CRD
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Capital Regional District

625 Fisgard St.,
Victoria, BC V8W 1R7

Notice of Meeting and Meeting Agenda
First Nations Relations Committee

Wednesday, September 22, 2021   **1:30 PM**   **6th Floor Boardroom**
625 Fisgard St.
Victoria, BC   V8W 1R7

M. Tait (Chair), B. Desjardins, F. Haynes, D. Howe, B. Isitt, J. Olsen, G. Orr, J. Ranns, L. Seaton, K. Williams, C. Plant (Board Chair, ex-officio)

The Capital Regional District strives to be a place where inclusion is paramount and all people are treated with dignity. We pledge to make our meetings a place where all feel welcome and respected.

1. Territorial Acknowledgement

2. Approval of Agenda

3. Adoption of Minutes

3.1.   21-694   Minutes of the May 26, 2021 First Nation Relations Committee

Recommendation: That the minutes of the First Nations Relations Committee meeting of May 26, 2021 be adopted as circulated.

Attachments: Minutes - May 26, 2021

4. Chair's Remarks

5. Presentations/Delegations

Due to limited seating capacity, this meeting will be held by Live Webcast without the public present.

To participate electronically, complete the online application for "Addressing the Board" on our website. Alternatively, you may email the CRD Board at crdboard@crd.bc.ca.

6. Committee Business

6.1.   21-671   2022 Service Planning - First Nations Relations

Recommendation: That the First Nations Relations Committee recommends the Committee of the Whole recommend to the Capital Regional District Board:
That Appendix A, Community Need Summary - First Nations Relations be approved as presented and form the basis of the 2022-2026 Financial Plan.

Attachments: Staff Report: 2022 Service Planning – First Nations Relations

Appendix A: Community Need Summary – First Nations Relations

Appendix B: Initiatives Progress Report

6.2.   [21-672](link)   Ecological Asset Management Plan

Recommendation: That the First Nations Relations Committee recommends to the Capital Regional District Board:
That staff proceed with ongoing, existing projects and activities that identify and proactively value ecological features in the region and support strategic engagement of First Nations regarding ecosystem values, taking care of land and water, Indigenous languages and place names.

Attachments: Staff Report: Ecological Asset Management Plan

Appendix A: Jul. 6, 2016 NoM: Refinement of CRD's Asset Mgmt App.

Appendix B: Nov. 23, 2016 Staff Report: Natural Asset Management

Appendix C: Mar. 6, 2019 Staff Report: Corp. Asset Mgt Policy & Strat.

7. Notice(s) of Motion

8. New Business

9. Adjournment

Next Meeting: November 24, 2021

Meeting Minutes

First Nations Relations Committee

Wednesday, May 26, 2021	1:30 PM	6th Floor Boardroom 625 Fisgard St. Victoria, BC V8W 1R7

PRESENT

Directors: M. Tait (Chair), G. Isitt (Vice Chair), B. Desjardins (EP), K. Harper (for F. Haynes) (EP), P. Brent (for D. Howe) (EP), J. Olsen, G. Orr (EP), J. Ranns (EP), L. Seaton, K. Williams (EP)

First Nations Member: Councillor J. Olsen

Staff: K. Morley, General Manager, Corporate Services; C. Vernon, Manager, First Nations Relations; M. Lagoa, Deputy Corporate Officer; S. Orr, Senior Committee Clerk (Recorder)

EP – Electronic Participation

Regrets: F. Haynes, D. Howe, C. Plant

The meeting was called to order at 1:30 pm.

1. Territorial Acknowledgement

The Chair provided theTerritorial Acknowledgement.

2. Approval of Agenda

MOVED by Director Seaton, SECONDED by Director Isitt,
That the agenda for the May 26, 2021 First Nations Relations Committee meeting be approved.
CARRIED

3. Adoption of Minutes

21-135   Minutes of the November 25, 2020 First Nations Relations Committee Meeting

MOVED by Director Isitt, SECONDED by Director Seaton,
That the minutes of the First Nations Relations Committee meeting of November 25, 2020 be adopted as circulated.
CARRIED

4. Chair's Remarks

The Chair welcomed Caitlyn Vernon, First Nations Relations Manager and thanked outgoing Manager, Eric Kelch for his service. She welcomed First Nation Member, Councillor Joni Olsen and offered a welcome gift.

5. Presentations/Delegations

There were no presentations or delegations.

