that may result in data overload and lack of clarity. It is better to develop a select few that focus in on the targets of the asset management plan.

Outlined below for each infrastructure and general capital class is a suggested service description, suggested service scope, and suggested performance indicators. These should be reviewed and updated in each iteration of the AMP.

5.3 Transportation Services

5.3.1 Service Description

The municipality's transportation network comprises gravel and paved roads. The transport network also includes sidewalks, street lights and signs.

Together, the above infrastructure enables the municipality to deliver transportation and pedestrian facility services and give people a range of options for moving about in a safe and efficient manner.

5.3.2 Scope of Services

- **Movement** – providing for the movement of people and goods.
- **Access** – providing access to residential, commercial, and industrial properties and other community amenities.
- **Recreation** –providing for recreational use, such as walking, cycling, or special events such as parades.

5.3.3 Performance Indicators (reported annually)

Performance Indicators (reported annually)	
Strategic Indicators	■ Percentage of total reinvestment compared to asset replacement value ■ Completion of strategic plan objectives (related to transportation)
Financial Indicators	■ Annual revenues compared to annual expenditures ■ Annual replacement value depreciation compared to annual expenditures ■ Total cost of borrowing compared to total cost of service ■ Revenue required to maintain annual network growth
Tactical Indicators	■ Percentage of road network rehabilitated / reconstructed ■ Value of bridge / large culvert structures rehabilitated or reconstructed ■ Overall road condition index as a percentage of desired condition index ■ Overall bridge condition index as a percentage of desired condition index ■ Annual adjustment in condition indexes ■ Annual percentage of network growth ■ Percent of paved road lane km where the condition is rated poor or critical ■ Number of bridge / large culvert structures where the condition is rated poor or critical ■ Percentage of road network replacement value spent on operations and maintenance ■ Percentage of bridge / large culvert structures replacement value spent on operations and maintenance
Operational Indicators	■ Percentage of road network inspected within last 5 years ■ Percentage of bridge / large culvert structures inspected within last two years ■ Operating costs for paved roads per lane km ■ Operating costs for gravel roads per lane km ■ Operating costs for bridge / large culvert structures per square metre ■ Number of customer requests received annually ■ Percentage of customer requests responded to within 24 hours

5.4 Water / Sanitary / Storm Networks

5.4.1 Service Description

The municipality's water distribution network comprises approximately 7km of water main, 25 hydrants, 217 valves and 2 pump stations. The waste water network comprises 3.5km of sanitary sewer line, 44 man holes and a treatment plant. The storm water network comprises 1km of storm main and 48 catch basins.

Together, the above infrastructure enables the municipality to deliver a potable water distribution service, and a waste water and storm water collection service to the residents of the municipality.

5.4.2 Scope of services

- The provision of clean safe drinking water through a distribution network of water mains and pumps.
- The removal of waste water through a collection network of sanitary sewer lines.
- The treatment of wastewater through various treatment facilities.
- The removal of storm water through a collection network of storm sewer lines, and catch basins

5.4.3 Performance Indicators (reported annually)

Performance Indicators (reported annually)	
Strategic Indicators	■ Percentage of total reinvestment compared to asset replacement value ■ Completion of strategic plan objectives (related water / sanitary / storm)
Financial Indicators	■ Annual revenues compared to annual expenditures ■ Annual replacement value depreciation compared to annual expenditures ■ Total cost of borrowing compared to total cost of service ■ Revenue required to maintain annual network growth ■ Lost revenue from system outages
Tactical Indicators	■ Percentage of water / sanitary / storm network rehabilitated / reconstructed ■ Overall water / sanitary / storm network condition index as a percentage of desired condition index ■ Annual adjustment in condition indexes ■ Annual percentage of growth in water / sanitary / storm network ■ Percentage of mains where the condition is rated poor or critical for each network ■ Percentage of water / sanitary / storm network replacement value spent on operations and maintenance
Operational Indicators	■ Percentage of water / sanitary / storm network inspected ■ Operating costs for the collection of wastewater per kilometre of main. ■ Number of wastewater main backups per 100 kilometres of main ■ Operating costs for storm water management (collection, treatment, and disposal) per kilometre of drainage system. ■ Operating costs for the distribution/ transmission of drinking water per kilometre of water distribution pipe. ■ Number of days when a boil water advisory issued by the medical officer of health, applicable to a municipal water supply, was in effect. ■ Number of water main breaks per 100 kilometres of water distribution pipe in a year. ■ Number of customer requests received annually per water / sanitary / storm networks ■ Percentage of customer requests responded to within 24 hours per water / sanitary / storm network

5.5 Buildings and Facilities

5.5.1 Service Description

The Municipality's buildings and facilities enable the Municipality to perform administrative functions and also provide recreational amenities for the community at large.

5.5.2 Scope of services

- Administrative (offices and work yards)
- Recreational (recreation centres, library)
- Cultural and Educational (museums and heritage)

5.5.3 Performance Indicators (reported annually)

Performance Indicators (reported annually)	
Strategic Indicators	■ Percentage of total reinvestment compared to asset replacement value ■ Completion of strategic plan objectives (related to facilities)
Financial Indicators	■ Annual revenues compared to annual expenditures ■ Annual replacement value depreciation compared to annual expenditures ■ Repair and maintenance cost per square metre ■ Energy, utility and water cost per square metre
Tactical Indicators	■ Percentage of component value replaced ■ Overall facility condition index as a percentage of desired condition index ■ Annual adjustment in condition indexes ■ Annual percentage of new facilities (square metre) ■ Percent of facilities rated poor or critical ■ Percentage of facilities replacement value spent on operations and maintenance
Operational Indicators	■ Percentage of facilities inspected within the last 5 years ■ Number/type of service requests ■ Percentage of customer requests responded to within 24 hours

5.7 Vehicles

5.7.1 Service Description

The municipality's diverse fleet of vehicles provides support to multiple departments as part of their delivery of various public programs and services to the citizens.

5.7.2 Performance Indicators (reported annually)

Performance Indicators (reported annually)	
Strategic Indicators	■ Percentage of total reinvestment compared to asset replacement value ■ Completion of strategic plan objectives (related to fleet)
Financial Indicators	■ Annual revenues compared to annual expenditures ■ Annual replacement value depreciation compared to annual expenditures ■ Operating and maintenance cost per fleet category ■ Fuel costs per fleet category
Tactical Indicators	■ Percentage of all vehicles replaced ■ Average age of fleet vehicles ■ Percent of vehicles rated poor or critical ■ Percentage of fleet replacement value spent on operations and maintenance
Operational Indicators	■ Average downtime per fleet category ■ Average utilization per fleet category and/or each vehicle ■ Ratio of preventative maintenance repairs vs reactive repairs ■ Percent of vehicles that received preventative maintenance ■ Number/type of service requests ■ Percentage of customer requests responded to within 24 hours

6.0 Asset Management Strategy

6.1 Objective

To outline and establish a set of planned actions, based on best practice, that will enable the assets to provide a desired and sustainable level of service, while managing risk, at the lowest life cycle cost.

The Asset Management Strategy will develop an implementation process that can be applied to the needs identification and prioritization of renewal, rehabilitation, and maintenance activities. This will assist in the production of a 10 year plan, including growth projections, to ensure the best overall health and performance of the municipality's infrastructure.

This section includes an overview of condition assessment techniques for each asset class; the life cycle interventions required, including interventions with the best ROI; and prioritization techniques, including risk, to determine which priority projects should move forward into the budget first.

6.2 Non-Infrastructure Solutions and Requirements

The municipality should explore, as requested through the provincial requirements, which non-infrastructure solutions should be incorporated into the budgets for the road, water, sewer (sanitary and storm), and bridges & culverts programs. Non-Infrastructure solutions are such items as studies, policies, condition assessments, consultation exercises, etc., that could potentially extend the life of assets or lower total asset program costs in the future.

Typical solutions for a municipality include linking the asset management plan to the strategic plan, growth and demand management studies, infrastructure master plans, better integrated infrastructure and land use planning, public consultation on levels of service, and condition assessment programs. As part of future asset management plans, a review of these requirements should take place, and a portion of the capital budget should be dedicated for these items in each programs budget.

It is recommended, under this category of solutions, that the municipality implement holistic condition assessment programs for their road, water, sanitary, and storm sewer networks. This will lead to higher understanding of infrastructure needs, enhanced budget prioritization methodologies, and a clearer path of what is required to achieve sustainable infrastructure and general capital programs.

6.3 Condition Assessment Programs

The foundation of good asset management practice is based on having comprehensive and reliable information on the current condition of the infrastructure. Municipalities need to have a clear understanding regarding performance and condition of their assets, as all management decisions regarding future expenditures and field activities should be based on this knowledge. An incomplete understanding about an asset may lead to its premature failure or premature replacement.

Some benefits of holistic condition assessment programs within the overall asset management process are listed below:

- Understanding of overall network condition leads to better management practices
- Allows for the establishment of rehabilitation programs
- Prevents future failures and provides liability protection
- Potential reduction in operation / maintenance costs
- Accurate current asset valuation
- Allows for the establishment of risk assessment programs
- Establishes proactive repair schedules and preventive maintenance programs
- Avoids unnecessary expenditures

- Extends asset service life therefore improving level of service
- Improves financial transparency and accountability
- Enables accurate asset reporting which, in turn, enables better decision making

Condition assessment can involve different forms of analysis such as subjective opinion, mathematical models, or variations thereof, and can be completed through a very detailed or very cursory approach.

When establishing the condition assessment of an entire asset class, the cursory approach (metrics such as good, fair, poor, critical) is used. This will be a less expensive approach when applied to thousands of assets, yet will still provide up to date information, and will allow for detailed assessment or follow up inspections on those assets captured as poor or critical condition later.

The following section outlines condition assessment programs available for road, bridge, sewer, and water networks that would be useful for the municipality.

6.3.1 Pavement Network Inspections

Typical industry pavement inspections are performed by consulting firms using specialised assessment vehicles equipped with various electronic sensors and data capture equipment. The vehicles will drive the entire road network and typically collect two different types of inspection data – surface distress data and roughness data.

Surface distress data involves the collection of multiple industry standard surface distresses, which are captured either electronically, using sensing detection equipment mounted on the van, or visually, by the van's inspection crew. Examples of surface distresses are:

- **For asphalt surfaces**
  alligator cracking; distortion; excessive crown; flushing; longitudinal cracking; map cracking; patching; edge cracking; potholes; ravelling; rippling; transverse cracking; wheel track rutting

- **For concrete surfaces**
  coarse aggregate loss; corner 'C' and 'D' cracking; distortion; joint faulting; joint sealant loss; joint spalling; linear cracking; patching; polishing; potholes; ravelling; scaling; transverse cracking

Roughness data capture involves the measurement of the roughness of the road, measured by lasers that are mounted on the inspection van's bumper, calibrated to an international roughness index.

Most firms will deliver this data to the client in a database format complete with engineering algorithms and weighting factors to produce an overall condition index for each segment of roadway. This type of scoring database is ideal for upload into the CityWide software database, in order to tag each road with a present condition and then further life cycle analysis to determine what activity should be completed on which road, in what timeframe, and to calculate the cost for the work will be completed within the CityWide system.

The above process is an excellent way to capture road condition as the inspection trucks will provide detailed surface and roughness data for each road segment, and often include video or street imagery. A very rough industry estimate of cost would be about $100 per centreline km of road.

