

Township of Springwater
Strategic Asset Management Policy

A. Policy Statement

The Township of Springwater aims to uphold the following policy statements in managing its capital infrastructure:

1. The Township will continue to support the municipal-wide asset management program (Citywide), which promotes lifecycle and risk management of the Township's capital infrastructure assets. A key objective remains achieving the lowest total cost of ownership while meeting desired levels of service (LOS). LOS refers to the outcomes or service attributes that the Township aims to deliver for its residents and can include both technical and qualitative components.
2. The Township will implement continuous improvement protocols and adopt best practices regarding asset management planning to ensure maximum value from its assets are realized, including:
 - i. Comprehensive and Accurate Asset Data
 - ii. Condition Assessment Protocols
 - iii. Risk and Criticality Models
 - iv. Lifecycle Management
 - v. Financial Strategy Development
 - vi. Level of Service Framework
3. The Township will continue to develop and maintain an asset inventory of all municipal capital infrastructure assets which includes unique ID; description; location information; value (both historical and replacement); performance characteristics and/or condition; estimated remaining life and estimated repair, rehabilitation or replacement date; and estimated repair, rehabilitation or replacement costs.
4. The Township will remain compliant with the current Asset Management Plan that incorporates all infrastructure categories and municipal capital infrastructure assets as per the legislated requirements. The capitalization threshold guidelines in the Township's Tangible Capital Asset Policy will apply. The Asset Management Plan will be updated at least every five years thereafter in accordance with Ontario Regulation 588/17 (O. Reg. 588/17).
5. The Township will integrate asset management plans and practices with its long-term financial planning and budgeting strategies. This includes the development of financial plans that determine the level of funding required to achieve short-term

- operating and maintenance needs, in addition to long-term funding needs to replace and/or renew municipal capital infrastructure assets based on full lifecycle costing. Asset Management Plans are to be gleaned as part of the budget process.
6. The Township will identify appropriate funding for its capital infrastructure and for financing service delivery. This may include taxation or user fee revenues, grant programs, debt-financing, public-private partnerships (P3), alternative financing and procurement (AFP), or the shared provision of services.
 7. The Township will develop meaningful performance metrics and reporting tools to transparently communicate and display the current state of asset management practice to Council and the community.
 8. The Township will consider the risks and vulnerabilities of municipal capital infrastructure assets to climate change and the actions that may be required, including, but not limited to: anticipated costs that could arise from these impacts, adaptation opportunities, mitigation approaches, disaster planning, and contingency funding. Impacts may include matters relating to operations, levels of service and lifecycle management.
 9. The Township will ensure that asset management planning is aligned with industry standard, laws and regulations, as well as existing plans and policies, such as:
 - i. Financial reports related to the Township's water capital assets, including any financial plans prepared under the Safe Drinking Water Act, 2002; long-range capital plans developed as part of an Asset Management Plan; and annual Water Regulation and Rating By-laws.
 - ii. Financial reports related to the Township's wastewater capital assets, including long-range capital plans developed as part of an Asset Management Plan, and annual Wastewater Regulation and Rating By-laws.
 - iii. 2023 Water & Wastewater Rate Study and subsequent updates to this study.
 - iv. 2023 Development Charges Bylaw 2023-070 and subsequent updates to this study and bylaw.
 - v. Current Long Range Financial Plan and subsequent updates.
 - vi. Tangible Capital Asset Policy.
 - vii. Minimum Maintenance Standards.
 - viii. Springwater Community-Based Strategic Plan
 - ix. Springwater Official Plan
 10. The Township will align asset management planning with the Province of Ontario's land-use planning framework, including any relevant policy statements issued

under section 3(1) of the Planning Act; shall conform with the provincial plans that are in effect on that date; and shall be consistent with municipal official plans.

11. The Township will coordinate planning for interrelated municipal capital infrastructure assets with separate ownership structures by pursuing collaborative opportunities with neighbouring municipalities and jointly owned municipal bodies wherever viable and beneficial.
12. The Township will develop processes and provide opportunities for municipal residents and other interested parties to offer input into the Township's asset management planning, where appropriate.
13. The Township asset management plan will be developed and administered by the Chief Administrative Officer, Department Directors, Department Managers and Asset Management Coordinator.
14. The Townships Asset Management System and program will strive to align with ISO 55000.

B. Purpose

The purpose of this policy is to provide leadership in and commitment to the development and implementation of the Township's asset management program. It is intended to guide the consistent use of asset management across the organization, to facilitate logical and evidence-based decision-making for the management of municipal capital infrastructure assets and to support the delivery of sustainable community services now and in the future.

By using sound asset management practices, the Township aspires to ensure that municipal capital infrastructure assets meet expected performance levels and provide desired service levels in an efficient and effective manner.

