

Appendix B - Infrastructure Funding Gaps

*Optimal renewal investment needs: the annual funding required to replace or rehabilitate infrastructure assets at the most cost-effective point in their lifecycle, based on asset management modelling.

**Average (of the 10 years) of the level of investment in asset renewal in the ten-year capital program

***Infrastructure fundings gap: annual renewal funding shortfall

Region of Waterloo	
*Optimal Renewal Investment Needs	\$321.5M
**The annual average level of investment in asset renewal	\$233.9M
***Infrastructure Funding Gap	\$87.6M

This analysis assumes that, beginning in 2027, 60% of GRT replacement bus costs required to maintain existing service levels will be funded through the Canada Public Transit Fund (CPTF) Metro-Region Agreement. This is consistent with historical funding patterns, as replacement buses have received more than 80% senior government funding under the Investing in Canada Infrastructure Program (ICIP), which formed part of the federal Investing in Canada Plan announced in Budget 2016. If this funding is not announced as anticipated, the Region's infrastructure gap would increase by \$17.5 million. In that event, the Region would need to fund or reallocate capital capacity to fleet replacement starting in 2027.

Water	
*Optimal Renewal Investment Needs	\$54.7M
**The annual average level of investment in asset renewal	\$31.5M
***Infrastructure Funding Gap	\$23.2M

Wastewater	
*Optimal Renewal Investment Needs	\$57.5M
**The annual average level of investment in asset renewal	\$36.3M
***Infrastructure Funding Gap	\$21.2M

Transportation	
*Optimal Renewal Investment Needs	\$90.5M
**The annual average level of investment in asset renewal	\$70.1M
***Infrastructure Funding Gap	\$20.4M

Transit (GRT)	
*Optimal Renewal Investment Needs	\$36.7M
**The annual average level of investment in asset renewal	\$37.1M
***Infrastructure Funding Gap	-\$0.4M

Waste Management	
*Optimal Renewal Investment Needs	\$15.2M
**The annual average level of investment in asset renewal	\$11.5M
***Infrastructure Funding Gap	\$3.7M

Airport	
*Optimal Renewal Investment Needs	\$7.8M
**The annual average level of investment in asset renewal	\$3.3M
***Infrastructure Funding Gap	\$4.5M

Facilities	
*Optimal Renewal Investment Needs	\$52.4M
**The annual average level of investment in asset renewal	\$37.4M
***Infrastructure Funding Gap	\$15.0M

Corporate Services - Fleet	
*Optimal Renewal Investment Needs	\$6.7M
**The annual average level of investment in asset renewal	\$6.7M
***Infrastructure Funding Gap	\$0M