



Agenda Date: 4/19/2017

Agenda Placement: 8A

## Napa Sanitation District Board Agenda Letter

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**TO:** Honorable Board of Directors  
**FROM:** Jeff Tucker for Timothy Healy - General Manager  
NS-Technical Services/Engineer  
**REPORT BY:** Robin D. Gamble, Asset Manager - (707) 258-6031  
**SUBJECT:** Receive Presentation on Asset Management Plan

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### **RECOMMENDATION**

Receive presentation on Asset Management Plan and provide direction.

### **EXECUTIVE SUMMARY**

GHD and staff are finalizing the Asset Management Plan (AMP). The final portion of the AMP is to develop a plan or "roadmap" for tasks that need to be accomplished, a reasonable timeframe to accomplish the task, and the necessary budget. The asset management program is the overall program for implementing the roadmap. The asset management program is based on the levels of service expected by the various stakeholders that rely on NapaSan to deliver its services (Board, customers, regulators, the public and staff). Implementation of the asset management program will enable NapaSan to optimize delivery of these services with an acceptable risk profile and cost of asset ownership. Management decisions will be more data-driven, transparent, and focused on investments towards mitigating the greatest risks over time.

The roadmap has been broken down into four phases each requiring approximately 18 months to implement which generally cover the following items:

- Phase 1 – Refine existing asset management practices and replace computerized maintenance management system (CMMS) for linear assets
- Phase 2 – Prepare tactical asset management plans
- Phase 3 – Optimize data-driven decision making
- Phase 4 – Review and refine the asset management program

The roadmap is structured in a way that staff will conduct a quarterly review of the progress and timing and will annually adjust the tasks accordingly. Implementation of the asset management program is expected to take approximately 6 years. Phase 1 will cost approximately \$850,000 in external resource (\$650,000 for new linear

asset CMMS software and configuration) and will occur in two fiscal years. Implementation will be budgeted in the capital and operations budgets. Based on the outcome of Phase 1 staff will return to the Board to discuss future financial needs. Phase 1 costs are included in the projected FY17/18 budget and 10-year capital plan. These investments will provide the means to make informed investment decisions in the future that optimize the balance between meeting levels of service while minimizing costs and managing risks.

### **FISCAL IMPACT**

Is there a Fiscal Impact?                      No

### **ENVIRONMENTAL IMPACT**

None.

### **BACKGROUND AND DISCUSSION**

Goal 1D of the Board's 2015 Strategic Plan was to develop an asset management (AM) program that will help NapaSan to be proactive in addressing the management of its infrastructure. On November 16, 2016 the Board authorized staff (MR 16-103) to execute a task order with GHD to prepare an Asset Management Plan that provides a roadmap for implementing an asset management program. On March 1, 2017 GHD presented to the Board a progress report on the development of the Asset Management Plan, which includes a roadmap for implementing a more robust asset management program over the next 6 years in a phased approach.

The goal of asset management is to optimize investment in NapaSan's infrastructure by continuously delivering levels of service to customers and stakeholders while balancing the trade-offs between cost of service and risk of asset failure. The approach for implementing asset management at NapaSan will be based on the US EPA's Asset Management Framework which uses a 10-step process to answer five core questions:

1. What is the current state of our assets?
2. What are our performance requirements and levels of service?
3. Which assets are critical to sustaining performance and pose the greatest risk to NapaSan?
4. What are our best capital and operation and maintenance investment strategies?
5. What is our best Long term funding plan?

GHD and staff performed a gap assessment of NapaSan's current practices against the ISO 55000 international standard for asset management. Current asset management practices are strong in some areas, but could use more development in other areas to come up to the desired level of competence as defined by the ISO 55000 standard. For example, some asset management practices are currently ad hoc and require more definition and refinement to improve consistency and transparency for management decisions. Overall, the gap assessment results were typical for a public wastewater agency in the United States having just started implementation of a full asset management program.

### **SUPPORTING DOCUMENTS**

A . AMP Presentation

Napa Sanitation District: Approve

Reviewed By: Jeff Tucker