Another option for a cursory level of condition assessment is for municipal road crews to perform simple windshield surveys as part of their regular patrol. Many municipalities have created data collection inspection forms to assist this process and to standardize what presence of defects would constitute a good, fair, poor, or critical score. Lacking any other data for the complete road network, this can still be seen as a good method and will assist greatly with the overall management of the road network. The CityWide Works software has a road patrol component built in that could capture this type of inspection data during road patrols in the field, enabling later analysis of rehabilitation and replacement needs for budget development.

It is recommended that the municipality establish a pavement condition assessment program and that a portion of capital funding is dedicated to this.

6.3.2 Bridges & Culverts (greater than 3m) Inspections

Ontario municipalities are mandated by the Ministry of Transportation to inspect all structures that have a span of 3 metres or more, according to the OSIM (Ontario Structure Inspection Manual). At present, in the municipality, there are 15 structures that meet this criterion.

Structure inspections must be performed by, or under the guidance of, a structural engineer, must be performed on a biennial basis (once every two years), and include such information as structure type, number of spans, span lengths, other key attribute data, detailed photo images, and structure element by element inspection, rating and recommendations for repair, rehabilitation, and replacement.

The best approach to develop a 10 year needs list for the municipality's structure portfolio would be to have the structural engineer who performs the inspections to develop a maintenance requirements report, and rehabilitation and replacement requirements report as part of the overall assignment. In addition to refining the overall needs requirements, the structural engineer should identify those structures that will require more detailed investigations and non-destructive testing techniques. Examples of these investigations are:

- Detailed deck condition survey
- Non-destructive delamination survey of asphalt covered decks
- Substructure condition survey
- Detailed coating condition survey
- Underwater investigation
- Fatigue investigation
- Structure evaluation

Through the OSIM recommendations and additional detailed investigations, a 10 year needs list will be developed for the municipality's bridges.

The 10 year needs list developed could then be further prioritized using risk management techniques to better allocate resources. Also, the results of the OSIM inspection for each structure, whether BCI (bridge condition index) or general condition (good, fair, poor, critical) should be entered into the CityWide software to update results and analysis for the development of the budget.

6.3.3 Sewer Network Inspections (Sanitary & Storm)

The most popular and practical type of sanitary and storm sewer assessment is the use of Closed Circuit Television Video (CCTV). The process involves a small robotic crawler vehicle with a CCTV camera attached that is lowered down a maintenance hole into the sewer line to be inspected. The vehicle and camera then travels the length of the pipe providing a live video feed to a truck on the road above where a technician / inspector records defects and information regarding the pipe. A wide range of construction or deterioration problems can be captured including open/displaced joints, presence of roots, infiltration & inflow, cracking, fracturing, exfiltration, collapse, deformation of pipe and more. Therefore, sewer CCTV inspection is a very good tool for locating and evaluating structural defects and general condition of underground pipes.

Even though CCTV is an excellent option for inspection of sewers it is a fairly costly process and does take significant time to inspect a large volume of pipes.

Another option in the industry today is the use of Zoom Camera equipment. This is very similar to traditional CCTV, however, a crawler vehicle is not used but in it's a place a camera is lowered down a maintenance hole attached to a pole like piece of equipment. The camera is then rotated towards each connecting pipe and the operator above progressively zooms in to record all defects and information about each pipe. The downside to this technique is the further down the pipe the image is zoomed, the less clarity is available to accurately record defects and measurement. The upside is the process is far quicker and significantly less expensive and an assessment of the manhole can be provided as well. Also, it is important to note that 80% of pipe deficiencies generally occur within 20 metres of each manhole. The following is a list of advantages of utilizing Zoom Camera technology:

- A time and cost efficient way of examining sewer systems;
- Problem areas can be quickly targeted;
- Can be complemented by a conventional camera (CCTV), if required afterwards;

- In a normal environment, 20 to 30 manholes can be inspected in a single day, covering more than 1,500 meters of pipe;
- Contrary to the conventional camera approach, cleaning and upstream flow control is not required prior to inspection;
- Normally detects 80% of pipe deficiencies, as most deficiencies generally occur within 20 meters of manholes.

The following table is based on general industry costs for traditional CCTV inspection and Zoom Camera inspection; however, costs should be verified through local contractors. It is for illustrative purposes only but supplies a general idea of the cost to inspect Oliver Paipoonge's entire sanitary and storm networks.

Sanitary and Sewer Inspection Cost Estimates

Sewer Network	Assessment Activity	Cost	Metres of Main / # of Manholes	**Total**
Sanitary	Full CCTV	$10 (per m)	3,556m	**$35,560**
	Zoom	$300 (per mh)	44 manholes	**$13,200**
Storm	Full CCTV	$10 (per m)	1,000m	**$10,000**
	Zoom	$300 (Per mh)	12 manholes*	**$3,600**

* *Storm manhole numbers estimated based on one man hole per 80 metres*

It can be seen from the above table that there is a significant cost savings achieved through the use of Zoom Camera technology. A good industry trend and best practice is to inspect the entire network using Zoom Camera technology and follow up on the poor and critical rated pipes with more detail using a full CCTV inspection. In this way, inspection expenditures are kept to a minimum, however, an accurate assessment on whether to rehabilitate or replace pipes will be provided for those with the greatest need.

It is recommended that the municipality establish a sewer condition assessment program and that a portion of capital funding is dedicated to this.

In addition to receiving a video and defect report of each pipe's CCTV or Zoom camera inspection, many companies can now provide a database of the inspection results, complete with scoring matrixes that provide an overall general condition score for each pipe segment that has been assessed. Typically pipes are scored from 1 – 5, with 1 being a relatively new pipe and 5 being a pipe at the end of its design life. This type of scoring database is ideal for upload into the CityWide software database, in order to tag each pipe with a present condition and then further life cycle analysis to determine what activity should be done to which pipe, in what timeframe, and to calculate the cost for the work will be completed by the CityWide system.

6.3.4 Water network inspections

Unlike sewer lines, it is very difficult to inspect water mains from the inside due to the high pressure flow of water constantly underway within the water network. Physical inspections require a disruption of service to residents, can be an expensive exercise, and are time consuming to set up. It is recommended practice that physical inspection of water mains typically only occurs for high risk, large transmission mains within the system, and only when there is a requirement. There are a number of high tech inspection techniques in the industry for large diameter pipes but these should be researched first for applicability as they are quite expensive. Examples are:

- Remote eddy field current (RFEC)
- Ultrasonic and acoustic techniques
- Impact echo (IE)
- Georadar

For the majority of pipes within the distribution network gathering key information in regards to the main and its environment can supply the best method to determine a general condition. Key data that could be used, along with weighting factors, to determine an overall condition score are listed below.

- Age
- Material Type
- Breaks
- Hydrant Flow Inspections
- Soil Condition

Understanding the age of the pipe will determine useful life remaining, however, water mains fail for many other reasons than just age. The pipe material is important to know as different pipe types have different design lives and different deterioration profiles. Keeping a water main break history is one of the best analysis tools to predict future pipe failures and to assist with programming rehabilitation and replacement schedules. Also, most municipalities perform hydrant flow tests for fire flow prevention purposes. The readings from these tests can also help determine condition of the associated water main. If a hydrant has a relatively poor flow condition it could be indicative of a high degree of encrustation within the attached water main, which could then be flagged as a candidate for cleaning or possibly lining. Finally, soil condition is important to understand as certain soil types can be very aggressive at causing deterioration on certain pipe types.

It is recommended that the municipality develop a rating system for the mains within the distribution network based on the availability of key data, and that funds are budgeted for this development.

Also, it is recommended that the municipality utilize the CityWide Works application to track water main break work orders and hydrant flow inspection readings as a starting point to develop a future scoring database for each water main.

6.3.5 Facility inspections

The most popular and practical type of facility assessment involves qualified groups of trained industry professionals (engineers or architects) performing an analysis of the condition of a group of facilities, and their components, that may vary in terms of age, design, construction methods, and materials. This analysis can be done by walk-through inspection, mathematical modeling, or a combination of both. But the most accurate way of determining the condition requires a walk-through to collect baseline data.

The following 5 asset classifications are typically inspected:

- **Site Components –** property around the facility and includes the outdoor components such as utilities, signs, stairways, walkways, parking lots, fencing, courtyards and landscaping.
- **Structural Components –** physical components such as the foundations, walls, doors, windows, roofs.
- **Electrical Components –** all components that use or conduct electricity such as wiring, lighting, electric heaters, and fire alarm systems
- **Mechanical Components –** components that convey and utilize all non-electrical utilities within a facility such as gas pipes, furnaces, boilers, plumbing, ventilation, and fire extinguishing systems
- **Vertical movement –** components used for moving people between floors of buildings such as elevators, escalators and stair lifts.

The data collection on the above components typically includes: type and category of component; estimated age; current condition; estimated repair, rehabilitation or replacement date; and estimated cost for the repair, rehabilitation or replacement.

Once collected this type of information can be uploaded into the CityWide software database in order for short and long term repair, rehabilitation and replacement reports to be generated to assist with programming the short and long term maintenance and capital budgets.

In addition, reports can be generated for each facility that accumulate all current repair, rehabilitation and replacement requirements and generate a facility condition index (FCI) for the overall facility. This allows senior management to assess the overall state of the housing portfolio and determine which facilities have the greatest overall needs.

The FCI of a facility is represented as a percentage and is calculated by taking the total renewal costs of components in a given year and dividing that figure by the total replacement value of the facility itself. A high FCI value reflects a high renewal requirement and therefore a poor condition facility.

A facility with an FCI of less than 5% is in good condition, between 5% and 10% is in fair condition, between 10% and 30% poor condition, and over 30% is considered critical condition.

$$\text{F. C. I. (Facility Condition Index)} = \frac{\text{Renewal Requirement in a Given Year}}{\text{Replacement Value of an Asset}}$$

Good < 5%, Fair 5 – 10%, Poor 10% - 30%, Critical > 30%

6.3.7 Fleet (Vehicles) Inspections and Maintenance

The typical approach to optimizing the maintenance expenditures of a corporate fleet of vehicles is through routine vehicle inspections, routine vehicle servicing, and an established routine preventative maintenance program.

Most, if not all, makes and models of vehicles are supplied with maintenance manuals that define the appropriate schedules and routines for typical maintenance and servicing and also more detailed restoration or rehabilitation protocols.

The primary goal of good vehicle maintenance is to avoid or mitigate the consequence of failure of equipment or parts. An established preventative maintenance program serves to ensure this, as it will consist of scheduled inspections and follow up repairs of vehicles and equipment in order to decrease breakdowns and excessive downtimes.

A good preventative maintenance program will include partial or complete overhauls of equipment at specific periods, including oil changes, lubrications, fluid changes and so on. In addition, workers can record equipment or part deterioration so they can schedule to replace or repair worn parts before they fail. The ideal preventative maintenance program would move further and further away from reactive repairs and instead towards the prevention of all equipment failure before it occurs.

Once a good preventative maintenance program is defined and scheduled for various categories and types of vehicles it becomes essential to have good software tools to track the scheduling and performance of the overall program. There are municipal maintenance software programs, such as CityWide, that are ideal for this purpose as they are designed to enable public works departments to prioritize, schedule and track projects including preventative maintenance schedules. In addition these software applications typically calculate resources utilized, inventory consumed, as well as direct and indirect labour, and will provide full management reporting.

It is recommended that a preventative maintenance routine is defined and established for all fleet vehicles and that a software application such as Citywide is utilized for the overall management of the program.

