

REGIONAL DISTRICT OF OKANAGAN-SIMILKAMEEN BOARD POLICY

POLICY: **ASSET MANAGEMENT POLICY**

AUTHORITY: Board Resolution dated August 3, 2023.

1.0 POLICY STATEMENT

The Regional District of Okanagan-Similkameen (RDOS) provides a wide range of regional, sub-regional and local services that require the ownership and responsible operations, maintenance, renewal, upgrade and/or disposal of Assets including land, buildings, equipment, vehicles, potable water and waste water infrastructure, parks and recreation facilities, telecommunications, marine facilities, and various land improvements.

Asset Management is an integrated approach involving all RDOS departments and service areas to effectively manage existing and new *Assets* to maximize benefits, reduce risk and provide satisfactory *Levels of Service* to community users in a socially, environmentally, economically and culturally sustainable manner.

2.0 PURPOSE

- 2.1 To set out the overall objectives and direction for carrying out Asset Management practices in a coordinated and sustainable method that supports the RDOS corporate goals and objectives in the management of its assets to:
- a. Complete and maintain a structured asset management inventory of current infrastructure and natural assets including condition and replacement costs;
 - b. Identify the appropriate level of service to meet the community's current and future needs;
 - c. Review asset risk and tolerance to a range of hazards;
 - d. Develop structured financial policies to support ongoing asset management and end of life replacement;
 - e. Ensure that the policy and supporting strategy are adopted across the whole of the organization in an integrated fashion;
 - f. Manage and regularly update the necessary data as a part of ongoing operational activities;
 - g. Ensure that assets are managed in a way that supports regional priorities.
 - h. Address climate change adaptation; and
 - i. Principals of the Climate Action Charter.

2.2 This will:

- a. Improve decision-making accountability and transparency;
- b. Demonstrate the long-term consequences of short-term decisions;
- c. Determine full life cycle costs on infrastructure investment decisions for acceptable levels of service outcomes;
- d. Ensure all regulatory and applicable industry standards are met; and
- e. Improve customer service.

3.0 DEFINITIONS

Assets

- A **physical infrastructure asset** provides a service to the community and requires maintenance in order to maintain its service capacity over its anticipated life span. Physical infrastructure assets can include anything from water systems to parks picnic shelters to fire halls, where the key components provide a community service such as clean air, water and waste management, or social benefits such as recreation.
- A **natural asset** is a naturally occurring land or subsurface feature which performs or supports service delivery. Natural assets provide important habitat and ecosystem services. This category also includes person-made and restorative (biomimicry) features that mimic naturally occurring features (e.g. ditches, ponds, wetlands and vegetated areas). If these assets did not exist, physical infrastructure assets would be required to provide these services.

Levels of Service

- Levels of Service reflect the social and economic goals of the community and may include any of the following parameters: availability, quality, reliability, responsiveness, environmental acceptability, safety, legislative compliance and cost effectiveness. The defined Levels of Service are any combination of the above parameters deemed important by the RDOS.

Asset Management

- Asset Management (AM) is the systematic approach that encompasses all aspects of the management of RDOS assets using sound technical, social and economic principles that considers present and future needs of the served customers and communities

Asset Management Program

- The Asset Management Program relies on three key organizational components integrated to achieve the desired service outcomes:
 - a. Up-to-date information regarding the inventory, condition and capacity of infrastructure assets;
 - b. Well-planned and integrated strategies, focused on the purpose of the asset systems and ongoing maintenance to meet service level needs; and

- c. Adequate staff resources with the appropriate training and capacity (integrated business processes).
- These components, supported by appropriate administration, technologies and tools, will provide a robust foundation for the necessary management and maintenance of assets required for appropriate service delivery.

4.0 RESPONSIBILITIES

4.1 It is the responsibility of the Board to:

- a. Approve asset management policy;
- b. Articulate community values and define priorities;
- c. Approve funding and resources to implement the AM policy and associated requirements; and
- d. Approve asset funding through multi-year and long-range financial plans.

4.2 It is the responsibility of the Asset Management Committee to lead the implementation of the AM policy across the RDOS.

4.3 It is the responsibility of the Departmental Managers to lead the adoption of the AM Policy within their departments and to allocate appropriate resources to its implementation and associated requirements.

4.4 It is the responsibility of all staff involved in the application of asset management to observe the requirements of the AM policy.

5.0 SCOPE

5.1 The RDOS owns a wide range of asset types that deliver services to the people of the RDOS. Each year the RDOS may receive or construct new assets. In addition, the RDOS may rely on natural assets or other assets that it does not own, in order to deliver services. This Asset Management Policy applies to the assets owned by the RDOS. Where service provision is supported by other assets not owned by the RDOS, we will work collaboratively with those asset owners and promote the principles outlined in this Policy.

5.2 The RDOS recognizes the importance of natural assets and will include these in its inventories and asset management practices. Examples include water bodies, trees, grass lands, riparian areas, wetlands and wildlife corridors.