This policy demonstrates a commitment to the stewardship of municipal capital infrastructure assets and to improve accountability and transparency.

C. Scope

This policy applies to all departments involved in planning, maintaining, or operating the Township's capital infrastructure assets.

The Township is responsible for providing a range of services to the community, including but not limited to transportation networks and infrastructure; stormwater management; potable water; wastewater collection and treatment; fire & emergency services; and recreation opportunities. To deliver these services, the Township owns and manages a

diverse capital infrastructure asset portfolio of roads, bridges, culverts, parks, watermains, reservoirs, wells, sanitary and storm sewers, water and wastewater treatment plants, trails, libraries facilities (administrative and recreational), vehicles and equipment.

Asset management refers to the set of policies, practices and procedures that enable the Township to realize maximum value from its capital infrastructure assets while minimizing risks. The Township is responsible for operating and maintaining machinery, equipment, and other capital assets to support the delivery of services to residents. The Township recognizes the importance of implementing an effective approach to the management of its capital infrastructure assets in order to maximize asset lifecycles cost-effectively and deliver appropriate levels of service for residents.

The Township's asset management plan will align with provincial legislation, such as the *Infrastructure for Jobs and Prosperity Act* and the *Planning Act* and its regulations.

This policy is an important step towards integrating the Township's strategic mission, vision and goals with its asset management program and ensuring that critical municipal capital infrastructure assets and vital services are maintained and provided to the community in a reliable, sustainable manner.

Alignment with the Township's Strategic Direction

This policy aligns with the Township of Springwater's *20-Year Community-Based Strategic Plan*, which integrates concepts around community development, smart growth management, the stewardship of capital infrastructure, financial management, service delivery, and governance.

This policy will be reviewed for continued alignment if subsequent Council-approved strategic plans are adopted.

Annual reports will ensure that Council and the community are apprised of progress in implementing the asset management program in advancing the Township of Springwater's strategic objectives.

D. Definitions

Unless otherwise noted, the definitions provided in this document are consistent with those outlined in Ontario Regulation 588/17 (O. Reg. 588/17), Asset Management Planning for Municipal Infrastructure, under the *Infrastructure for Jobs and Prosperity Act, 2015*.

1. **Asset** – an item, thing, or entity that has potential or actual value to an organization. The value can be tangible or intangible, financial, or non-financial and includes consideration of risks and liabilities.
2. **Asset Management (AM)** – the coordinated activity of an organization to realize value from assets. It considers all capital asset types, and includes all activities involved in the asset’s life cycle from planning and acquisition/creation; to operational and maintenance activities, rehabilitation, and renewal; to replacement or disposal and any remaining liabilities. Asset management is holistic and normally involves balancing costs, risks, opportunities and performance benefits to achieve the total lowest lifecycle cost for each asset.
3. **Asset Management Plan (AMP)** – Documented information that specifies the activities, resources, and timescales required for an individual asset, or a grouping of assets, to achieve the organization’s asset management objectives. The AMP covers the entire lifecycle of assets, from acquisition and maintenance to disposal and it aims to maximize value, optimize performance and minimize costs. In addition, it ensures compliance with regulations and alignment with the Township’s strategic objectives and community needs.
4. **Strategic Asset Management Plan (SAMP)** – A document that outlines the long-term approach to asset management. The SAMP outlines the process in which organizational objectives are converted to asset management objectives and defines approaches for developing AMPs to achieve the objectives.
5. **Asset Management System** – A management system for asset management that aids in the development of policies and objectives.
6. **Capitalization threshold** – the value of a municipal capital infrastructure asset at or above which a Township will capitalize the asset’s value and below which it will expense the asset’s value.
7. **Green infrastructure asset** – an infrastructure asset consisting of natural or human-made elements that provide ecological and hydrological functions and processes and includes natural heritage features and systems, parklands, stormwater management systems, trees, urban forests, natural channels, permeable surfaces and green roofs.
8. **Level of service** – parameters, or combination of parameters, which reflect social, political, environmental and economic outcomes that the organization delivers. Parameters can include, but are not necessarily limited to, safety, customer satisfaction, quality, quantity, capacity, reliability, responsiveness, environmental acceptability, cost, and availability.

9. **Lifecycle activities** – activities undertaken with respect to a municipal infrastructure asset over its service life, including constructing, maintaining, renewing, operating and decommissioning, and all engineering and design work associated with those activities.
10. **Risk** – The probability of an adverse event occurring that could impact the performance or value of assets. Such events include but are not limited to financial risks (i.e., theft), physical risks (i.e., damage from disasters or improper handling), and operational risks (i.e., over/under maintenance, improper operation).
11. **Municipal infrastructure asset** – an infrastructure asset, including a green infrastructure asset, directly owned by a Municipality or included on the consolidated financial statements of a Municipality, but does not include an infrastructure asset that is managed by a joint municipal water board.