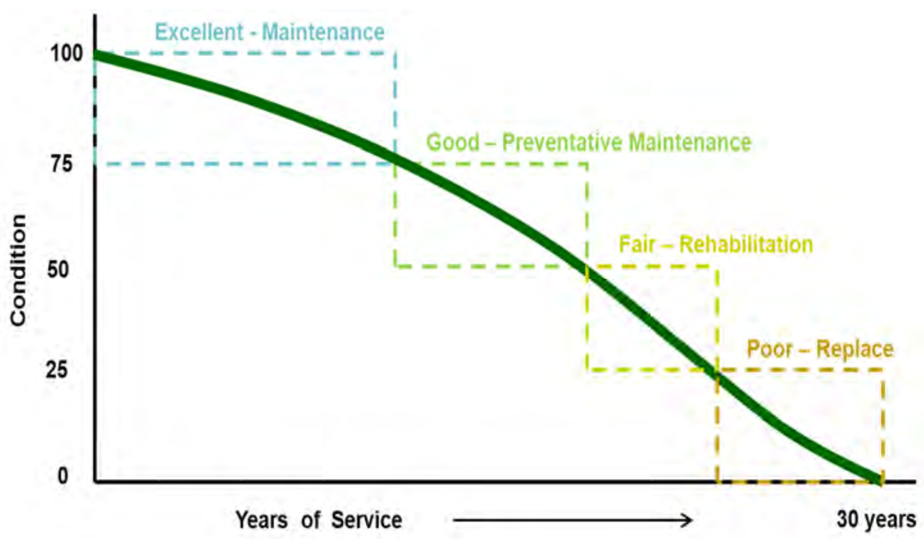
6.4 AM Strategy – Life Cycle Analysis Framework

An industry review was conducted to determine which life cycle activities can be applied at the appropriate time in an asset's life, to provide the greatest additional life at the lowest cost. In the asset management industry, this is simply put as doing the right thing to the right asset at the right time. If these techniques are applied across entire asset networks or portfolios (e.g., the entire road network), the municipality could gain the best overall asset condition while expending the lowest total cost for those programs.

6.4.1 Paved Roads

The following analysis has been conducted at a fairly high level, using industry standard activities and costs for paved roads. With future updates of this Asset Management Strategy, the municipality may wish to run the same analysis with a detailed review of municipality activities used for roads and the associated local costs for those work activities. All of this information can be input into the CityWide software suite in order to perform updated financial analysis as more detailed information becomes available.

The following diagram depicts a general deterioration profile of a road with a 30 year life.



As shown above, during the road's life cycle there are various windows available for work activity that will maintain or extend the life of the asset. These windows are: maintenance; preventative maintenance; rehabilitation; and replacement or reconstruction.

The windows or thresholds for when certain work activities should be applied to also coincide approximately with the condition state of the asset as shown below:

Asset Condition and Related Work Activity: Paved Roads		
Condition	Condition Range	Work Activity
Excellent condition (Maintenance only phase)	100-76	▪ maintenance only
Good Condition (Preventative maintenance phase)	75 - 51	▪ crack sealing ▪ emulsions
Fair Condition (Rehabilitation phase)	50 -26	▪ resurface - mill & pave ▪ resurface - asphalt overlay ▪ single & double surface treatment (for rural roads)
Poor Condition (Reconstruction phase)	25 - 1	▪ reconstruct - pulverize and pave ▪ reconstruct - full surface and base reconstruction
Critical Condition (Reconstruction phase)	0	▪ critical includes assets beyond their useful lives which make up the backlog. They require the same interventions as the "poor" category above.

With future updates of this Asset Management Strategy the municipality may wish to review the above condition ranges and thresholds for when certain types of work activity occur, and adjust to better suit the municipality's work program. Also note: when adjusting these thresholds, it actually adjusts the level of service provided and ultimately changes the amount of money required. These threshold and condition ranges can be easily updated with the CityWide software suite and an updated financial analysis can be calculated. These adjustments will be an important component of future Asset Management Plans, as the Province requires each municipality to present various management options within the financing plan.

The table below outlines the costs for various road activities, the added life obtained for each, the condition range at which they should be applied, and the cost of 1 year added life for each (cost of activity / added life) in order to present an apples to apples comparison.

Road Lifecycle Activity Options				
Treatment	Average Unit Cost (per sq. m)	Added Life (Years)	Condition Range	Cost Of Activity/Added Life
Urban Reconstruction	$205	30	25 - 0	$6.83
Urban Resurfacing	$84	15	50 - 26	$5.60
Rural Reconstruction	$135	30	25 - 0	$4.50
Rural Resurfacing	$40	15	50 - 26	$2.67
Double Surface Treatment	$25	10	50 - 26	$2.50
Routing & Crack Sealing (P.M)	$2	3	75 - 51	$0.67

As can be seen in the table above, preventative maintenance activities such as routing and crack sealing have the lowest associated cost (per sq. m) in order to obtain one year of added life. Of course, preventative maintenance activities can only be applied to a road at a relatively early point in the life cycle. It is recommended that the municipality engage in an active preventative maintenance program for all paved roads and that a portion of the maintenance budget is allocated to this.

Also, rehabilitation activities, such as urban and rural resurfacing or double surface treatments (tar and chip) for rural roads have a lower cost to obtain each year of added life than full reconstruction activities. It is recommended, if not in place already, that the municipality engages in an active rehabilitation program for urban and rural paved roads and that a portion of the capital budget is dedicated to this.

Of course, in order to implement the above programs it will be important to also establish a general condition score for each road segment, established through standard condition assessment protocols as previously described.

It is important to note that a "worst first" budget approach, whereby no life cycle activities other than reconstruction at the end of a roads life are applied, will result in the most costly method of managing a road network overall.

6.4.2 Gravel Roads

The life cycle activities required for these roads are quite different from paved roads. Gravel roads require a cycle of perpetual maintenance, including general re-grading, reshaping of the crown and cross section, gravel spot and section replacement, dust abatement and ditch clearing and cleaning.

Gravel roads can require frequent maintenance, especially after wet periods and when accommodating increased traffic. Wheel motion shoves material to the outside (as well as in-between travelled lanes), leading to rutting, reduced water-runoff, and eventual road destruction if unchecked. This deterioration process is prevented if interrupted early enough, simple re-grading is sufficient, with material being pushed back into the proper profile.

As a high proportion of gravel roads can have a significant impact on the maintenance budget, it is recommended that with further updates of this asset management plan the municipality study the traffic volumes and maintenance requirements in more detail for its gravel road network.

Similar studies elsewhere have found converting certain roadways to paved roads can be very cost beneficial especially if frequent maintenance is required due to higher traffic volumes. Roads within the gravel network should be ranked and rated using the following criteria:

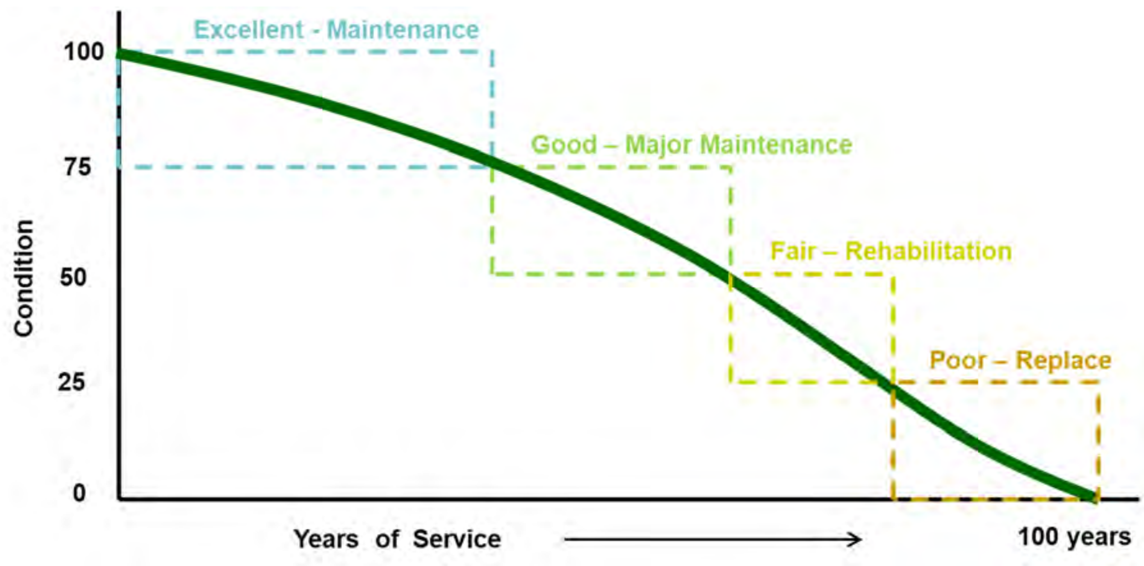
- Usage - traffic volumes and type of traffic
- Functional importance of the roadway
- Known safety issues
- Frequency of maintenance and overall expenditures required

Through the above type of analysis, a program could be introduced to convert certain gravel roadways into paved roads, reducing overall costs, and be brought forward into the long range budget.

6.4.3 Sanitary and Storm Sewers

The following analysis has been conducted at a fairly high level, using industry standard activities and costs for sanitary and storm sewer rehabilitation and replacement. With future updates of this asset management strategy, the municipality may wish to run the same analysis with a detailed review of municipality activities used for sewer lines and the associated local costs for those work activities. All of this information can be input into the CityWide software suite in order to perform updated financial analysis as more detailed information becomes available.

The following diagram depicts a general deterioration profile of a sewer line with a 100 year life.



As shown above, during the sewer line's life cycle there are various windows available for work activity that will maintain or extend the life of the asset. These windows are: maintenance; major maintenance; rehabilitation; and replacement or reconstruction.

The windows or thresholds for when certain work activities should be applied also coincide approximately with the condition state of the asset as shown below:

Asset Condition and Related Work Activity: Sewer line

Condition	Condition Range	Work Activity
Excellent condition (Maintenance only phase)	100-76	■ maintenance only (cleaning & flushing etc.)
Good Condition (Preventative maintenance phase)	75 - 51	■ manhole repairs ■ small pipe section repairs
Fair Condition (Rehabilitation phase)	50 -26	■ structural relining
Poor Condition (Reconstruction phase)	25 - 1	■ pipe replacement
Critical Condition (Reconstruction phase)	0	■ critical includes assets beyond their useful lives which make up the backlog. They require the same interventions as the "poor" category above.

With future updates of this Asset Management Strategy the municipality may wish to review the above condition ranges and thresholds for when certain types of work activity occur, and adjust to better suit the municipality's work program. Also note: when adjusting these thresholds, it actually adjusts the level of service provided and ultimately changes the amount of money required. These threshold and condition ranges can be easily updated with the CityWide software suite and an updated financial analysis can be calculated. These adjustments will be an important component of future Asset Management Plans, as the province requires each municipality to present various management options within the financing plan.

The table below outlines the costs, by pipe diameter, for various sewer line rehabilitation (lining) and replacement activities. The columns display the added life obtained for each activity, the condition range at which they should be applied, and the cost of 1 year added life for each (cost of activity / added life) in order to present an apples to apples comparison.

