International Practices and Trends for Managing Municipal and Utility Infrastructure

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What is Asset Management?

- Asset Management aims to...
  - Maintain asset performance at required level of service...
  - While minimizing total life cycle cost
- Strategic, long-range, comprehensive
- Combines engineering principles, business practices, economic theory
- Triple bottom line
  - Economic, environmental, social
What is Asset Management?

- **AM comprises:**
  - Asset Performance Management
  - Asset Operations Management
  - Asset Financial Management

- **Key performance areas:**
  - Practices
  - Processes
  - Data & Information
  - Technology
  - Organizational
  - People
Benefits of Asset Management

- Improved system management
- Improved asset life cycle management
- Improved work management
- Improved resource management
- Better tools to assess performance, financial position
- Better data for planning, decision-making
- Consistent framework for decision-making
- Clarity for all stakeholders
The Global Picture

- Infrastructure Funding Deficit
- Sustainability
- Regulation and Compliance
- Service-driven Management
- Smart Metering / Smart Grid
- Performance Optimization
International Practices

- **Canada**
  - Tangible capital asset accounting
  - Deregulation of electricity
  - Smart metering

- **Australia & New Zealand**
  - Driven by funding challenges
  - World leaders in AM practices
  - Study: 15-40% saving in water utility life cycle costs
International Practices

- **United Kingdom**
  - Privatization & Post-Privatization
  - National government mandate
  - Long-term planning for sustainability
  - Leverage growth of smart metering

- **United States**
  - Driven by funding challenges, regulation
  - Best practices in key asset areas
  - Leverage growth of smart metering
International Practices

- Europe
  - Smart metering driving business and organizational change
  - Italy – early adopter of smart meters, moving to Smart Grid
  - France – World’s largest meter rollout to 35M customers
  - Germany – Smart metering pilots
Getting Started

- Four-phase approach:
  - Asset Management for Compliance
  - AM Standardization
  - Integrated AM
  - Sustainable AM
Getting Started

- **Year 1**
  - Establish AM support infrastructure

- **Year 2**
  - Implement AM Performance Management

- **Year 3 and Beyond**
  - Institutionalize AM
The Future of AM

- **Innovation driven by...**
  - Funding shortages, growth, aging infrastructure, changing demographics

- **New strides in...**
  - Practices & Processes
  - Data, Records & Technologies
  - Organization & People

- **A holistic approach**

- **Triple bottom line**
  - Economic, environmental, social
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Thank You!

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