6. Committee Business

6.1.   [21-323](#)   2021 First Nations Relations Standing Committee Terms of Reference

K. Morley spoke to Item 6.1.

Discussion ensued regarding:
- Treaty process
- Terms of reference
- Treaty advisory recommendations
- Census data on reserve land

MOVED by Director Seaton, SECONDED by Director Isitt,
That the First Nations Relations Standing Committee receive the 2021 Terms of Reference attached at Appendix A.
CARRIED

6.2.   [21-451](#)   Inclusive Governance & Decision-Making Update

C. Vernon spoke to Item 6.2.

Discussion ensued regarding:
- Jurisdictional authority
- Traditional territories

Motion Arising
MOVED by Director Desjardins, SECONDED by Director Orr,
That the First Nations Relations Committee refer the staff report to the
Capital Regional District Board to discuss CRD Board priority 3a.

Discussion ensued regarding interpretation of the language in the staff report.

MOVED by Director Isitt, SECONDED by Alternate Director Brent,
That the motion arising be postponed until after motion to receive the
staff report has been considered.
CARRIED
Opposed: Desjardins, Harper, Ranns, Williams

MOVED by Director Isitt, SECONDED by Director Seaton,
That the First Nations Relations Committee recommends to the Capital
Regional District Board:
That this report be received for information.

MOVED by Director Isitt, SECONDED by Director Seaton,
That the staff recommendation be amended to include the words "and
that staff report back at next First Nations Relations Committee meeting
with additional information and clarification on the priorities and
strategies identified in the report" after the words "That this report be
received for information".
DEFEATED
Opposed: Brent, Desjardins, Harper, Isitt, Olsen, Orr, Ranns, Seaton,
Tait, Williams

MOVED by Director Isitt, SECONDED by Director Seaton,
That the First Nations Relations Committee recommends to the Capital
Regional District Board:
That this report be received for information.
CARRIED
Opposed: Desjardins, Ranns, Williams

Postponed Motion Arising
The postponed motion arising was not moved.

6.3. [20-756](#)   First Nations Cultural Honorarium Policy

K. Morley spoke to Item 6.3.

Discussion ensued regarding:
- Budget
- Board compensation

MOVED by Director Isitt, SECONDED by Director Seaton,
That the First Nations Relations Committee recommends to the Capital Regional District Board:
That this report be received for information.
CARRIED

6.4. [21-452](#)   Intercultural Skills Training for Board Directors

C. Vernon spoke to Item 6.4.

Discussion ensued regarding training.

MOVED by Director Isitt, SECONDED by Councillor Olsen,
That the First Nations Relations Committee recommends to the Capital Regional District Board:
That staff be directed to work with the Board and First Nations representatives to develop and offer Intercultural Skills Training for CRD Directors.

MOVED by Director Tait, SECONDED by Alternate Director Brent,
That the motion be amended to add the words "and Alternate Directors" after the words "CRD Directors".
CARRIED

The question was called on the main motion as amended:

That the First Nations Relations Committee recommends to the Capital Regional District Board:
That staff be directed to work with the Board and First Nations representatives to develop and offer Intercultural Skills Training for CRD Directors and Alternate Directors.
CARRIED

7. Notice(s) of Motion

There were no notice(s) of motions.

8. New Business

There was no new business.

9. Adjournment

MOVED by Director Seaton, SECONDED by Councillor Olsen,
That the May 26, 2021 First Nations Relations Committee meeting be adjourned at 3:01 pm.
CARRIED

_____
Chair

_____
Recorder

REPORT TO FIRST NATIONS RELATIONS COMMITTEE
MEETING OF WEDNESDAY, SEPTEMBER 22, 2021

SUBJECT   2022 Service Planning – First Nations Relations

ISSUE SUMMARY

To provide the First Nations Relations Committee with an overview of core service levels, new and progressing initiatives and performance metrics related to the First Nations Relations Community Need. These activities are undertaken by the First Nations Relations division and deliver on approved Board Strategic Priorities and the CRD Corporate Plan.

BACKGROUND

The Capital Regional District (CRD) Board identified its strategic priorities in early 2019. Subsequently, staff prepared the 2019-2022 CRD Corporate Plan to align with this direction. The CRD Corporate Plan presents the work the CRD needs to deliver over the Board term to meet the region's fifteen most important needs (community needs). These initiatives are delivered in conjunction with the mandated core services and regulatory requirements that the CRD is accountable for delivering. The priorities were re-confirmed by the CRD Board at the annual check-ins on May 13, 2020 and May 12, 2021.