Sewer line Lifecycle Activity Options				
Category	Cost (per m)	Added Life	Condition Range	1 year Added Life Cost (Cost / Added Life)
Structural Rehab (m)				
0 - 325mm	$174.69	75	50 - 75	$2.33
325 - 625mm	$283.92	75	50 - 75	$3.79
625 - 925mm	$1,857.11	75	50 - 75	$24.76
> 925mm	$1,771.34	75	50 - 75	$23.62
Replacement (m)				
0 - 325mm	$475.00	100	76 - 100	$4.75
325 - 625mm	$725.00	100	76 - 100	$7.25
625 - 925mm	$900.00	100	76 - 100	$9.00
> 925mm	$1,475.00	100	76 - 100	$14.75

As can be seen in the above table, structural rehabilitation or lining of sewer lines is an extremely cost effective industry activity and solution for pipes with a diameter less than 625mm. The unit cost of lining is approximately one third of replacement and the cost to obtain one year of added life is half the cost. For Oliver Paipoonge, this diameter range would account for 100% of sanitary sewer lines and 100% of storm mains. Structural lining has been proven through industry testing to have a design life (useful life) of 75 years. However, it is believed that liners will probably obtain 100 years of life (the same as a new pipe).

For sewer lines with diameters greater than 625mm specialized liners are required and therefore the costs are no longer effective. It should be noted, however, that the industry is continually expanding its technology in this area and therefore future costs should be further reviewed for change and possible price reductions.

It is recommended, if not in place already, that the municipality engage in an active structural lining program for sanitary and storm sewer lines and that a portion of the capital budget be dedicated to this.

In order to implement the above, it will be important to also establish a condition assessment program to establish a condition score for each sewer line within the sanitary and storm collection networks, and therefore identify which pipes are good candidates for structural lining.

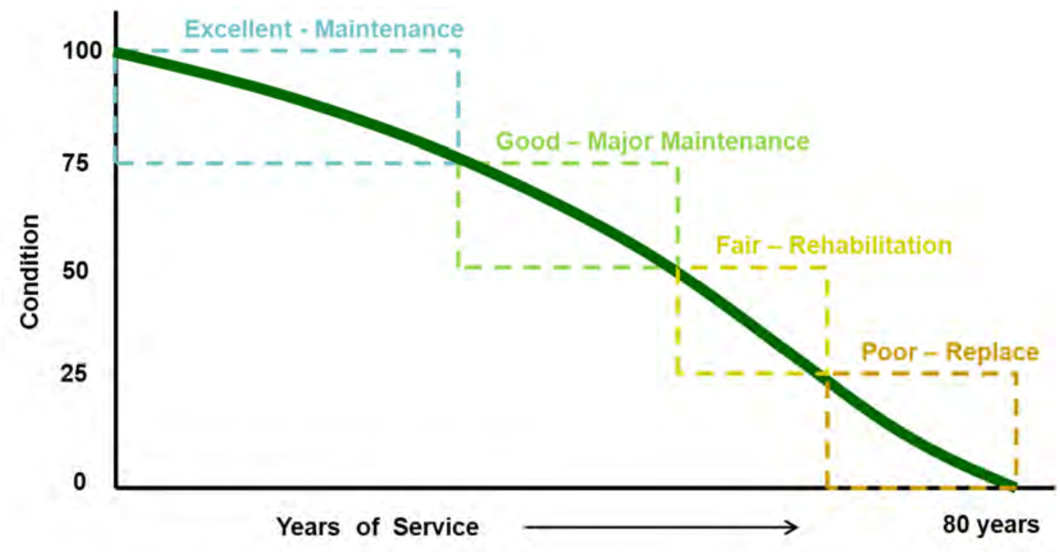
6.4.4 Bridges & Culverts (greater than 3m span)

The best approach to develop a 10 year needs list for the municipality's bridge structure portfolio would be to have the structural engineer who performs the inspections to develop a maintenance requirements report, a rehabilitation and replacement requirements report and identify additional detailed inspections as required. This approach is described in more detail within the "Bridges & Culverts (greater than 3m) Inspections" section above.

6.4.5 Water Network

As with roads and sewers above, the following analysis has been conducted at a fairly high level, using industry standard activities and costs for water main rehabilitation and replacement.

The following diagram depicts a general deterioration profile of a water main with an 80 year life.



As shown above, during the water main's life cycle there are various windows available for work activity that will maintain or extend the life of the asset. These windows are: maintenance; major maintenance; rehabilitation; and replacement or reconstruction.

The windows or thresholds for when certain work activities should be applied also coincide approximately with the condition state of the asset as shown below:

Asset Condition and Related Work Activity: Water Main

Condition	Condition Range	Work Activity
excellent condition (Maintenance only phase)	100-76	■ maintenance only (cleaning & flushing etc.)
good Condition (Preventative maintenance phase)	75 - 51	■ water main break repairs ■ small pipe section repairs
fair Condition (Rehabilitation phase)	50 -26	■ structural water main relining
poor Condition (Reconstruction phase)	25 - 1	■ pipe replacement
critical Condition (Reconstruction phase)	0	■ critical includes assets beyond their useful lives which make up the backlog. They require the same interventions as the "poor" category above.

Water main Lifecycle Activity Option				
Category	Cost	Added Life	Condition Range	Cost of Activity / Added Life
Structural Rehab (m)				
0.000 - 0.150m	$209.70	50	50 - 75	$4.19
0.150 - 0.300m	$315.00	50	50 - 75	$6.30
0.300 - 0.400m	$630.00	50	50 - 75	$12.60
0.400 - 0.700m	$1,500.00	50	50 - 75	$30.00
0.700 m - & +	$2,000.00	50	50 - 75	$40.00
Replacement (m)				
0.000 - 0.150m	$233.00	80	76 - 100	$2.91
0.150 - 0.300m	$350.00	80	76 - 100	$4.38
0.300 - 0.400m	$700.00	80	76 - 100	$8.75
0.400 - 0.700m	$1,500.00	80	76 - 100	$18.75
0.700 m - & +	$2,000.00	80	76 - 100	$25.00

Water rehab technologies still require some digging (known as low dig technologies, due to lack of access) and are actually more expensive on a life cycle basis. However, if the road above the water main is in good condition lining avoids the cost of road reconstruction still resulting in a cost effective solution.

It should be noted, that the industry is continually expanding its technology in this area and therefore future costs should be further reviewed for change and possible price reductions.

At this time, it is recommended that the municipality only utilize water main structural lining when the road above requires rehab or no work.

6.4.6 Buildings and Facilities

The best approach to develop a 10 year needs list for the municipality's facility portfolio would be to have the engineers or architects who perform the facility inspections to also develop a complete portfolio maintenance requirements report and rehabilitation and replacement requirements report, and also identify additional detailed inspections and follow up studies as required. This may be performed as a separate assignment once all individual facility audits / inspections are complete. Of course, if the inspection data is housed or uploaded into the CityWide software, then these reports can be produced automatically from the system.

The above reports could be considered the beginning of a 10 year maintenance and capital plan, however, within the facilities industry there are other key factors that should be considered to determine over all priorities and future expenditures. Some examples would be functional / legislative requirements, energy conservation programs and upgrades, customer complaints and health and safety concerns, and also customer expectations balanced with willingness to pay initiatives.

Legislative requirements:
Acts to consider as part of the 10 year plan would be:

Accessibility for Ontarians with Disabilities Act By January 2012, all public sector in Ontario were required to comply with the customer service standard under the Accessibility for Ontarians with Disabilities Act, 2005 (AODA). This means that each organization will have to establish policies, practices and procedures on providing goods and services to people with disabilities.

The Building Code Act (BCA) and the Ontario Building Code (OBC) govern the construction, demolition, and renovation of buildings by setting certain minimum performance and safety standards.

The initial 10 year requirements listings produced from the facility audits / inspections should be reviewed to ensure capital replacements and upgrades are compliant with industry standards and legislation and project prioritisations and estimates should be adjusted accordingly.

Energy Conservation

There are significant savings to be achieved within a facility portfolio through the implementation of energy conservation programs and the associated industry incentives available upon the market. Some examples would be:

Mechanical & Structural components

- Improve mechanical systems by replacing old inefficient systems (e.g HVAC, boilers) with new high efficiency systems; investigate if incentives for these improvements are available from utilities, federal government, etc.
- Investigate the tightness and insulation of the building envelope in all properties and develop programs for improvement
- Reduce solar gain through windows with awnings or landscaping.
- Replace/upgrade all toilets with high efficiency toilets

Electrical components

- Install occupancy sensors
- Implement energy efficiency lighting using compact fluorescent light bulbs and install timers where appropriate to control outside lights
- Install fully programmable thermostats within all housing units

Energy conservation should be studied in detail for the entire facilities portfolio and upgrade and replacement programs should be implemented through the capital program as part of the 10 year plan.

Customer expectation and affordability or willingness to pay

As discussed within the "Desired Levels of Service" section of this AMP, levels of service are directly related to the expectations of the customer and also their ability to pay for a level of service.

Community facilities, such as recreation centres, in-door pools, arenas, etc. are infrastructure service areas where customer surveys can be conducted to gain a better sense of what customer expectations are and to assist in the establishment of a standard level of provision or service. Information could be collected on: safety; security; esthetics; environment; comfort; affordability; cleanliness; functional use of space; etc. This would require a much more detailed review, however, the establishment of a level of service based on customer needs and expectations, while still balancing affordability, would directly affect the prioritization of programs and projects brought forward into the 10 year facility budget.

It is recommended that the municipality develop a life cycle framework for the facility portfolio based on a detailed review of the above factors and that the results are brought forward into future iterations of this AMP.

6.4.8 Vehicles

Life Cycle Requirements

The best approach to develop a 10 year needs list for the municipality's vehicles would first be through a defined preventative maintenance program as described in the "Fleet inspections and maintenance section", and secondly through an optimized life cycle vehicle replacement schedule. As previously described, the preventative maintenance program would serve to determine budget requirements for operating and minor capital expenditures for part renewal and major refurbishments and rehabilitations. An optimized vehicle replacement program will ensure a vehicle is replaced at the correct point in time in order to minimize overall cost of ownership, minimize costly repairs and downtime, while maximizing potential re-sale value. There is significant benchmarking information available within the Fleet industry in regards to vehicle life cycles which can be used to assist in this process. Once appropriate replacement schedules are established the short and long term budgets can be funded accordingly.

Fleet Utilization
One of the most critical factors in managing a fleet of vehicles and the associated costs is utilization. Over utilized vehicles may be used for additional shifts or operated in demanding environments while other vehicles are significantly under-utilized. To ensure preventative maintenance programs and vehicle replacement schedules are optimized, vehicle utilization must be managed and tracked.

A good performance indicator to assist with managing fleet utilisation is tracking engine hours of actual vehicle usage, whether it's being driven or not, as kilometres driven is not always a meaningful way to assess whether a vehicle is being utilized fully. Better management of utilisation can lower costs by reducing preventative maintenance for some vehicles, selling certain vehicles, encouraging vehicle pooling, outsourcing the use of certain vehicle types, and encouraging the use of employee vehicles.

Green Fleets
Due to the significant increase of fuel costs many fleet management groups are increasingly looking towards the greening of their fleets to lower future operating and maintenance costs. The city of London, UK, defines a green fleet "as one that does its best to minimize fuel consumption and exhaust emissions. It also seeks to minimize the amount of traffic it generates by utilizing vehicles efficiently and by using alternatives wherever possible". This area would require an individually tailored study for any municipality to project what type of savings could be achieved over the long term.

The above reports could be considered the beginning of a 10 year maintenance and capital plan; however, further work would be required to assimilate functional improvements and requirements into the long term plan.

6.5 Growth and Demand

Typically a municipality will have specific plans associated with population growth. It is essential that the asset management strategy should address not only the existing infrastructure and general capital, as above, but must include the impact of projected growth on defined project schedules and funding requirements. Projects would include the funding of the construction of new infrastructure, and/or the expansion of existing infrastructure to meet new demands. The municipality should enter these projects into the CityWide software in order to be included within the short and long term budgets as required.

