

November 10, 2025

The Regional Municipality of Peel  
10 Peel Centre Dr.,  
Brampton, ON L6T 4B9

Attn: Gary Kent  
Chief Administrative Officer

Davinder Valeri  
Chief Financial Officer and Commissioner of Corporate Services

Julie Pittini  
Senior Director, Treasury Services and Deputy Treasurer

Dear Sirs and Mesdames:

This is a submission by the undersigned in response to a request for comments in respect of the proposed *Water and Wastewater Public Corporations Act, 2025* ("WWPC Act"). We represent the underwriting syndicates for those Ontario municipalities that have, for decades, issued debentures in the capital markets. The total amount of debenture obligations issued over that time is in the billions, almost C\$25 billion of which remain outstanding.

Of those outstanding debenture obligations, a very large component relates to the long-term financing of water and wastewater infrastructure projects with 10-year, 20-year, and 30-year maturities. Those debentures include securities issued by regional municipalities for and on behalf of their constituent lower-tier municipalities that under the provisions of the *Municipal Act, 2001* ("Municipal Act") do not have the power to issue debentures on their own behalf. In any event such debentures constitute direct obligations of the lower-tier municipalities.

Under the proposed WWPC Act the council of a lower-tier municipality prescribed by the regulations shall, by the date specified therein, make by-laws "transferring ... liabilities, rights and obligations of the municipality ... to a water and wastewater public corporation" incorporated under the *Business Corporations Act* "for the purpose of providing water and sewage services." According to the proposed WWPC Act such a by-law will be referred to as a "transfer by-law". We are advised that the proposed water/wastewater regime is similar to that contained in the *Electricity Act, 1998* which includes a provision that remains in effect today. That section provides that "a transfer by-law may not transfer any liabilities, rights or obligations arising under a debenture issued or authorized to be issued by a municipal corporation" (subsection 145(2) of the *Electricity Act, 1998*). That provision was essential in maintaining investor confidence in the new electricity regime.

Unfortunately, it appears that a similar provision has not been included in the proposed WWPC Act. We assume that omission was inadvertent. Certainty and continuity are key to investor confidence in the capital markets. We believe that it is imperative that outstanding debentures issued by regional municipalities for and on behalf of lower-tier municipalities that may be prescribed pursuant to the WWPC Act remain unaffected by the provisions regarding the assignment of the lower-tier municipalities' liabilities, rights and/or obligations.

In the past Ontario regional municipalities have been able to readily access the debt capital markets to finance all of their water and sewage infrastructure requirements, as well as those of their lower-tier municipalities by issuing long-term debentures, at very competitive and efficient costs of borrowing. At present it is our collective view that the uncertainty surrounding the new legislation could make such financing much more challenging.

Without the above-referenced protection contained in the *Electricity Act, 1998* there is a risk that investors may well perceive greater risk and demand higher interest rates or avoid the market entirely, neither of which would be helpful to the expansion and maintenance of the province's municipal water and sewage infrastructure.

If you have any questions, please feel free to contact any of the undersigned.

Yours very truly,

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	 <hr/> <b>Roger Casgrain</b> Executive Vice President Casgrain & Company Ltd.
	 <hr/> <b>Martin Corbeil</b> Managing Director & Head of Canadian Government Finance CIBC Capital Markets
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