qathet
REGIONAL DISTRICT

SECTION 3	**FINANCIAL POLICIES**
POLICY	**3.14**
SUBJECT	**ASSET MANAGEMENT**
ADOPTED	**NOVEMBER 24, 2016**
AMENDED	**APRIL 25, 2019**

1. POLICY STATEMENT:

qathet Regional District (qRD) 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, marine facilities, and various land improvements.

Asset Management is an integrated approach, involving all qRD departments, to deliver value to our communities through the effective management of existing and new *Assets*. The intent is to maximize benefit, manage risk and provide satisfactory *Levels of Service* to our communities in a socially, environmentally, economically and culturally responsible way. Good asset management practices are fundamental to achieving sustainable and resilient communities.

This Asset Management Policy is a critical piece of the *Legislative Framework* for the qRD's asset management program.

2. DEFINITIONS:

2.1 **Asset Management** - An integrated approach involving planning, finance, engineering, operations and emergency services 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.

2.2 **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. A **natural asset** is a naturally occurring land or subsurface feature which performs or supports service delivery (e.g., the Myrtle Pond Water System aquifer, which filters and stores water, and the creeks and streams within the parks, which convey and treat storm water run-off and vegetated areas which

exchange carbon). Natural assets provide important habitat and ecosystem services. This category also includes man-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.

2.3 **Legislative Framework –** The Legislative Framework for qRD's asset management program includes, but is not limited to this Asset Management Policy, the Asset Management Strategy, the Asset Management Toolkit (to include an asset management process, risk management and levels of service frameworks and performance measures, and various asset management procedural tools and forms), and Individual Service Asset Management Plans.

2.4 **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 qRD.

3. PURPOSE:

The purpose of this policy is to:

a) Establish responsible governance for the practice of *Asset Management* by qRD;

b) Document qRD's commitment to *Asset Management* and the continuous improvement (measured progress) of qRD's asset management program;

c) Define guiding principles for the development and integration of qRD's asset management program; and

d) Delineate the roles and responsibilities for the delivery of qRD's asset management program.

4. SCOPE:

4.1 **Personnel -** This policy applies to all qRD departments, employees, volunteers, contractors and elected officials.

4.2 **Assets -** This policy applies to all existing and new *Assets* owned, managed or used by the qRD to provide services.

5. GUIDING PRINCIPLES

5.1 **Program to Manage *Assets***

a) qRD is committed to the establishment, implementation and maintenance of a systematic and robust asset management program to ensure that *Assets* are identified, located, quantified, planned, built, operated, maintained, rehabilitated and decommissioned in a socially, environmentally, economically and culturally responsible way;

b) qRD will maintain the necessary capacity (including, but not limited to resourcing, financial support, staff competencies, business processes, data and integrated information systems) to support the elements and practices of qRD's asset management program;

c) qRD will continually measure the performance and effectiveness of its asset management program and achievement of *Levels of Service*, and will adjust as required;

d) *Levels of Service* and risk consequences will be analyzed and communicated to the Board when considering new *Assets* or the renewal, upgrade or disposal of *Assets*; and

e) The status, effectiveness and performance of work related to the implementation of qRD's asset management program will be reported to the Board annually.

5.2 Organizational Integration

a) To support asset management decision making, qRD will take steps to connect the appropriate departments, functions and support activities in order to build effective working relationships and encourage information sharing; and

b) qRD will ensure that this Asset Management Policy is integrated with and supported by other qRD policies, strategies, plans and processes, including but not limited to qRD Strategic Plan, Official Community Plans and Financial Plan.

5.3 Asset Management Working Groups

a) qRD will develop internal asset management working groups to ensure standardized interdepartmental practice, to continually improve data quality and to integrate asset management planning with long-term financial planning; and

b) qRD will network with other local governments and external agencies to support asset management planning through the two way exchange of information.

5.4 Asset Registry

a) qRD will establish and maintain a detailed asset registry to include data on, at a minimum, the locations, expected useful lives, replacement costs and conditions of qRD's *Assets*.