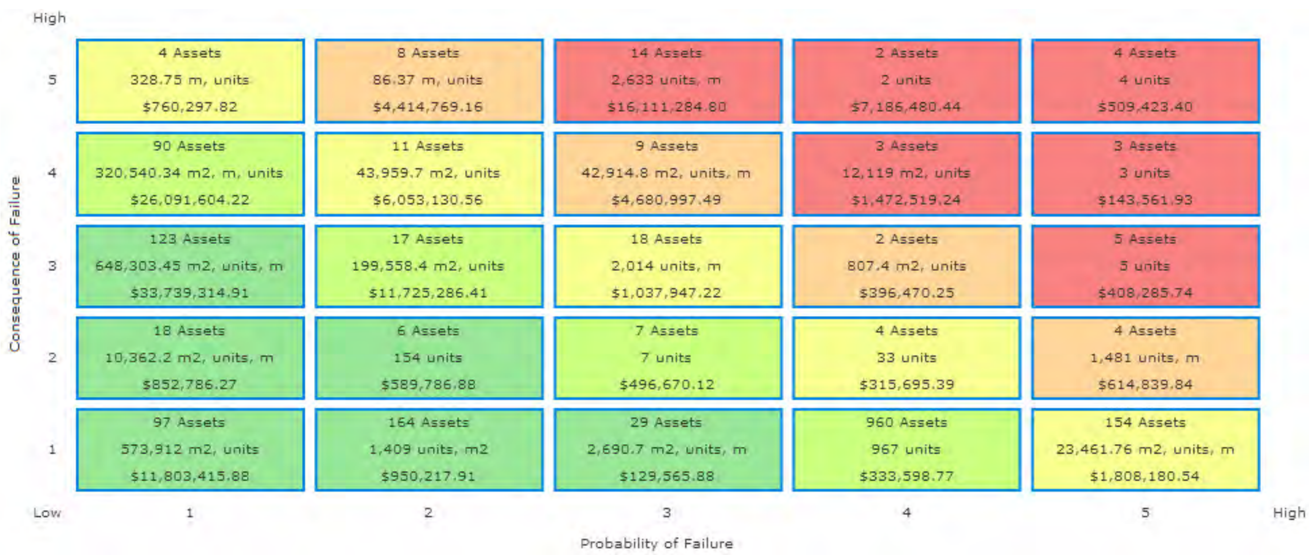
6.6 Project Prioritization

The above techniques and processes when established for the road, water, sewer networks and bridges will supply a significant listing of potential projects. Typically the infrastructure and general capital needs will exceed available resources and therefore project prioritization parameters must be developed to ensure the right projects come forward into the short and long range budgets. An important method of project prioritization is to rank each project, or each piece of infrastructure, on the basis of how much risk it represents to the organization.

6.6.1 Risk Matrix and Scoring Methodology
Risk within the infrastructure industry is often defined as the probability (likelihood) of failure multiplied by the consequence of that failure.

RISK = LIKELIHOOD OF FAILURE **x** CONSEQUENCE OF FAILURE

The likelihood of failure relates to the current condition state of each asset, whether they are in excellent, good, fair, poor or critical condition, as this is a good indicator regarding their future risk of failure. The consequence of failure relates to the magnitude, or overall effect, that an asset's failure will cause. For instance, a small diameter water main break in a sub division may cause a few customers to have no water service for a few hours, whereby a large trunk water main break outside a hospital could have disastrous effects. The following table represents the scoring matrix for risk:



All of the municipality's assets analyzed within this asset management plan have been given both a likelihood of failure score and a consequence of failure score within the CityWide software.

The following risk scores have been developed at a high level for each asset class within the CityWide software system. It is recommended that the municipality undertake a detailed study to develop a more tailored suite of risk scores, particularly in regards to the consequence of failure, and that this be updated within the CityWide software with future updates to this Asset Management Plan.

The current scores that will determine budget prioritization currently within the system are as follows:

All assets:
The Likelihood of Failure score is based on the condition of the assets:

Likelihood of Failure: **All Assets**	
Asset condition	Likelihood of failure
Excellent condition	Score of 1
Good condition	Score of 2
Fair condition	Score of 3
Poor condition	Score of 4
Critical condition	Score of 5

Roads (based on classification):
The consequence of failure score for this initial AMP is based upon the road classification as this will reflect traffic volumes and number of people affected.

Consequence of Failure: **Roads**	
Road Classification	Consequence of failure
Gravel	score of 1
LCB	Score of 3
HCB	score of 4

Bridges (based on valuation):
The consequence of failure score for this initial AMP is based upon the replacement value of the structure. The higher the value, probably the larger the structure and therefore probably the higher the consequential risk of failure:

Consequence of Failure: **Bridges**	
Replacement Value	Consequence of failure
Up to $100k	score of 1
$101 to $150k	score of 2
$151 to $200k	score of 3
$201 to $401k	score of 4
$401k and over	score of 5

Sanitary Sewer (based on diameter):
The consequence of failure score for this initial AMP is based upon pipe diameter as this will reflect potential upstream service area affected.

Consequence of Failure: **Sanitary Sewer**	
Pipe Diameter	Consequence of failure
200mm	score of 2
250mm	score of 3
300mm	score of 4

Water (based on diameter):
The consequence of failure score for this initial AMP is based upon pipe diameter as this will reflect potential service area affected.

Consequence of Failure: **Water**	
Pipe Diameter	Consequence of Failure
Up to 100mm	score of 1
101 – 150mm	score of 2
151 – 200mm	score of 3
201 – 300mm	score of 4
301mm and over	score of 5

Storm Sewer (based on diameter):
The consequence of failure score for this initial AMP is based upon pipe diameter as this will reflect potential upstream service area affected.

Consequence of Failure: **Storm Sewer**	
Replacement Value	Consequence of failure
Up to 250mm	score of 1
251 – 300mm	score of 2
301 – 400mm	score of 3
401 – 500mm	score of 4
501mm and over	score of 5

Buildings: (based on valuation):
The consequence of failure score for this initial AMP is based upon the replacement value of the facility component. The higher the value, probably the larger and more important the component to the overall function of the facility and therefore probably the higher the consequential risk of failure:

Consequence of Failure: **Buildings**	
Replacement Value	Consequence of failure
Up to $100k	score of 1
$101 to $150k	score of 2
$151 to $400k	score of 3
$401 to $2 million	score of 4
$2 million and over	score of 5

Machinery & Equipment: (based on valuation):
The consequence of failure score for this initial AMP is based upon the replacement value of the asset or component. The higher the value, probably the larger and more important the component and therefore probably the higher the consequential risk of failure:

Consequence of Failure: **Equipment**	
Replacement Value	Consequence of failure
Up to $10k	Score of 1
$11k to $20k	Score of 2
$21k to $40k	Score of 3
$41k to $80k	Score of 4
Over $80k	Score of 5

Vehicles: (based on valuation):
The consequence of failure score for this initial AMP is based upon the replacement value of the asset or component. The higher the value, probably the larger and more important the component and therefore probably the higher the consequential risk of failure:

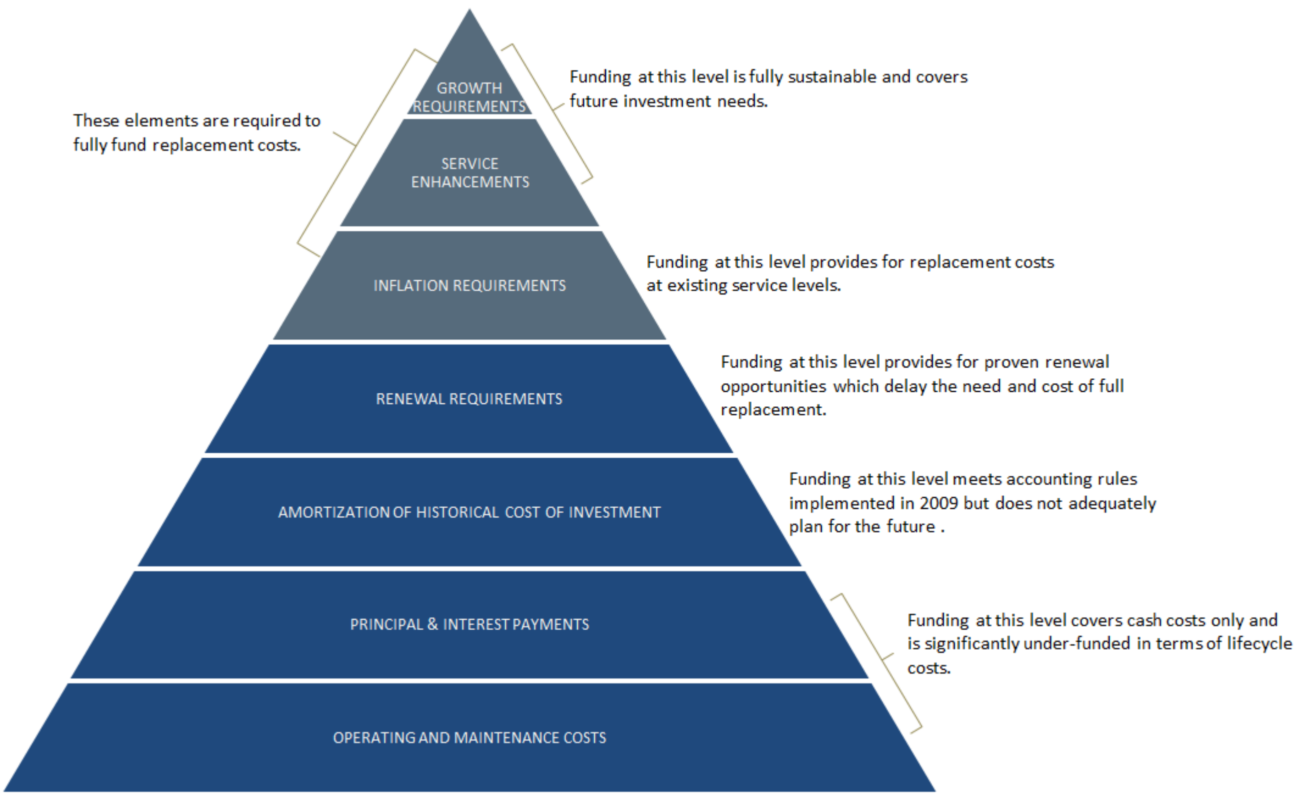
Consequence of Failure: **Vehicles**	
Replacement Value	Consequence of failure
Up to $20k	Score of 1
$21k to $75k	Score of 2
$76k to $150k	Score of 3
$151k to $300k	Score of 4
Over $300k	Score of 5

7.0 Financial Strategy

7.1 General overview of financial plan requirements

In order for an AMP to be effectively put into action, it must be integrated with financial planning and long-term budgeting. The development of a comprehensive financial plan will allow the Municipality of Oliver Paipoonge to identify the financial resources required for sustainable asset management based on existing asset inventories, desired levels of service, and projected growth requirements.

The following pyramid depicts the various cost elements and resulting funding levels that should be incorporated into AMPs that are based on best practices.