E. General

This Policy shall be administered by the Chief Administrative Officer, Department Directors, Department Managers and Asset Management Coordinator.

This Policy applies to all Township of Springwater Employees.

This Policy shall be referred to as the ‘Strategic Asset Management Policy’.

This Policy shall come into force and effect on the day of passage.

This Policy shall be reviewed and, if necessary, updated at least every five years following July 1, 2019.

F. Roles and Responsibility

Members of Council and employees of the Township are required to adhere to this Policy and its governing provisions.

Council – Approves the Asset Management Policy and Plans, levels of service, annual budgets, Financial Plans and other related policies.

Chief Administrative Officer – Endorses the Strategic Asset Management Policy by promoting service delivery and ensuring alignment with Council priorities.

Directors – Ensures compliance with policies, allocates resources, guide asset management initiatives, endorse and approve asset management plans and oversee implementation before council approval.

Asset Management Coordinator – Working closely with Department Directors and other department leaders, the Asset Management Coordinator will be responsible for the following:

1. Ensure the Asset Management Plan and Asset Management Policy are in compliance with Asset Management Regulations. In addition, the Policy and Plan are to be updated, as needed, and presented for Council approval every 5 years, at a minimum.
2. Provide infrastructure asset information including inventory, condition and financial. This information is to be collected from the Development Charges Study, Road Needs Study, Structural assessment reports and any other condition assessments completed for Township assets.
 - a. Condition Assessments are to be standardized to ensure reliability.
3. Report on asset performance against defined LOS.
4. Ensure risks are being managed on investments in order to meet the defined LOS targets, and prioritizing investments effectively.
5. Develop Asset Management Plans for each asset that include Lifecycle Management Strategies to optimize costs and service.
6. Provide employees support on the implementation of the Asset Management Plans.

Finance Department – Plans for, acquires, implements and maintains accounting procedures and systems to support asset management, including the recording, storing and retrieval of current and historical expenditures of assets. The Finance Department is also responsible for the development and recommendation of funding plans and prepares the annual Business Plan and Budget.

Managers – Communicate with staff within their respective service areas about the asset management system to increase awareness of their role in asset management decision making including the value of the activities they are completing and the asset information they are collecting. Provide input to the asset management plan and its updates at least every five years. In addition to the implementation of operational plans such as maintenance plans and asset management improvements in accordance with the approved asset management plan.

ATTACHMENT A

KEY PRINCIPLES TO BE FOLLOWED IN ASSET MANAGEMENT PLANNING

The Municipality shall consider the following key principles as outlined in section 3 of the *Infrastructure for Jobs and Prosperity Act, 2015* when making decisions regarding asset management:

1. Infrastructure planning and investment should take a long-term view, and decision-makers should consider the needs of citizens by being mindful of, among other things, demographic and economic trends.
2. Infrastructure planning and investment should consider any applicable budgets or fiscal plans.
3. Infrastructure priorities should be clearly identified in order to better inform investment decisions respecting infrastructure.
4. Infrastructure planning and investment should ensure the continued provision of core public services, such as health care and education.
5. Infrastructure planning and investment should promote economic competitiveness, productivity, job creation and training opportunities.
6. Infrastructure planning and investment should ensure that the health and safety of workers involved in the construction and maintenance of infrastructure assets is protected.
7. Infrastructure planning and investment should foster innovation by creating opportunities to make use of innovative technologies, services and practices, particularly where doing so would utilize technology, techniques and practices developed in Ontario.
8. Infrastructure planning and investment should be evidence based and transparent, and, subject to any restrictions or prohibitions under an Act or otherwise by law on the collection, use or disclosure of information,
 - i. investment decisions regarding infrastructure should be made on the basis of information that is either publicly available or is made available to the public, and
 - ii. information with implications for infrastructure planning should be shared between the Municipality and broader public sector entities and should factor into investment decisions respecting infrastructure.
9. Where provincial or municipal plans or strategies have been established in Ontario, under an Act or otherwise, but do not bind or apply to the Municipality, as the case may be, the Municipality should nevertheless be mindful of those plans and

strategies and make investment decisions regarding infrastructure that support them, to the extent that they are relevant.

10. Infrastructure planning and investment should support accessibility for persons with disabilities.
11. Infrastructure planning and investment should minimize the impact of infrastructure on the environment, respect ecological and biological diversity, and support resilience to climate change.
12. Infrastructure planning and investment should endeavour to use acceptable recycled aggregates.
13. Infrastructure planning and investment should promote community well-being, such as local job creation and training opportunities, improvement of public spaces, or other relevant benefits identified by the Township and community.