



**INFRASTRUCTURE ASSET MANAGEMENT ALBERTA
WORKING GROUP
FEBRUARY 11, 2015
WORKSHOP MEETING
MEETING NOTES**

In Attendance: Russell Crook, James Friesen, Elena Loukin, Christina Parkins, Ian Perry, Scott Sillers, and Rick Wojtkiw

Notes: Candace Coombs

Absent: Matt Dow, Lam Huynh, Joline McFarlane, Joel Sanchez, Eduardo Sosa and Christine Whalen

1. Welcome

Russell Crook welcomed everyone attending this workshop meeting and called the meeting to order at 9:08 am.

2. Workshop Overview

a. Introductions

Russell Crook provided an introduction about Infrastructure Asset Management Alberta (IAMA) and asked those forming the working group for a round of introductions with their name and municipality they are representing. Russell advised those in attendance to be sure to sign in or initial on the attendance sheet being passed around.

b. IAMA Activity Update

Russell Crook informed those in attendance that this working group meets monthly via teleconference to plan these in-person workshops. There are three in-person workshops each year, typically in February, June and October. IAMA, through GFOA, has received a grant in the amount of \$19,680 to fund the new website and administrative support for 2014-2016. To date, \$8,028 has been spent: \$4,725 for the new website and \$3,303 for administrative support (April-December/14). This leaves a balance of grant funds remaining at \$11,652 for 2015 and a portion of 2016.

c. Website – www.assetmanagementab.ca

Russell Crook advised that although Joline McFarlane was not able to attend today's workshop, she did provide an update about the website. Currently, the in-

person workshops have a limit of 60 attendees. Russell reminded everyone about the RSVP feature on the website and asked that everyone should use the RSVP option when committing to attend. If anyone is unable to attend once they have RSVP'd, please be sure to either let Candace Coombs know (go to website under **Contact**) they cannot attend or go to the RSVP section under **Events+** and remove their name from the RSVP list. This frees up spots for others that would still like to attend where the workshop has been filled. This also greatly assists with planning for room setup and catering requirements.

There is also an email link there for anyone wanting to reach the IAMA working group or Candace Coombs with questions or requests: info@assetmanagementab.ca.

Presentations from workshop meetings will be uploaded to the website after each workshop has concluded. Past workshops meeting notes and presentations can also be found in this area (**Events+**). Meeting Notes from each teleconference meeting can also be found on the website.

Another new addition to the website is the **Forum**. In order to participate in Forum discussions, you must first sign up for an account (see home page on the website) before you can Log In to participate in discussions.

If you know of someone who would like to be added to our mailing list to be notified about future workshops, there is also a sign up for the mailing list on the home page of the website.

Our next in-person workshop is scheduled for June 10th at the CrossRoads Church.

3. Utilities Asset Management Framework

Russell Crook advised due to a scheduling issue, the morning portion of the Agenda will be switched up a bit. Russell introduced Elena Loukin, Infrastructure Management Engineer with the Utilities department of Strathcona County since 2002 as the first speaker. Elena has played a significant role in the development of their Utilities Asset Management system. Elena lead the development of the Utilities Asset Management Framework, a guiding document that outlines the major tasks Utilities needs to complete to advance in effective Asset Management, evaluate past progress and identify areas of future focus. Elena will be sharing this Framework with us today.

Challenges:

- rapid growth
- stringent requirements
- sustainable service – current/future residents

From a reactive to a proactive approach with integrated systems and sophisticated tools.

Strategic Plan	2013
Corporate Business Plan	2015
Department Business Plans	2015-2018

There are five questions that need to be asked:

1. Current state/condition of assets
 - Inventory condition
 - Spatial inventory (maps) for day-to-day operations
 - Water mains 90 years
 - Wastewater 70 years
 - Storm water 70 years
 - Expected useful life
 - Average age of utilities is 24-28 years old
 - 5% of assets are greater than 50 years old
 - colour indicates priority (red=high and purple=low)
 - review numbers every 5 years
 - Value and replacement cost
 - Total replacement cost for 2013 was \$1,461,000,000
 - refine replacement costs
 -
2. Sustainable levels of service
 - Levels of Service statements were developed
 - plan/design/construct
 - inspect/monitor/access
 - maintain
 - rehabilitate
 - replace
 - continue to develop Levels of Service statements for all utilities
 - enhance performance tracking to ensure efficiency
3. Critical assets
 - Identify critical assets (imperative to system performance)
 - Rate by risk assessment
 - 99% low risk <3
 - <1% moderate risk 3-7
 - <0.5% high risk >7
4. Maximum life cycle

- Identify minimum life cycle
 - Construction
 - Operation
 - Maintenance
 - Rehabilitation
 - Replacement
- Asset renewal strategy
 - Comprehensive with practical guidelines
 - Long term renewal planning
 - Prioritize asset renewal and future investment

The key to a successful asset renewal strategy is supporting policy.

