



**Municipality of West Grey**

**2025 Updated Asset Management Plan**

**Proposed Levels of Service, Lifecycle Activities, and Funding Strategy**

**Prepared pursuant to O. Reg. 588/17**

This document builds on the Asset Management Plan 2022 for Core Assets and 2024 Non-Core Asset Management Plan. This 2025 Asset Management Plan update should be used in conjunction with the 2022 and 2024 AMPs.

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## **1. Municipal Context**

The Municipality of West Grey is a lower-tier municipality in Grey County, serving a mix of rural areas and fully serviced settlement areas of Durham and Neustadt. The Municipality owns and manages a wide range of infrastructure including:

- rural and urban roads, bridges, and culverts,
- water and wastewater systems in Durham and Neustadt,
- stormwater systems,
- municipal buildings, fleet, parks, and other non-core assets.

West Grey has an established asset management foundation:

- Core Asset Management Plan (2022)
- Non-Core Asset Management Plan (2024) approved by Council.

This update advances the Municipality to the final phase-in milestone under O. Reg. 588/17 by identifying proposed levels of service and a financial strategy for all asset categories.

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## **2. Legislative Requirements**

Under O. Reg. 588/17, by July 1, 2025, asset management plans must:

- cover core and non-core assets,
  - identify current and proposed levels of service,
  - define activities to meet proposed LOS, and
  - include a strategy to fund those activities over a minimum 10-year horizon (see Appendix A for 10-Year Capital Forecast Summary).
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## **3. Proposed Levels of Service (2025–2035)**

Proposed levels of service reflect:

- current infrastructure condition,
- regulatory obligations (e.g., Safe Drinking Water Act),
- risk tolerance of a small urban/rural municipality, and
- affordability considerations identified through West Grey’s 10-Year Capital Forecast.

### 3.1 Customer Levels of Service (Service Outcomes)

Asset Category	Proposed Customer LOS
Roads	Safe and reliable year-round access, prioritizing connectivity between settlement areas
Bridges & Culverts	Safe crossings with minimized load restrictions and service disruptions
Water (Durham & Neustadt)	Continuous supply of safe, clean drinking water meeting all provincial standards
Wastewater	Reliable collection and treatment protecting public health and the environment
Stormwater	Reduced flood risk and protection of local waterways
Facilities	Safe, accessible, and functional buildings that support service delivery
Parks & Recreation	Clean, safe, and well-maintained community spaces aligned with rural service expectations

These service outcomes align with community expectations for a predominantly rural municipality with limited urban service areas.

### 3.2 Technical Levels of Service (Performance Measures)

Examples of West Grey–specific proposed technical LOS include:

#### Roads

- Maintain  $\geq$  65–70% of roads in fair or better condition

- Continue risk-based gravel and surface treatment programs

### **Water Systems (Durham & Neustadt)**

- 100% compliance with Ministry of Environment, Conservation and Parks (MECP) regulatory requirements
- Progressive reduction in non-revenue water through targeted renewal
- Maintain adequate storage for growth and fire protection

### **Wastewater Systems**

- No unplanned environmental compliance incidents
- Planned lagoon and sewage treatment system upgrades aligned with growth forecasts

### **Facilities**

- $\geq 80\%$  of replacement value in assets rated fair or better
  - Life-safety deficiencies addressed within one budget cycle
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## **4. Activities Required to Meet Proposed Levels of Service**

Lifecycle management activities build on the existing Core (2022) and Non-Core (2024) Asset Management Plans (AMPs) and reflect West Grey's operational capacity.

### **4.1 Lifecycle Activities**

#### **Plan**

- Ongoing condition assessments using engineering inspections and desktop reviews
- Regular review of growth-related infrastructure needs in both urban and rural settings
- Integration with development charges and capital forecasting

#### **Operate & Maintain**

- Preventive maintenance for roads, bridges, facilities, and fleet
- Continued water quality monitoring under the Quality Management Policy

#### **Renew / Replace**

- Priority rehabilitation of high-risk bridges and culverts

- Phased watermain, reservoir, and pumphouse renewals
- Facility system replacements guided by the non-core AMP lifecycle modeling

### **Dispose**

- Decommissioning of surplus or obsolete assets where lifecycle replacement is not cost-effective
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## **4.2 Risk-Based Prioritization**

Projects are prioritized using:

- asset condition,
- consequence of failure (safety, regulatory, service),
- impact on settlement areas (Durham, Neustadt, Ayton and Elmwood),
- climate and extreme-weather exposure.