This report develops such a financial plan by presenting several scenarios for consideration and culminating with final recommendations. As outlined below, the scenarios presented model different combinations of the following components:

a) the financial requirements (as documented in the SOTI section of this report) for:
- existing assets
- existing service levels
- requirements of contemplated changes in service levels (none identified for this plan)
- requirements of anticipated growth (none identified for this plan)

b) use of traditional sources of municipal funds:
- tax levies
- user fees
- reserves
- debt
- development charges

c) use of non-traditional sources of municipal funds:
- reallocated budgets
- partnerships
- procurement methods

d) use of senior government funds:
- gas tax
- grants (not included in this plan due to Provincial requirements for firm commitments)

If the financial plan component of an AMP results in a funding shortfall, the Province requires the inclusion of a specific plan as to how the impact of the shortfall will be managed. In determining the legitimacy of a funding shortfall, the Province may evaluate a municipality's approach to the following:

a) in order to reduce financial requirements, consideration has been given to revising service levels downward
b) all asset management and financial strategies have been considered. For example:
- if a zero debt policy is in place, is it warranted? If not, the use of debt should be considered.
- do user fees reflect the cost of the applicable service? If not, increased user fees should be considered.

This AMP includes recommendations that avoid long-term funding deficits.

7.2 Financial information relating to the Municipality of Oliver Paipoonge's AMP

7.2.1 Funding objective

We have developed scenarios that would enable the Municipality of Oliver Paipoonge to achieve full funding within 5 to 20 years for the following assets:

a) **Tax funded assets**: Road Network; Bridges & Culverts; Storm Sewer Network; Buildings; Land Improvements; Machinery; Vehicles
b) **Rate funded assets:** Sanitary Sewer Network; Water Network

Note: For the purposes of this AMP, we have excluded the category of gravel roads since gravel roads are a perpetual maintenance asset and end of life replacement calculations do not normally apply. If gravel roads are maintained properly, they, in essence, could last forever.

For each scenario developed we have included strategies, where applicable, regarding the use of tax revenues, user fees, reserves and debt.

7.3 Tax funded assets

7.3.1 Current funding position

Tables 1 and 2 outline, by asset category, the Municipality of Oliver Paipoonge's average annual asset investment requirements, current funding positions, and funding increases required to achieve full funding on assets funded by taxes.

Table 1. Summary of Infrastructure Requirements & Current Funding Available

Asset Category	Average Annual Investment Required	2014 Annual Funding Available				Annual Deficit/Surplus
		Taxes	Gas Tax	OCIF	Total Funding Available	
Road Network	3,197,000	551,000	341,000	74,000	966,000	2,231,000
Bridges & Culverts	59,000	58,000	0	0	58,000	1,000
Storm Sewer Network	10,000	0	0	0	0	10,000
Buildings	271,000	66,000	0	0	66,000	205,000
Land Improvements	200	29,000	0	0	29,000	28,800
Machinery	129,000	149,000	0	0	149,000	20,000
Vehicles	186,000	211,000	0	0	211,000	25,000
Total	**3,852,200**	**1,064,000**	**341,000**	**74,000**	**1,479,000**	**2,373,200**

7.3.2 Recommendations for full funding

The average annual investment requirement for the above categories is $3,852,200. Annual revenue currently allocated to these assets for capital purposes is $1,479,000 leaving an annual deficit of $2,373,200. To put it another way, these infrastructure and general capital categories are currently funded at 38% of their long-term requirements.

In 2014, the Municipality of Oliver Paipoonge had annual tax revenues of $5,668,000. As illustrated in table 2, without consideration of any other sources of revenue, full funding would require the following tax change over time:

Table 2. Tax Change Required for Full Funding

Asset Category	Tax Change Required for Full Funding
Road Network	39.4%
Bridges & Culverts	0.0%
Storm Sewer Network	0.2%
Buildings	3.6%
Land Improvements	-0.5%
Machinery	-0.4%
Vehicles	-0.4%
Total	**41.9%**

As illustrated in table 9, the Municipality of Oliver Paipoonge's debt payments for these asset categories will be decreasing by $108,000 over the 5 years from 2014 to 2018 (the increase in 2015 was funded by a tax increase that year), by $509,000 from 2014 to 2023 (10 years) and, not illustrated, by $509,000 from 2014 to 2028 (15 years). Our recommendations include capturing those decreases in cost and allocating them to the infrastructure deficit outlined above.

Table 3 outlines this concept and presents a number of options:

Table 3. Effect of Reallocating Decreases in Debt Costs

	Without Reallocation of Decreasing Debt Costs			With Reallocation of Decreasing Debt Costs		
	5 Years	10 Years	15 Years	5 Years	10 Years	15 Years
Infrastructure Deficit as Outlined in Table 1	2,373,200	2,373,200	2,373,200	2,373,200	2,373,200	2,373,200
Change in Debt Costs	N/A	N/A	N/A	-108,000	-509,000	-509,000
Resulting Infrastructure Deficit	**2,572,000**	**2,572,000**	**2,572,000**	**2,265,200**	**1,864,200**	**1,864,200**
Resulting Tax Increase Required:						
Total Over Time	**41.9%**	**41.9%**	**41.9%**	**40.0%**	**32.9%**	**32.9%**
Annually	8.4%	4.2%	2.8%	8.0%	3.3%	2.2%

Considering all of the above information, we recommend the 15 year option in table 3 that includes the reallocations. This involves full funding being achieved over 15 years by:

f) when realized, reallocating the debt cost reductions of $509,000 to the infrastructure deficit as outlined above.
g) increasing tax revenues by 2.2% each year for the next 15 years solely for the purpose of phasing in full funding to the asset categories covered in this section of the AMP.
h) allocating the $341,000 of gas tax revenue as outlined in table 1.
i) allocating the $74,000 OCIF grant to the paved roads category.
j) increasing existing and future infrastructure budgets by the applicable inflation index on an annual basis in addition to the deficit phase-in.

Notes:

1. As in the past, **periodic** senior government infrastructure funding will most likely be available during the phase-in period. By Provincial AMP rules, this periodic funding cannot be incorporated into an AMP unless there are firm commitments in place. We have included OCIF formula based funding, if applicable, since this funding is a multi-year commitment.
2. We realize that raising tax revenues by the amounts recommended above for infrastructure purposes will be very difficult to do. However, considering a longer phase-in window may have even greater consequences in terms of infrastructure failure.

Although this option achieves full funding on an annual basis in 15 years and provides financial sustainability over the period modeled (to 2050), the recommendations do require prioritizing capital projects to fit the resulting annual funding available. As of 2014, age based data shows a pent up investment demand of $2,628,000 for paved roads, $0 for bridges & culverts, $0 for storm sewers, $0 for buildings, $0 for land improvements, $721,000 for machinery and $180,000 for vehicles. Prioritizing future projects will require the age based data to be replaced by condition based data. Although our recommendations include no further use of debt, the results of the condition based analysis may require otherwise.

7.4 Rate funded assets

7.4.1 Current funding position

Tables 4 and 5 outline, by asset category, the Municipality of Oliver Paipoonge's average annual asset investment requirements, current funding positions and funding increases required to achieve full funding on assets funded by rates.

Table 4. Summary of Infrastructure Requirements & Current Funding Available

Asset Category	Average Annual Investment Required	2014 Annual Funding Available				Annual Deficit/Surplus
		Rates	Less: Allocated to Operations	Other	Total Funding Available	
Sanitary Sewer Network (see note 1)	97,000	0	0	0	0	97,000
Water Network	136,000	37,000	-37,000	0	0	136,000
Total	**233,000**	**37,000**	**-37,000**	**0**	**0**	**233,000**

Note 1 - sanitary sewer network:
Presently, the Municipality of Oliver Paipoonge owns the sewage treatment plant but is not responsible for its operation. In accordance with a subdivision agreement with the developer, there needs to be a certain number of houses in the development before it is taken over by the municipality. As a result, there are presently no revenues or costs accruing to the municipality.

7.4.2 Recommendations for full funding

The average annual investment requirement for sanitary services and water services is $233,000. Annual revenue currently allocated to these assets for capital purposes is $0 leaving an annual deficit of $233,000. To put it another way, these infrastructure categories are currently funded at 0% of their long-term requirements.

In 2014, the Municipality of Oliver Paipoonge has annual sanitary revenues of $0 (see note 1) and annual water revenues of $37,000. As illustrated in table 5, without consideration of any other sources of revenue, full funding would require the following increases over time:

Table 5. Rate Increases Required for Full Funding

Asset Category	Rate Increase Required for Full Funding
Sanitary Sewer Network	N/A … see note 1
Water Network	368%

Through table 6, we have expanded the above scenario to present multiple options. Due to the significant increases required, we have provided phase-in options of up to 20 years.

Table 6. Revenue Options for Full Funding

	Sanitary Sewer Network				Water Network			
	5 Years	10 Years	15 Years	20 Years	5 Years	10 Years	15 Years	20 Years
Annual rate increase required	n/a … see note 1	n/a … see note 1	n/a … see note 1	n/a … see note 1	74%	37%	25%	18%

Considering all of the above information, we recommend the 20 year option in table 6. This involves full funding being achieved over 20 years by:

a) increasing rate revenues by 18% for water services each year for the next 20 years solely for the purpose of phasing in full funding to the water network.

b) with respect to the sanitary sewer network, the following is recommended:

1. review the existing subdivision agreement to determine if it is possible to implement a capital component in the existing fee structure that accrues to the municipality.
2. Implement the appropriate fee structures and phase-in periods when operational responsibility is transferred to the municipality.

c) increasing existing and future infrastructure budgets by the applicable inflation index on an annual basis in addition to the deficit phase-in.

Notes:

1. As in the past, **periodic** senior government infrastructure funding will most likely be available during the phase-in period. By Provincial AMP rules, this periodic funding cannot be incorporated into an AMP unless there are firm commitments in place. We have included OCIF formula based funding, if applicable, since this funding is a multi-year commitment.
2. We realize that raising rate revenues by the amounts recommended above for infrastructure purposes will be very difficult to do. However, considering a longer phase-in window may have even greater consequences in terms of infrastructure failure.
3. Any increase in rates required for operations would be in addition to the above recommendations.

Although this option achieves full funding on an annual basis in 20 years and provides financial sustainability over the period modeled (to 2050), the recommendations do require prioritizing capital projects to fit the resulting annual funding available. As of 2014, age based data shows a pent up investment demand of $0 for sanitary services and $738,000 for water services. Prioritizing future projects will require the age based data to be replaced by condition based data. Although our recommendations include no further use of debt, the results of the condition based analysis may require otherwise.

7.5 Use of debt

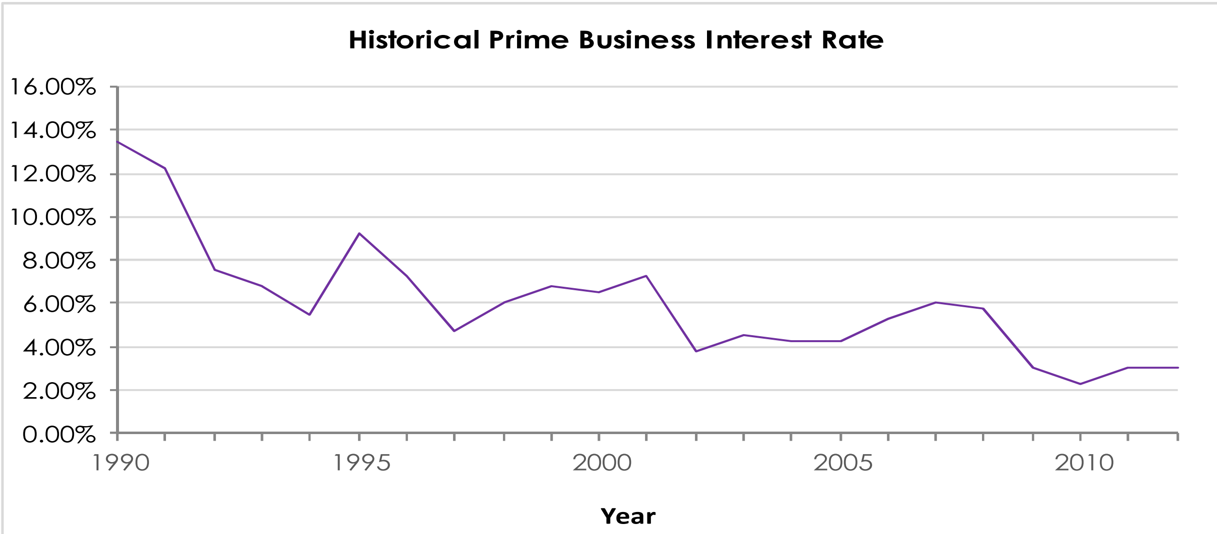
For reference purposes, table 7 outlines the premium paid on a project if financed by debt. For example, a $1M project financed at 3.0%[1] over 15 years would result in a 26% premium or $260,000 of increased costs due to interest payments. For simplicity, the table does not take into account the time value of money or the effect of inflation on delayed projects.