- Budget forecasting
- Determine most effective options using advanced tools

5. Long Term Funding Plan

- Future capital investment requirements guided by the Asset Renewal strategy
- 5-year capital budget developed annually
- future 30-year plan
 - *see graph – major replacement begins in 35 years

The *good* news is we have time. The *bad* news is it will take a significant investment.

Develop a long-term funding plan to ensure sufficient resources for infrastructure renewal.

Summary

- inventory
- historical value
- asset management tool (VUE Works)
- asset management practices
- workflow
- adequate capacity
- risk exposure
- asset renewal strategy
- future capital investment
- long term infrastructure funding plan

Russell Crook thanked Elena Loukin and asked for any questions on her presentation.

Coffee break from 10:25 am to 10:45 am

4. Home-Spun Asset Management System

Russell Crook introduced Sheila Kitz, CAO of St. Paul County since April of 2009. Sheila has 15 years of municipal experience. Her other roles have included: CAO for the Town of Two Hills, Finance Officer for the town of Vegreville and Assistant CAO for the County of Two Hills. Sheila has played a significant role in the development of TCA programs at 4 different municipalities and has used this information at the County of St. Paul to bring the Asset Management process there. At the County of St. Paul, the Asset Management program began with a project with Urban Systems to begin a working relationship with the company. It has been a growing project over the last 5 years, which the County is excited to share with the provincial Asset Management group here today.

The County of St. Paul has 6,000 residents and the challenges faced by smaller municipalities. Sheila added the County ran into data integrity problems with their GIS system (initially was with TELUS). The steps were to tie TCA to Asset Management, tie linear to GIS and then developing a policy on roads.

Sheila Kitz introduced Golnaz Azimi, Community Infrastructure Consultant with Urban Systems) and Kurt Hartman, Chief Technology Officer with Accurate Assessment, who will each take a turn with this presentation from both perspectives.

Accurate Assessment developed a new GIS database. Urban Systems refined the system.

The process began with identifying challenges:

6. Community resilience
7. Assessment management – Looking to the future and planning for it.
 - Future
 - Proactive
 - Preparedness

* refer to slide on TCA versus Asset Management

A very dynamic plan started to evolve...

Asset Management Tools:

- Own?
- Worth?
- Condition?
- Replacement/rehabilitate/repair?
- Infrastructure deficit?
- Average life cycle investment?
- Sustainability gap?

Asset Management Investment Plan

1. Input data
 - Develop GIS database
 - Import from existing GIS (TELUS) and TCA
2. Assessment
 - Detailed assessment and life cycle cost of infrastructure
 - To be used by managers and utility operators
3. Summary
 - Summarize all infrastructure
 - To be used for financial planning and decision making

Developing a policy on roads

It is a complicated process to cancel old road plans and issue new ones. High precision GPS units were used to determine underground infrastructure inventory. A “1- mile identifier” is imperative on roads.

* Refer to flowchart aligning the Asset Management Infrastructure Plan to Long Term Financial Planning.

Who was involved?

1. County Managers and Administration:
 - Policy/plan developed
 - GIS and TCA preparation
2. Council:
 - Decision making
3. Accurate Assessment and Urban Systems:
 - GIS database development (enter once, use many times) and management

Russell Crook thanked Sheila Kitz, Golnaz Azimi and Kurt Hartman and asked for any questions on their presentation. Lots of questions arose from this presentation.

Lunch break from 11:50 am to 12:54 pm

5. How to Develop an Asset Management Policy – Round Table Discussion

Russell Crook introduced Sebastian Lampo, Manager of Financial Services with KPMG, who acted as Facilitator today. **The notes that follow have been compiled into a separate document called “Developing a CAM Policy.” This document can also be found on the IAMA website.**

Workshop participants were asked to form into smaller groups (total of 4 groups were formed) and choose a spokesperson for each group. A list of questions were circulated to each group with instructions on how to proceed. Once each group completed each answer, the spokesperson for each group would recap their findings.