This approach reflects provincial best practices and recognizes West Grey's limited financial flexibility.

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## **5. Financial Strategy (2025–2035)**

### **5.1 Infrastructure Funding Gap**

Lifecycle analysis confirms that current funding levels are insufficient to sustain proposed levels of service over the long term—a condition common among small Ontario municipalities.

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### **5.2 Funding Strategy**

West Grey's funding strategy integrates multiple tools:

#### **Tax-Supported Funding**

- Gradual and predictable levy increases aligned with Council-approved fiscal strategy
- Focus on maintaining rural road and bridge safety

#### **User-Rate–Supported Systems**

- Water and wastewater rates set to achieve full lifecycle funding over time

- Continued alignment with growth-related infrastructure investments in Durham and Neustadt

### **Reserves and Reserve Funds**

- Increased reliance on asset-specific reserves
- Strategic rebuilding of reserves depleted by major renewals

### **Debt**

- Limited use of debt for long-life assets
- Compliance with provincial Annual Repayment Limit requirements

### **Grants**

- Continued leveraging of federal and provincial funding programs, including:
    - Canada Community-Building Fund (CCBF)
    - Ontario Community Infrastructure Fund (OCIF)
    - Provincial water and wastewater infrastructure programs e.g., Housing-Enabling Water System Fund (HEWSF), etc.
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## **5.3 Affordability Trade-Offs**

Where funding constraints persist, Council may:

- defer non-critical renewals,
- accept increased risk for lower-priority assets,
- adjust proposed levels of service.

These trade-offs will be reviewed annually through the budget and capital planning process, as required by O. Reg. 588/17.

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## **6. Governance, Monitoring, and Updates**

- Annual progress reviews reported to Council
  - AMP updates at least every five years
  - Public availability through the municipal website [\[westgrey.com\]](http://westgrey.com)
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## **7. Conclusion**

This updated Asset Management Plan section:

- fully satisfies O. Reg. 588/17 (proposed LOS & funding strategy),
- integrates with West Grey's existing AMPs and capital forecasts,
- supports informed Council decision-making, and
- balances service expectations with long-term affordability for a small urban/rural municipality.

**Table 1****Overall Alignment – Proposed Levels of Service to Capital Programs (2025–2035)**

<b>Asset Category</b>	<b>Proposed Level of Service (LOS)</b>	<b>Primary Capital Program in 10-Year Forecast</b>	<b>LOS Supported</b>
Roads	≥65–70% of network in Fair or Better condition; safe year-round access	Annual Asphalt Resurfacing Program; Gravel Resurfacing & Surface Treatment Program	Maintains ride quality, reduces risk of failure, supports rural connectivity
Bridges & Culverts	Safe load-rated structures with minimized closures	Bridge & Culvert Rehabilitation / Replacement Program	Structural safety, emergency access, agricultural transport
Water (Durham & Neustadt)	100% regulatory compliance; reliable supply and storage	Water System Rehabilitation & Expansion Program	Drinking water standards, growth readiness, fire protection
Wastewater	Reliable treatment with no environmental non-compliance	Wastewater System Upgrade Program	Environmental protection, public health
Stormwater	Reduced localized flooding; infrastructure protection	Stormwater System Improvements Program	Flood risk mitigation, asset protection
Facilities	≥80% of asset value in Fair or Better condition	Facility Lifecycle Renewal Program	Health & safety, service continuity
Fleet & Equipment	Reliable, safe fleet with minimized downtime	Fleet Replacement Program	Operational reliability
Parks & Recreation	Safe, accessible recreational assets	Parks & Recreation Capital Renewal Program	Community well-being