5.5 Levels of Service

a) Following generally accepted asset management methodologies, qRD will establish, define and continually refine *Levels of Service* for qRD's *Assets* that consider the reasonable expectations of citizens of qRD and what they

are willing to pay for the service, intergenerational equity, and the capacity of qRD to sustain the *Levels of Service*;

b) At a minimum the established *Levels of Service* shall meet all legislative, regulatory and statutory requirements;

c) qRD will follow standard communication and engagement practices to gain insight into the expectations of qRD's citizens respecting desired *Levels of Service*;

d) *Levels of Service* alternative options and associated costs will be included in individual service Asset Management Plans; and

e) *Levels of Service* for qRD *Assets* will gradually be developed, documented and approved by resolution of the Board.

5.6 Risk Management

a) qRD will incorporate into its asset management program, a risk-based decision making framework that appropriately considers the potential impacts of asset failure and the associated implications to/of health and safety, finance, business operational effectiveness, legislation and regulation, strategy, reputation, the environment and climate change; and

b) Service and risk consequences will be carefully evaluated through a project analysis process and will be included in individual service Asset Management Plans.

5.7 Funding

a) Budgeting priority will be given to the maintenance and renewal of existing *Assets*;

b) qRD will improve the justification of investment decisions related to *Assets* by linking these decisions to their long-term consequences;

c) Life-cycle costs will be considered in all decisions related to the renewal of existing, and the creation of new *Assets* and efforts will be made to strike a balance between maximizing the service life of qRD's *Assets* while minimizing their life-cycle costs; and

d) Long-term funding policies and financial plans will be developed that support the planning, procurement, creation, operation, maintenance, renewal, upgrade and decommissioning of *Assets* at the *Levels of Service* approved by the Board.

5.8 Natural Assets

a) qRD recognizes the value of natural assets to perform essential service delivery;

b) Using scientific, economic and local government expertise, qRD will identify, quantify and account for natural assets; and

c) Where practical, qRD will manage natural assets in a similar manner as physical infrastructure assets.

5.9 Climate Change

a) The effects of climate change will be considered in the planning, procurement, creation, operation, maintenance, renewal, upgrade and decommissioning of qRD's *Assets*; and

b) qRD will endeavor to develop sustainable and climate resilient infrastructure where appropriate.

6. RESPONSIBILITY / AUTHORITY TO ACT:

The following is an outline of the roles and responsibilities for the delivery of qRD's asset management program:

6.1 Board

a) Approve asset funding through the annual budget process;

b) Approve funding and resources to maintain the asset management program;

c) Provide high level oversight of the delivery of qRD's Asset Management Strategy;

d) Approve *Levels of Service* that reflect, to the best of the Board's ability and within the context of qRD's financial capacity, the reasonable expectations citizens have for qRD services; and

e) Act as stewards for qRD's *Assets*.

6.2 Chief Administrative Officer

a) Allocate the resources necessary to competently deliver the qRD's asset management program;

b) Develop the qRD's asset management program and its *Legislative Framework* in conjunction with Asset Management Department staff;

c) Oversee the application of qRD's asset management program across the organization (interdepartmental representation);

d) Integrate this Asset Management Policy with other qRD policies, strategies, plans and processes in conjunction with qRD Department Managers; and

e) Report to the Board annually on the status, effectiveness and performance of work related to the implementation of qRD's asset management program.

6.3 Asset Management Department Staff

a) Lead the development of qRD's asset management program and its *Legislative Framework*;

b) Implement the asset management program's procedures and practices across the organization;

c) Monitor and assess the effectiveness of the asset management program and identify and prioritize areas for improvement;

d) Establish and maintain a detailed asset registry; and

e) Report to the Chief Administrative Officer quarterly on the status, effectiveness and performance of work related to the implementation of qRD's asset management program.

6.4   Asset Management Working Groups

a) Assist the Asset Management Department in confirming the accuracy of all asset data in the Asset Registry;

b) Assist the Asset Management Department in the development of *Levels of Service* and the procedural tools, practices and forms to be included in the Asset Management Toolkit; and

c) Aid in the development of annual budgets and the long-term financial plan.

6.5   Department Managers

a) Integrate this Asset Management Policy with other qRD policies, strategies, plans and processes;

b) Provide data and information on *Assets* and services in support of qRD's asset management program; and

c) Provide input to refine the asset management program's procedures, practices and tools.

6.6   All Staff, Contractors and Volunteers

a) Adhere to the requirements, procedures and practices of qRD's asset management program.

7. POLICY REVIEW DATE:

This policy will be reviewed every four years.