5.3 Table 1 summarizes the services that the RDOS provides, and gives examples of the asset groups and asset types owned by the RDOS that support the delivery of those services:

TABLE 1

Examples of services provided to the community (not an exhaustive list)	Examples of asset groups (not an exhaustive list)	Examples of asset types (not an exhaustive list)
Potable water supply and treatment	Water infrastructure	Wells, dams, pump stations, treatment systems, reservoirs, pipes, natural assets
Wastewater collection and treatment	Sewer infrastructure	Pipes, lift stations, manholes, natural assets, treatment plants
Waste management	Landfills	Scales, equipment, buildings, leachate pond
Flood protection	Drainage infrastructure	Pipes, culverts, chambers, natural assets
Parks and recreation	Parks infrastructure	Playfields, playgrounds, trails, natural assets, campgrounds, cemeteries
Civic facilities	Buildings	Civic offices, public works yard, fire halls, recreational and cultural buildings
Vehicles	Emergency response, utilities, solid waste, parks	Fire trucks, heavy equipment, snow ploughs, pickup trucks
Support for departments to serve the community	IT infrastructure	Hardware, SCADA, telemetry, communication equipment, emergency telecommunications

6.0 POLICY

The following statements of principle will define a high-level approach to AM and will directly influence staff decision-making throughout all levels of the RDOS.

6.1 Service Delivery to Customers

- a. The RDOS will clearly define level of service objectives that balance community expectations and regulatory requirements with risk, affordability and available resources, and will do the following:
 - i. Manage assets appropriately in order to efficiently and effectively deliver the defined levels of service.
 - ii. Monitor and periodically review level of service objectives to ensure that they meet or support community and the Board's expectations and other strategic objectives.
- b. The RDOS will ensure transparency and accountability to the community on service delivery. This will include regular communications to the Board to share information on service performance as well as technical information such as asset condition.

- c. The RDOS will comply with all relevant legislative, regulatory and statutory requirements.
- d. The RDOS will implement an AM system that incorporates risk-based and information-driven decision-making frameworks that appropriately consider the potential impacts of asset failure on ongoing service delivery.
- e. The RDOS will ensure that decisions regarding the need for new assets are made with appropriate due diligence; and that these needs are evaluated with a focus on service delivery to the community, and supported with a valid business case that articulates costs and benefits.

6.2 Long-Term Sustainability and Resilience

- a. The RDOS's asset management decision-making will consider the needs of both current and future generations and the potential challenges associated with changing community demographics and expectations related to service delivery, as well as potential modifications to legislative requirements.
- b. The RDOS's asset management decision-making will consider the potential effects of climate change and other environmental changes, and how the increased severity and frequency of climatic events may directly affect levels of service. Where appropriate, the RDOS will adopt a proactive approach to mitigating the potential impacts of climate change.
- c. The RDOS will consider socio-cultural, environmental and economic factors and implications when making and implementing asset management decisions.

6.3 Integrated Decision Making

- a. To support asset management decision-making, the RDOS will utilize its asset management software to connect the appropriate departments, functions and support activities in order to build effective working relationships and encourage information-sharing between all departments and other strategic planning functions.
- b. Asset management decision-making will drive optimum value for the community by focusing on the "big picture". The RDOS will therefore ensure that decisions are made collaboratively and consider all life-cycle stages and the interrelationships between asset performance, operational performance and overall service performance.
- c. Decision-making will also recognize the interconnected nature of asset systems and how decisions about one set of assets may potentially interact with or affect assets controlled by other departments or functions

6.4 Fiscal Responsibility and Asset Management Decision-Making

- a. The RDOS will develop and maintain appropriate plans for infrastructure renewal, for the purchase or construction of new infrastructure and for the decommissioning of redundant infrastructure. This includes:
 - i. Developing long-term projections of investment needs.
 - ii. Applying rigorous analysis, including consideration of risk, to identify short-term investment needs.

- iii. Implementing processes to ensure that proposed investment plans address needs efficiently and effectively.
 - iv. Implementing processes to address the operational budget implications of capital investments.
 - v. Exploring efficiency opportunities where appropriate, including new technologies.
 - vi. Analyzing investment plans and associated funding requirements and putting in place mechanisms to ensure long-term financial sustainability.
- b. The RDOS will evaluate relevant asset investment decisions based on consideration of the whole-life costs associated with managing those assets through their entire life cycle
 - c. The RDOS will develop prioritized capital investment plans that reflect community and stakeholder expectations with regards to level of service and other strategic objectives.
 - d. The RDOS will evaluate the magnitude, nature and overall balance of investment plans considering the aggregate value derived for the community, affordability, willingness to pay and intergenerational equity.

6.5 Asset Registry

- a. The RDOS will utilize Asset Management software to establish and maintain a detailed asset registry to include data on, at a minimum, the historical cost, locations and relevant GIS data, expected useful lives, replacement costs and conditions of RDOS's Assets.

6.6 Levels of Service

- a. Following generally accepted asset management methodologies, RDOS will establish, define and continually refine Levels of Service for RDOS's Assets that consider the reasonable expectations of citizens of RDOS and what they are willing to pay for the service, intergenerational equity, and the capacity of RDOS to sustain the Levels of Service;
- b. At a minimum the established Levels of Service shall meet all legislative, regulatory and statutory requirements;
- c. Levels of Service alternative options and associated costs will be included in individual service Asset Management Plans; and
- d. Levels of Service for RDOS Assets will gradually be developed, documented and approved by resolution of the Board.

6.7 Innovation and Continual Improvement

- a. The RDOS views continual improvement as a key part of our asset management approach and will focus on driving innovation in the development of tools, techniques and solutions.
- b. The RDOS will monitor and periodically review the effectiveness of asset management processes and the wider asset management system in supporting the delivery of strategic objectives and will make adjustments as required.
- c. The RDOS will assess the asset management competencies required to implement the AM system and provide the necessary support, education and training to staff utilizing AM.

- d. The RDOS will review the Asset Management Policy in conjunction with its review of the asset management strategy, every three to four years.

7.0 RELATED DOCUMENTS

7.1 Tangible Capital Asset Policy

7.2 Departmental Levels of Service Framework (To be developed later)