**Table 2**

## Roads – LOS Aligned to 10-Year Capital Forecast

LOS Element	Performance Target	Capital Activity	Forecast Period	Resulting Service Outcome
Road surface condition	≥65–70% Fair+	Asphalt resurfacing (urban)	Annual (Years 1–10)	Reduced roughness, safer travel
Gravel road reliability	Minimize washboarding & dust	Gravel resurfacing & spot improvements	Annual (Years 1–10)	Reliable rural access
Prevent premature failure	Extend useful life	Surface treatments	Cyclical (Years 1–10)	Lower lifecycle cost
Safety & liability	Reduce defect-related claims	Road rehabilitation projects	As prioritized	Fewer reactive repairs

**Table 3**

## Bridges & Culverts – LOS Aligned to 10-Year Capital Forecast

LOS Element	Performance Target	Capital Activity	Forecast Period	Resulting Service Outcome
Structural safety	No unsafe structures	Major bridge rehabilitation	Phased (Years 1–10)	Public safety protected
Load capacity	Minimize load restrictions	Bridge replacement	As scheduled	Agricultural & emergency access
Drainage capacity	Reduce washouts	Culvert replacements	Ongoing	Reduced flood damage

**Table 4**

## Water Systems (Durham & Neustadt) – LOS Alignment

<b>LOS Element</b>	<b>Performance Target</b>	<b>Capital Activity</b>	<b>Forecast Period</b>	<b>Resulting Service Outcome</b>
Regulatory compliance	100% MECP compliance	Treatment and pumping upgrades	Multi-year	Public health protection
Supply reliability	No extended outages	Watermain replacement	Phased	Service continuity
Storage & fire protection	Adequate reserve capacity	Reservoir rehabilitation / commissioning	Scheduled	Emergency readiness
Growth readiness	Serve planned development	System expansion projects	As required	Housing-enabling infrastructure

**Table 5**

**Wastewater Systems – LOS Alignment**

<b>LOS Element</b>	<b>Performance Target</b>	<b>Capital Activity</b>	<b>Forecast Period</b>	<b>Resulting Service Outcome</b>
Environmental compliance	Zero adverse discharges	Lagoon and process upgrades	Multi-year	Environmental protection
Capacity adequacy	Meet forecast growth	Treatment system improvements	As triggered	Growth support
Asset reliability	Reduce emergency repairs	Collection system renewal	Phased	Predictable service

**Table 6**

**Facilities, Fleet, and Other Non-Core Assets – LOS Alignment**

<b>Asset Type</b>	<b>Proposed LOS</b>	<b>Capital Program</b>	<b>Forecast Period</b>	<b>Outcome</b>
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Municipal facilities	≥80% Fair+ condition	Facility lifecycle renewals	Annual	Safe, usable buildings
Fleet	Reliable & safe vehicles	Fleet replacement cycles	Scheduled	Operational continuity
Parks & recreation	Safe & accessible amenities	Capital renewals	Phased	Community quality of life

**Table 7**

**Financial Strategy Linkage – LOS to Funding Tools**

<b>Capital Program</b>	<b>Primary Funding Source</b>	<b>LOS Risk if Underfunded</b>
Roads capital programs	Tax levy, reserves	Declining road conditions
Bridge & culvert program	Tax Levy, reserves, grants	Load limits, closures
Water capital projects	User rates, grants	Regulatory non-compliance
Wastewater upgrades	User rates, reserves	Environmental risk
Facilities renewal	Tax Levy, reserves	Health & safety liabilities

