

# 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?

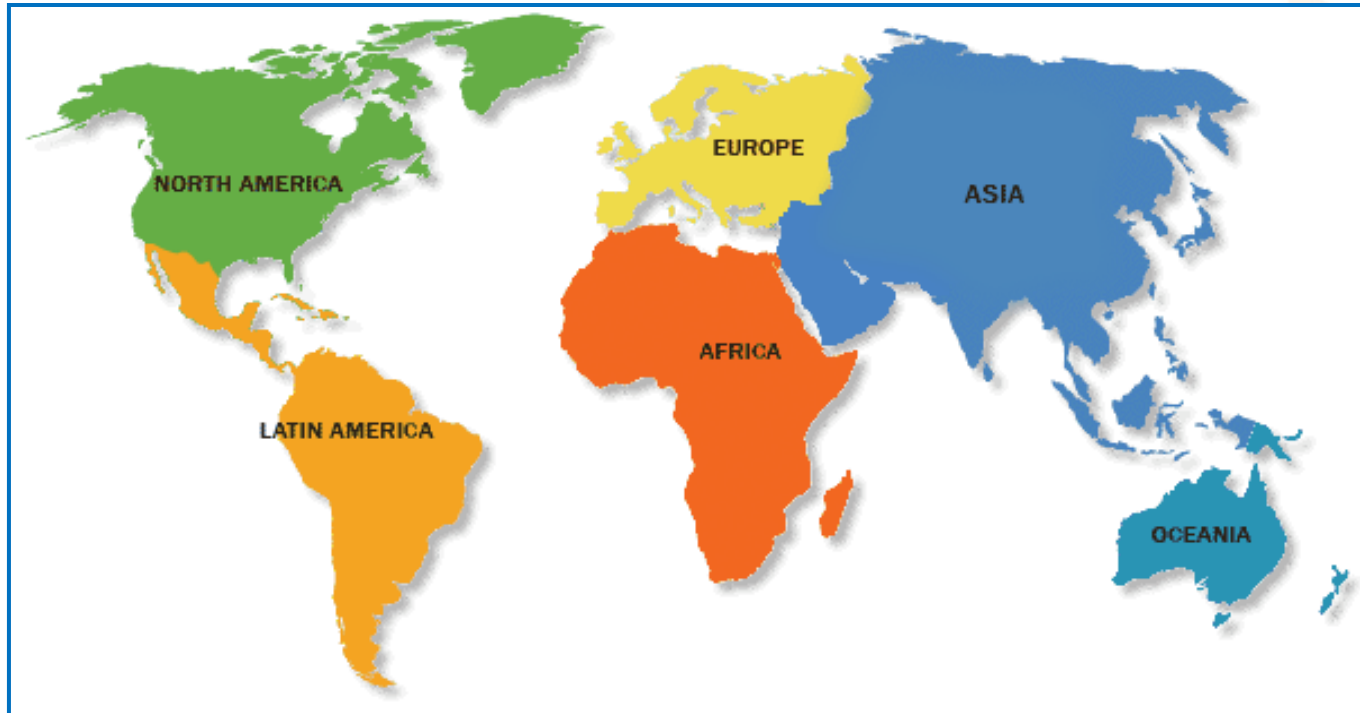
- AM comprises:
  - Asset Performance Management
  - Asset Operations Management
  - Asset Financial Management
- Key performance areas:
  - Practices
  - Processes
  - Data & Information
  - Technology
  - Organizational
  - People



# 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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