Table 7. Total Interest Paid as a % of Project Costs

Interest Rate	Number of Years Financed					
	5	10	15	20	25	30
7.0%	22%	42%	65%	89%	115%	142%
6.5%	20%	39%	60%	82%	105%	130%
6.0%	19%	36%	54%	74%	96%	118%
5.5%	17%	33%	49%	67%	86%	106%
5.0%	15%	30%	45%	60%	77%	95%
4.5%	14%	26%	40%	54%	69%	84%
4.0%	12%	23%	35%	47%	60%	73%
3.5%	11%	20%	30%	41%	52%	63%
3.0%	9%	17%	26%	34%	44%	53%
2.5%	8%	14%	21%	28%	36%	43%
2.0%	6%	11%	17%	22%	28%	34%
1.5%	5%	8%	12%	16%	21%	25%
1.0%	3%	6%	8%	11%	14%	16%
0.5%	2%	3%	4%	5%	7%	8%
0.0%	0%	0%	0%	0%	0%	0%

It should be noted that current interest rates are near all-time lows. Sustainable funding models that include debt need to incorporate the risk of rising interest rates. The following graph shows where historical lending rates have been:

[1] Current municipal Infrastructure Ontario rates for 15 year money is 3.2%.



As illustrated in table 7, a change in 15 year rates from 3% to 6% would change the premium from 26% to 54%. Such a change would have a significant impact on a financial plan.

Tables 8 and 9 outline how the Municipality of Oliver Paipoonge has historically used debt for investing in the asset categories as listed. There is currently $1,805,000 of debt outstanding for the assets covered by this AMP. In terms of overall debt capacity, the Municipality of Oliver Paipoonge currently has $1,805,000 of total outstanding debt and $509,000 of total annual principal and interest payment commitments. These principal and interest payments are well within its provincially prescribed annual maximum of $1,567,000.

Table 8. Overview of Use of Debt

Asset Category	Current Debt Outstanding	Use Of Debt in the Last Five Years				
		2010	2011	2012	2013	2014
Road Network	1,805,000	0	0	0	0	1,920,000
Bridges & Culverts	0	0	0	0	0	0
Storm Sewer Network	0	0	0	0	0	0
Buildings	0	0	0	0	0	0
Land Improvements	0	0	0	0	0	0
Machinery	0	0	0	0	0	0
Vehicles	0	0	0	0	0	0
Total Tax Funded	1,805,000	0	0	0	0	1,920,000
Sanitary Sewer Network	0	0	0	0	0	0
Water Network	0	0	0	0	0	0
Total rate Funded	0	0	0	0	0	0
Total AMP Debt	1,805,000	0	0	0	0	1,920,000
Non AMP Debt	0	0	0	0	0	0
Overall Total	**1,805,000**	**0**	**0**	**0**	**0**	**1,920,000**

Table 9. Overview of Debt Costs

Asset Category	Principal & Interest Payments in the Next Five Years					
	2014	2015	2016	2017	2018	2023
Road Network	126,000	509,000	519,000	530,000	401,000	0
Bridges & Culverts	0	0	0	0	0	0
Storm Sewer Network	0	0	0	0	0	0
Buildings	0	0	0	0	0	0
Local Improvements	0	0	0	0	0	0
Machinery	0	0	0	0	0	0
Vehicles	0	0	0	0	0	0
Total Tax Funded	126,000	509,000	519,000	530,000	401,000	0
Sanitary Sewer Network	0	0	0	0	0	0
Water Network	0	0	0	0	0	0
Total Rate Funded	0	0	0	0	0	0
Total Amp Debt	126,000	509,000	519,000	530,000	401,000	0
Non Amp Debt	0	0	0	0	0	0
Overall Total	**126,000**	**509,000**	**519,000**	**530,000**	**401,000**	**0**

The revenue options outlined in this plan allow the Municipality of Oliver Paipoonge to fully fund its long-term infrastructure requirements without further use of debt. However, as explained in sections 7.3.2 and 7.4.2, the recommended condition rating analysis may require otherwise.

7.6 Use of reserves

7.6.1 Available reserves

Reserves play a critical role in long-term financial planning. The benefits of having reserves available for infrastructure and general capital planning include:

- the ability to stabilize tax rates when dealing with variable and sometimes uncontrollable factors
- financing one-time or short-term investments
- accumulating the funding for significant future infrastructure investments
- managing the use of debt
- normalizing infrastructure funding requirements

By infrastructure and general capital category, table 10 outlines the details of the reserves currently available to the Municipality of Oliver Paipoonge.

Table 10. Summary of Reserves Available

Asset Category	Balance at December 31, 2014
Road Network	1,550,000
Bridges & Culverts	0
Storm Sewer Network	0
Buildings	0
Land Improvements	0
Machinery	276,000
Vehicles	0
Total Tax Funded	**1,826,000**
Water Network	18,000
Sanitary Sewer Network	0
Total Rate Funded	**18,000**

There is considerable debate in the municipal sector as to the appropriate level of reserves that a municipality should have on hand. There is no clear guideline that has gained wide acceptance. Factors that municipalities should take into account when determining their capital reserve requirements include:

- breadth of services provided
- age and condition of infrastructure
- use and level of debt
- economic conditions and outlook
- internal reserve and debt policies.

The reserves in table 10 are available for use by applicable asset categories during the phase-in period to full funding. This, coupled with the Municipality of Oliver Paipoonge's judicious use of debt in the past, allows the scenarios to assume that, if required, available reserves and debt capacity can be used for high priority and emergency infrastructure investments in the short to medium-term.

7.6.2 Recommendation

As the Municipality of Oliver Paipoonge updates its AMP and expands it to include other asset categories, we recommend that future planning should include determining what its long-term reserve balance requirements are and a plan to achieve such balances.

8.0 Appendix A: Report Card Calculations

Key Calculations

1. "Weighted, unadjusted star rating":

(% of assets in given condition) x (potential star rating)

2. "Adjusted star rating"

(weighted, unadjsted star rating) x (% of total replacement value)

3. "Overall Rating"

$$\frac{\textit{(Condition vs. Performance star rating)} + \textit{(Funding vs. Need star rating)}}{2}$$

Grade Cutoffs

1. Conditions vs Performance

Letter Grade	Star Rating
F	0
D	2
D+	2.5
C	2.9
C+	3.5
B	3.9
B+	4.5
A	4.9
A	5

2. Funding vs Need

Funding %	Star rating	Grade
0.0%	0	F
25.0%	1	F
46.0%	1.9	D
61.0%	2.9	C
76.0%	3.9	B
91.0%	4.9	A
100.0%	5	A

Road Network: Municipality of Oliver Paipoonge

1. Condition vs. Performance

Total category replacement value	$79,827,400	Segment replacement value	$78,185,304	Segment value as a % of total category replacement value	97.9%

Segment 1 (of 1)	Condition	Letter grade	Star rating	Quantity (m2) in given condition	% of Assets in given condition	Weighted, unadjusted star rating	Segment adjusted star rating
Road base, surface, and sidewalks (excludes gravel and appurtenances)	Excellent	A	5	1,016,970	77%	3.9	4.6
	Good	B	4	243,509	18%	0.7	
	Fair	C	3	45,230	3%	0.1	
	Poor	D	2	12,923	1%	0.0	
	Critical	F	1	1,139	0%	0.0	
			Totals	**1,319,771**	**100%**	**4.7**	

Category star rating	Category letter grade
4.6	B+

2. Funding vs. Need

Average annual investment required	2014 funding available	Funding percentage	Deficit/(Surplus)
$3,197,000	$966,000	30.2%	$2,231,000

Category star rating	Category letter grade
1.0	F

3. Overall Rating

Condition vs Performance star rating	Funding vs. Need star rating	Average star rating	Overall letter grade
4.6	1.0	2.8	D+

Bridges & Culverts: Municipality of Oliver Paipoonge

1. Condition vs. Performance

Total category replacement value	$3,144,323	Segment replacement value	$3,144,323	Segment value as a % of total category replacement value	100.0%

Segment 1 (of 1)	Condition	Letter grade	Star rating	Units in given condition	% of Assets in given condition	Weighted, unadjusted star rating	Segment adjusted star rating
Structures	Excellent	A	5	5	33%	1.7	4.3
	Good	B	4	9	60%	2.4	
	Fair	C	3	1	7%	0.2	
	Poor	D	2		0%	0.0	
	Critical	F	1		0%	0.0	
			Totals	**15**	**100%**	**4.3**	

Category star rating	Category letter grade
4.3	**B**

2. Funding vs. Need

Average annual investment required	2014 funding available	Funding percentage	Deficit/(Surplus)		
$59,000	$58,000	98.3%	$1,000		

Category star rating	Category letter grade
4.9	**A**

3. Overall Rating

Condition vs Performance star rating	Funding vs. Need star rating	Average star rating	Overall letter grade
4.3	4.9	4.6	**B+**

Water Network: Municipality of Oliver Paipoonge

1. Condition vs. Performance

Total category replacement value	$3,611,308		Segment replacement value	$2,784,048	Segment value as a % of total category replacement value	77.1%	
Segment 1 (of 3)	**Condition**	**Letter grade**	**Star rating**	**Quantity (m) in given condition**	**% of Assets in given condition**	**Weighted, unadjusted star rating**	**Segement adjusted star rating**
Water mains	Excellent	A	5		0%	0.00	1.9
	Good	B	4		0%	0.00	
	Fair	C	3	4,939	74%	2.21	
	Poor	D	2		0%	0.00	
	Critical	F	1	1,770	26%	0.26	
			Totals	**6,709**	**100%**	**2.47**	

Total category replacement value (excludes minor appurtenances)	$3,611,308		Segment replacement value	$572,414	Segment value as a % of total category replacement value	15.9%	
Segment 2 (of 3)	**Condition**	**Letter grade**	**Star rating**	**Units in given condition**	**% of Assets in given condition**	**Weighted, unadjusted star rating**	**Segement adjusted star rating**
Appurtenances	Excellent	A	5		0%	0.00	0.5
	Good	B	4	192	79%	3.17	
	Fair	C	3		0%	0.00	
	Poor	D	2		0%	0.00	
	Critical	F	1	50	21%	0.21	
			Totals	**242**	**100%**	**3.38**	

Total category replacement value	$3,611,308		Segment replacement value	$254,846	Segment value as a % of total category replacement value	7.1%	
Segment 3 (of 3)	**Condition**	**Letter grade**	**Star rating**	**Replacement Cost ($) in given condition**	**% of Assets in given condition**	**Weighted, unadjusted star rating**	**Segmentadjusted star rating**
Facilities	Excellent	A	5		0%	0.0	0.2
	Good	B	4	$144,541	57%	2.3	
	Fair	C	3		0%	0.0	
	Poor	D	2		0%	0.0	
	Critical	F	1	$110,305	43%	0.4	
			Totals	**$254,846**	**100%**	**2.7**	

