

DATE: July 10, 2019**FILE:** 5600-01**TO:** Chair and Director
Electoral Areas Services Committee**FROM:** James Warren
Acting Chief Administrative OfficerSupported by James Warren
Acting Chief Administrative
Officer*J. Warren***RE: Asset Management Planning Update****Purpose**

To provide an update on the asset management work being completed for the Royston Water Local Service Area (WLSA) and Comox Valley WLSA and outline the timeline for the proposed next steps.

Recommendation from the Acting Chief Administrative Officer:

For information purposes only.

Executive Summary

In December 2017, the Comox Valley Regional District (CVRD) hired AECOM Canada Ltd., an engineering consulting firm for the completion of asset management planning services for the CVRD's water and wastewater services. AECOM's scope included development of a corporate wide asset management policy, an asset management strategy and individual asset management plans for the CVRD's water and wastewater services. This included individual asset management plans for the Royston WLSA and Comox Valley WLSA.

The asset management plan documents the activities, resources and timescales required for a system. The foundation of the asset management plan is the asset inventory, the inventory details every asset that the CVRD owns within the water system (distribution water mains and all electrical, instrumentation, structural etc.) and provides information about replacement value, risk and age. Inputs to the inventories include materials, estimated service life based on material, condition and install date and replacement costs for each individual asset. The asset inventories drive the total lifecycle costs of the service and the recommended annual reinvestment. Due to the importance of the inventories, significant time and effort by both CVRD staff and AECOM has gone into developing and reviewing the asset inventories.

As the work with AECOM for water and wastewater is nearing completion, the below summarizes the next steps and intended actions:

- **August:** Final asset management plans submitted to CVRD by AECOM. An individual asset management plan will be provided for each service, the plans will include a comprehensive asset inventory, risk and condition assessment planning, level of service information, cost tracking of service activities, an evaluation of total lifecycle costs for each service and recommended annual contribution for asset replacement. CVRD staff complete a rate review for each service, reviewing the recommended reinvestment and development of a strategy for any rate changes that may be necessary.

- **September 16:** Final asset management plans and any recommended rate changes are presented to the Electoral Areas Services Committee for both the Royston and Comox Valley WLSA.
- **October 1:** Amendments to the fees and charges bylaw for changes to rates receive first, second and third reading at the CVRD Board meeting.
- **Early October:** Public information sessions are held for each service area to inform residents on the asset management work that has been completed and any proposed rate changes.
- **October 29:** Bylaw rate changes receive fourth and final reading. Rate changes are completed in time to be incorporated into financial planning process.

Asset management planning is becoming a standard best practice for the delivery of sustainable services and an increasingly common requirement for grant funding. The principle behind asset management is the development of a systematic approach that supports service, asset and financial sustainability for local governments. The completion of the asset management plans by AECOM will help further the CVRD's development of asset management for the Royston and Comox Valley WLSA.

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