These questions were timed so that all questions would get answered during the round table discussion. Elena Loukin took additional flipchart notes as ideas came out of the round table discussion.

The conversation started with “What is the difference between an AM Policy and an AM Plan?”

The list of questions and responses answered in the round table discussion:

1. What is an asset management policy?

- Long term, high level document to take to Council for approval
- objectives/purpose/scope/timeframes
- defines the “what”
- supportive statement
- *buy-in* of Council commitment to fund
- framework guiding vision for AM planning for future
- approved formalized docs for direction
- corporate consistency
- cannot communicate with the public

2. What is an asset management plan?

- administrative document
- staged implementation
- defines the “how”
- determine asset management
- overall current realities
- framework to execute/facilitate AM policy
- revisited/revised each year
- not just administrative
- can communicate with the public

3. What should a Corporate Asset Management Policy include?

- a. What are the key sections in a CAM Policy?
 - objectives/purpose
 - responsibilities (various departments)
 - clarity and focus
- b. What topics should be covered?
 - scope/principles
 - levels of sophistication
- c. What documents should be referenced?
 - GMSS

- business plan(s)
- strategic plan
- funding
- TCA policy
- engineering assessments
- risk management policy
- location of assets
- budget

4. How to develop a Corporate Asset Management Policy?

a. Who should be involved? (holistic approach)

- key departments:
 - engineering
 - operations
 - finance
 - risk management
 - IT?
 - GIS
 - Communications
 - Department managers
 - CAO-CFO
 - Council reps
 - Steering committee (cross section)

b. Who should lead the development? (dependent on size of organization)

- dedicated team of asset managers
- consultants
- *director* level
- *AM coordinator*
- CAO
- External facilitator
- Who is your champion? (small municipalities)

c. What inputs are required to develop the policy?

- governance structure
- create the culture
 - presentations on Asset Management
 - getting the message out
 - communication/stakeholder strategy

5. How to communicate around the CAM Policy?

a. What stakeholders do you need to interact with?

- Planners (growth strategy)

- anyone with a vested interest
 - not the public
 - tailor messages to various stakeholders
 - internal (different units within government)
 - Stakeholders:
 - better information to make decisions
 - gradually increase the tenders
- b. What is the best method to reach them?
- c. What message do you want to spread or what input is sought?
- purpose
 - potential impact on staff
 - understand LOS and costs
 - manage expectations
 - purpose
- d. What is the most effective way of communicating?
- staff meeting
 - newsletter
 - internet site
 - *lunch & learn*
 - community of practice
 - breakfast meeting
 - bulletin boards
 - town hall meetings
 -

6. Key Challenges for implementation?

- a. In CAMP or other policy implementation, what are obstacles you have faced?
- organizational silos
 - try to get “buy-in”
 - bringing together
 - maintaining engagement from different departments
- b. What are lessons learned?

Reference resources

- **AM BC Policy Guide**
<http://www.civicinfo.bc.ca/Library/Asset Management/Tools and Resources/Guide to Developing a Municipal Asset Management Policy DRAFT--LGAMWG--October 2009.pdf>
- **MFOA Financial AM Planning & Templates**

<http://www.mfoa.on.ca/asset-management#policy>

Example Policies

- Ottawa:

http://documents.ottawa.ca/sites/documents.ottawa.ca/files/documents/cam_policy_en_1.pdf

- Calgary:

<http://www.calgary.ca/CS/IIS/Pages/Asset-Management-Policies.aspx>

- Red Deer:

<https://www.civicinfo.bc.ca/Library/Asset Management/Tools and Resources/Enterprise Asset Management Program Policy--Red Deer AB--March 16 2010.pdf>

Russell Crook thanked Sebastian Lampo for facilitating the round table discussion and asked for any questions on their presentation.

6. Wrap-up and Next Meeting

Russell Crook advised that with this presentation the workshop meeting has concluded. Russell advised the theme for the June 10th workshop meeting could be around TCA.

7. Adjournment

The meeting was adjourned at 2:55 pm.