Category star rating	Category letter grade
2.6	**D+**

2. Funding vs. Need

Average annual investment required	2014 funding available	Funding percentage	Deficit/(Surplus)
$136,000	$0	0.0%	$136,000

Category star rating	Category letter grade
0.0	**F**

3. Overall Rating

Condition vs Performance star rating	Funding vs. Need star rating	Average star rating	Overall letter grade
2.6	0.0	1.3	**F**

Sanitary Sewer Network: Municipality of Oliver Paipoonge

1. Condition vs. Performance

Total category replacement value	$3,860,573			Segment replacement value	$956,546	Segment value as a % of total category replacement value	24.8%
Segment 1 (of 2)	Condition	Letter grade	Star rating	Quantity (m) in given condition	% of Assets in given condition	Weighted, unadjusted star rating	Segement adjusted star rating
Sanitary mains	Excellent	A	5	3,556	100%	5.00	1.2
	Good	B	4		0%	0.00	
	Fair	C	3		0%	0.00	
	Poor	D	2		0%	0.00	
	Critical	F	1		0%	0.00	
			Totals	**3,556**	**100%**	**5.00**	

Total category replacement value	$3,860,573			Segment replacement value	$2,904,027	Segment value as a % of total category replacement value	75.2%
Segment 2 (of 2)	Condition	Letter grade	Star rating	Replacement Cost ($) in given condition	% of Assets in given condition	Weighted, unadjusted star rating	Segmentadjusted star rating
Facilities	Excellent	A	5		0%	0.0	3.0
	Good	B	4	$2,904,027	100%	4.0	
	Fair	C	3		0%	0.0	
	Poor	D	2		0%	0.0	
	Critical	F	1		0%	0.0	
			Totals	**$2,904,027**	**100%**	**4.0**	

Category star rating	Category letter grade
4.2	B

2. Funding vs. Need

Average annual investment required	2014 funding available	Funding percentage	Deficit/(Surplus)	Category star rating	Category letter grade
$97,000	$0	0.0%	$97,000	0.0	F

3. Overall Rating

Condition vs Performance star rating	Funding vs. Need star rating	Average star rating	Overall letter grade
4.2	0.0	2.1	D

Storm Sewer Network: Municipality of Oliver Paipoonge

1. Condition vs. Performance

Total category replacement value	$561,104		Segment replacement value	$510,208	Segment value as a % of total category replacement value	90.9%
Segment 1 (of 2)	**Condition**	**Letter grade**	**Star rating**	**Quantity (m) of assets in given condition**	**% of Assets in given condition**	**Weighted, unadjusted star rating**	**Segment adjusted star rating**
Storm sewer mains	Excellent	A	5	994	93%	4.63	4.5
	Good	B	4	80	7%	0.30	
	Fair	C	3		0%	0.00	
	Poor	D	2		0%	0.00	
	Critical	F	1		0%	0.00	
			Totals	**1,075**	**100%**	**4.93**	

Total category replacement value	$561,104		Segment replacement value	$50,896	Segment value as a % of total category replacement value	9.1%
Segment 2 (of 2)	**Condition**	**Letter grade**	**Star rating**	**Quantity in given condition**	**% of Assets in given condition**	**Weighted, unadjusted star rating**	**Segment adjusted star rating**
Catch basins	Excellent	A	5		0.0%	0.0	0.4
	Good	B	4	48	100.0%	4.0	
	Fair	C	3		0.0%	0.0	
	Poor	D	2		0.0%	0.0	
	Critical	F	1		0.0%	0.0	
			Totals	**48**	**100.0%**	**4.0**	

Category star rating	Category letter grade
4.8	B+

2. Funding vs. Need

Average annual investment required	2014 funding available	Funding percentage	Deficit/(Surplus)	Category star rating	Category letter grade
$10,000	$0	0.0%	$10,000	0.0	F

3. Overall Rating

Condition vs Performance star rating	Funding vs. Need star rating	Average star rating	Overall letter grade
4.8	0.0	2.4	D

Buildings: Municipality of Oliver Paipoonge

1. Condition vs. Performance

Total category replacement value	$13,777,205	Segment replacement value	$13,777,205	Segment value as a % of total category replacement value	100.0%

Segment 1 (of 1)	Condition	Letter grade	Star rating	Replacement Cost ($) in given condition	% of Assets in given condition	Weighted, unadjusted star rating	Segment adjusted star rating
Buildings	Excellent	A	5	211,424	2%	0.1	2.6
	Good	B	4	2,150,926	16%	0.6	
	Fair	C	3	4,008,438	29%	0.9	
	Poor	D	2	7,323,048	53%	1.1	
	Critical	F	1	83,368	1%	0.0	
			Totals	**13,777,204**	**100%**	**2.6**	

Category star rating	Category letter grade
2.6	D+

2. Funding vs. Need

Average annual investment required	2014 funding available	Funding percentage	Deficit/(Surplus)
$271,000	$66,000	24.4%	$205,000

Category star rating	Category letter grade
0.0	F

3. Overall Rating

Condition vs Performance star rating	Funding vs. Need star rating	Average star rating	Overall letter grade
2.6	0.0	1.3	F

Land Improvements: Municipality of Oliver Paipoonge

1. Condition vs. Performance

Total category replacement value	$18,095	Segment replacement value	$18,095	Segment value as a % of total category replacement value	100.0%

Segment 1 (of 1)	Condition	Letter grade	Star rating	Replacement Cost ($) in given condition	% of Assets in given condition	Weighted, unadjusted star rating	Segment adjusted star rating
Land Improvements	Excellent	A	5	18,095	100%	5.0	5.0
	Good	B	4		0%	0.0	
	Fair	C	3		0%	0.0	
	Poor	D	2		0%	0.0	
	Critical	F	1		0%	0.0	
			Totals	**18,095**	**100%**	**5.0**	

Category star rating	Category letter grade
5.0	A

2. Funding vs. Need

Average annual investment required	2014 funding available	Funding percentage	Deficit/(Surplus)		
$200	$29,000	14500.0%	-$28,800		

Category star rating	Category letter grade
5.0	A

3. Overall Rating

Condition vs Performance star rating	Funding vs. Need star rating	Average star rating	Overall letter grade
5.0	5.0	5.0	A

Machinery & Equipment: Municipality of Oliver Paipoonge

1. Condition vs. Performance

Total category replacement value	$2,382,617	Segment replacement value	$2,117,673	Segment value as a % of total category replacement value	88.9%

Segment 1 (of 1)	Condition	Letter grade	Star rating	Replacement Cost ($) in given condition	% of Assets in given condition	Weighted, unadjusted star rating	Segment adjusted star rating
Machinery & Equipment	Excellent	A	5	626,642	30%	1.5	2.6
	Good	B	4	302,383	14%	0.6	
	Fair	C	3	301,728	14%	0.4	
	Poor	D	2	20,633	1%	0.0	
	Critical	F	1	866,288	41%	0.4	
			Totals	**2,117,674**	**100%**	**2.9**	

Category star rating	Category letter grade
2.6	D+

2. Funding vs. Need

Average annual investment required	2014 funding available	Funding percentage	Deficit/(Surplus)			Category star rating	Category letter grade
$129,000	$149,000	115.5%	-$20,000			5.0	A

3. Overall Rating

Condition vs Performance star rating	Funding vs. Need star rating	Average star rating	Overall letter grade
2.6	5.0	3.8	C+

Vehicles: Municipality of Oliver Paipoonge

1. Condition vs. Performance

Total category replacement value	$3,033,842	Segment replacement value	$3,033,842	Segment value as a % of total category replacement value	100.0%

Segment 1 (of 1)	Condition	Letter grade	Star rating	Replacement Cost ($) in given condition	% of Assets in given condition	Weighted, unadjusted star rating	Segment adjusted star rating
Vehicles	Excellent	A	5	855,002	28%	1.4	3.3
	Good	B	4	789,015	26%	1.0	
	Fair	C	3	229,719	8%	0.2	
	Poor	D	2	764,131	25%	0.5	
	Critical	F	1	395,975	13%	0.1	
			Totals	**3,033,842**	**100%**	**3.3**	

Category star rating	Category letter grade
3.3	C

2. Funding vs. Need

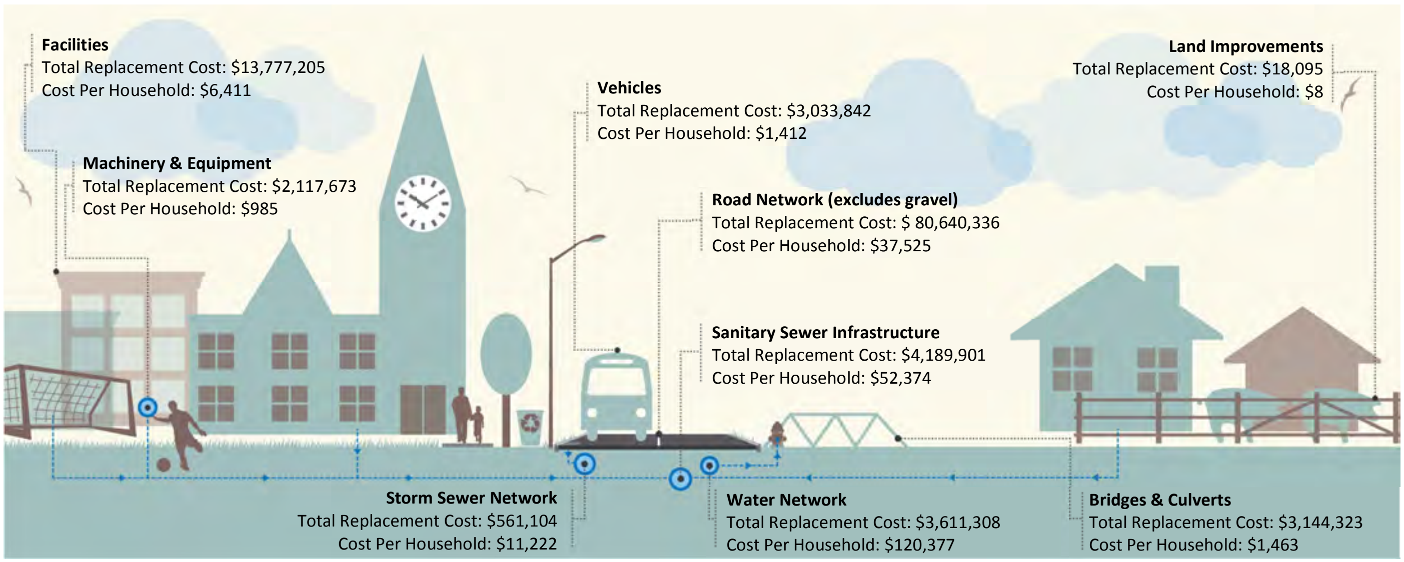
Average annual investment required	2014 funding available	Funding percentage	Deficit/(Surplus)	Category star rating	Category letter grade
$186,000	$211,000	113.4%	-$25,000	5.0	A

3. Overall Rating

Condition vs Performance star rating	Funding vs. Need star rating	Average star rating	Overall letter grade
3.3	5.0	4.2	B

Infrastructure Replacement Cost Per Household

Total: $231,777 per household



Daily Investment Required Per Household for Infrastructure Sustainability