

## Spring 2009

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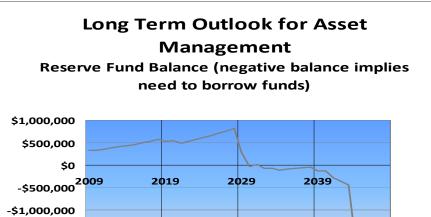
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# Asset Management: Lookout Below!

By Jean-Pierre Joly

Do parts of your water system need upgrading? We continue to discover from our Registered Users that many BC water systems take great care in developing a reserve fund for infrastructure renewal. However, in many cases the contributions to the reserve fund occur at the end of the year, and only if there happens to be a surplus in the bank. Regrettably, few water suppliers undertake systematic planning for asset replacement.

Some older water systems may face a crisis in the near future as a result. While these water systems are able to manage modest improvements from year to year, major expenditures on important parts to the systems will soon become due. These may include items like pipework and reservoirs which can be expensive to replace. The following chart is taken from a BC water supplier that has undertaken recent asset management planning. As a result they discovered that while it appears that their reserve fund is growing, in 20 years they will be seriously underfunded if they don't do something now. They may for example need to borrow significantly in order to upgrade their system.



-\$1,500,000 -\$2,000,000 -\$2,500,000 -\$3,000,000

This graph shows the projected balance of the reserve fund for a well managed improvement district in BC. If they don't change something, in the future, they will dip seriously into the RED!

There are three key components to implementing asset management. The first is an inventory of all tangible capital assets owned by the water supply system; for example: buildings, vehicles, water treatment plants, and pipelines. Second is the valuation of these items.

WaterBC News

The Newsletter for Community Water Suppliers in B.C.

Volume 4, Number 2

#### For More Information

#### www.SustainIS.org

Official website of the Sustainable Infrastructure Society. Visit this site to learn how the Sustainable Infrastructure Society can help you to conveniently access affordable services & products.

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## GreenBC.org

Add your company to our online database now! This may be more complicated for older components of your system, where the exact date when the assets were acquired, or how much they cost, is not known. Finally, calculation of the useful life and the future replacement cost for the asset.

This exercise can be complex and time consuming which in part is a reason why it is not undertaken by many water suppliers. SIS has Industry Partners who can assist with this process. For more information, give us a call or send us an email.

### **Coming soon: Networked Monitoring**

By Vernon Rogers

SIS continues work on our affordable monitoring and management support system for community water suppliers. We call this NeMMS for short. This will enable you to monitor the vital elements of your system from anywhere you have computer access. It includes analyzing and presenting key operating information, and archiving important manuals & plans.

You can compare the performance today with the performance yesterday. And in the future you will be able to compare your water system with other systems through "benchmarking'. This service may make it easier for you to communicate with customers about the need to adjust rates, and easier for you to satisfy regulatory requirements. It will be an important resource on the road towards safe, secure and sustainable water supplies. NeMMS enables you to obtain many of the benefits of advanced SCADA systems; and you avoid many of the costs and complexities of SCADA technology.

We are currently planning NeMMS pilot projects and would like to hear from interested water systems. We will provide regular updates of this service through our newsletter.

### **Our Telephone Survey**

By Taylor McLeod- Client Services Coordinator

Hello: my name is Taylor McLeod and I am a new Client Services Coordinator with SIS. I have already spoken with many of you over the last few months. Since joining the SIS team earlier this spring, I have encountered themes common to many water systems. An important issue is the need for funds for various purposes. Examples are: to upgrade a system, comply with safety requirements or to hire an operator. Many water systems find it difficult to locate these funds.

One of SIS's current projects is a phone survey of water systems in BC that are on Boil Water Notice. The information we receive from this work will go a long way in helping us to develop more affordable water treatment solutions with our Industry Partners, and to improve access to funding.

I'm happy speak with you anytime about issues facing water suppliers in BC. Please don't hesitate to call. And don't forget to look into our affordable Group Liability Insurance program if you are not already signed up. Participation in this program is growing steadily and so many water systems have benefited greatly from the competitive premiums offered by our Industry Partners. I look forward to hearing from you.