**10-Year Capital Forecast Financing Summary**

**Appendix A**

as presented at Sept. 23, 2025 Council meeting

Expenditures	2025	2026	2027	2028	2029	2030	2031	2032	2033	2034	2035
Admin*	4,045,000	10,000	10,000	10,000	10,000	10,000	10,000	10,000	10,000	10,000	10,000
Fire	1,030,858	348,000	486,500	488,000	468,000	231,000	371,000	234,000	814,000	450,000	1,145,000
Police	90,000	90,000	90,000	90,000	90,000	90,000	90,000	90,000	90,000	90,000	90,000
Street Lighting	-	-	-	-	-	-	-	-	-	-	-
Public Works Equipment/Housing	711,250	1,050,125	918,500	1,181,000	1,352,000	1,050,000	1,272,000	960,000	640,000	1,335,000	579,000
Bridges **	2,400,000	1,397,000	2,300,000	1,677,000	1,817,000	2,944,000	2,097,000	2,600,000	3,197,000	2,852,000	2,657,000
Roads	1,150,055	1,370,000	1,290,000	1,374,800	1,219,047	1,217,542	1,355,871	1,422,149	1,830,592	2,137,610	1,209,309
Sidewalks	100,000	45,925	47,303	48,722	50,184	51,689	53,240	54,837	56,482	58,177	59,922
Water	2,863,370	-	-	-	-	-	-	-	-	-	-
Sewer	375,000	-	-	-	-	-	-	-	-	-	-
Landfill/Environmental	35,000	26,380	26,380	26,380	26,380	26,380	26,380	26,380	26,380	26,380	26,380
Recreation	219,150	414,800	290,000	445,000	1,160,000	1,705,000	280,000	298,000	215,000	360,000	5,000
Planning/Econ Development	25,000	10,000	10,000	10,000	10,000	10,000	10,000	10,000	10,000	10,000	10,000
Elmwood Fire	99,000	50,000	50,000	50,000	50,000	50,000	50,000	50,000	50,000	50,000	50,000
Library	20,000	48,300	34,000	2,000	500	32,000	1,000	-	-	2,700,000	20,000
Total Expenditures	13,163,683	4,860,530	5,552,683	5,402,902	6,253,111	7,417,611	5,616,491	5,755,366	6,939,454	10,079,167	5,861,611

Financing 36,000

Tax Levy	(2,520,244)	(2,484,244)	(2,633,386)	(2,773,386)	(2,913,386)	(3,064,386)	(3,204,386)	(3,347,386)	(3,487,386)	(3,627,386)	(3,767,386)
User Fees	(695,116)	-	-	-	-	-	-	-	-	-	-
CCBF	(847,544)	(430,000)	(430,000)	(430,000)	(430,000)	(430,000)	(430,000)	(430,000)	(430,000)	(430,000)	(430,000)
OCIF annual	(1,107,808)	(900,000)	(900,000)	(900,000)	(900,000)	(900,000)	(900,000)	(900,000)	(900,000)	(900,000)	(900,000)
OCIF deferred revenue carried forward	(589,736)	-	(450,000)	-	-	(450,000)	(139,880)	(570,755)	(87,000)	(223,198)	-
Other Provincial Grants	-	-	(35,000)	-	-	-	-	-	-	-	-
Development Charges	(20,000)	(137,098)	(93,750)	(62,250)	(62,250)	(62,250)	(62,250)	(62,250)	(62,250)	(721,055)	(62,250)
Reserves	(683,000)	(259,053)	(391,000)	(50,000)	(50,000)	(537,000)	(40,000)	(50,000)	(733,000)	(385,000)	(360,000)
Other Municipalities	(37,620)	-	-	-	-	-	-	-	-	-	-
Trade-ins/Sales	(133,125)	(32,000)	(74,000)	(80,000)	(20,000)	(40,000)	(70,000)	(40,000)	(20,000)	(80,000)	(20,000)
Borrowing	(6,529,490)	-	-	-	-	-	-	-	(580,000)	-	-
Total Financing	(13,163,683)	(4,242,395)	(5,007,136)	(4,295,636)	(4,375,636)	(5,483,636)	(4,846,516)	(5,400,391)	(6,299,636)	(6,366,639)	(5,539,636)

Preliminary capital tax levy increase excluding growth for bridges 618,135 545,547 1,107,266 1,877,475 1,933,975 769,975 354,975 639,818 3,712,528 321,975

4.42

\*the \$176,000 tax levy used for construction of the police station has been transferred to operating going forward for loan payments.  
 \*\*includes a 1% tax levy increase from growth estimated at \$140,000 dedicated to bridges as per the Bridge Financing Strategy