At the start of the Board term, staff identified that the ambitious plan for the region would require a significant amount of effort and resources to action and implement Board and Corporate Priorities and to keep pace with the anticipated increase in service demands, primarily driven by population growth and construction activity. The general level of effort deployed by the organization has been increasing to keep pace since the direction was set and in some cases emerging trends and changes in economic activity has had a significant impact on the demand for services driving additional resource requirements.

This is the final year of service plan and budget approvals for this CRD Board as well as the final year of implementation of its strategic priorities. For 2022, staff are recommending a significant package of work to finalize the delivery of the strategic priorities and CRD Corporate Plan. Implementation timeframes for much of the work initiated in 2022 will carry into 2023.

2022 is a transition year for the CRD Board. Staff anticipate that any service planning requests for 2023 will be focused on operational adjustments while the Board is determining its strategic priorities for the 2023-2026 term.

The Community Need Summary Report (Appendix A) provides an overview of the strategic context for service areas by department, core service levels for services, new initiatives and a summary of the business model and performance metrics associated with targeted outcomes.

ALTERNATIVES

Alternative 1
The First Nations Relations Committee recommends the Committee of the Whole recommend to the Capital Regional District Board:
That Appendix A, Community Need Summary – First Nations Relations be approved as presented and form the basis of the 2022-2026 Financial Plan.

Alternative 2
The First Nations Relations Committee recommends the Committee of the Whole recommend to the Capital Regional District Board:
That Appendix A, Community Need Summary – First Nations Relation be approved as amended and form the basis of the 2022-2026 Financial Plan.

IMPLICATIONS

Financial Implications
The Executive Leadership Team is taking steps to mitigate the financial impacts resulting from the work. ELT has reviewed the phasing of the work for 2022 to ensure that the activities and resources are allocated as efficiently as possible. Phasing out the initiatives over a longer period of time helps avoid delays which can occur when staff are too thinly spread across projects. Additionally, timing initiatives to start mid-year will also reduce the impact in 2022, but will have an incremental annualization impact in 2023 for ongoing impacts.

The CRD continues to look for ways to fund its services in a manner that relieves affordability pressure for the taxpayer. This is reflected in the policy for reserve balance measures and gaps/surplus which was approved by the CRD Board on July 14, 2021. The CRD has had other funding successes optimizing capital funding and leveraging grant funding in a more aggressive way than ever before.

Finally, where feasible, an incremental change management strategy has been adopted for larger projects. This means that divisions are testing out the objectives and delivery approach with a proof-of-concept and then deploying out more broadly, if the benefits can be demonstrated. This has been a successful strategy adopted for our enterprise asset management strategy deployment, for example.

A comprehensive overview of the resources required to advance the initiatives listed in all Community Need Summaries, including all proposed staffing changes, will be presented to the Committee of the Whole at the 2022 provisional budget review.

Staff vacancies in 2021 have led to a positive variance in the 2021 First Nations Relations budget, which can cover the costs of the Reconciliation Action Plan in 2022.

The new 1.0 FTE in-house archaeologist will require an addition of $125K to be covered by requisition. This position will help offset some of the current archaeological expenses incurred by multiple divisions. For comparison, the City of Vancouver indicates that their in-house archaeologist results in net savings related to third party providers, and a substantial indirect cost savings due to avoidance of costs associated with archaeological incidents. The City of Kamloops estimates that an in-house archaeologist can save 20% of archaeology costs. Investing in

ensuring the CRD is following all legislative requirements and maintaining good working relationships with First Nations regarding archaeology will mitigate financial risk.

Service Delivery Implications

The Community Need Summary (Appendix A) provides an overview of all work that needs to be undertaken in order to meet our regulatory requirements, satisfy Board direction and meet the needs of the communities we serve.

New initiatives proposed for 2022:

Staff have identified two initiatives in support of this community need that will have budget implications in 2022 (Table 1). The key driver for this work is the Board's strategic priority to work with First Nations and acknowledge, respect and complement their Indigenous laws, customs and systems of governance. In particular, the need to build capacity internally to address the First Nations request that CRD land-altering activities better respect cultural protocols around ancestral remains and to identify and progress meaningful, measurable actions by all divisions towards a better relationship with Indigenous Peoples.

Table 1: First Nations Relations Community Need Initiatives

#	Initiative	Description	Year(s)	FTE impacts (2022)	Cost impacts (2022)	Funding source
3a-3	Protection & Conservation of Heritage Sites Policy Implementation	In-house archeologist to support of policy implementation & next steps	2022	+1.0 FTE* ongoing	$125K	Requisition
3a-5	Reconciliation Action Plan	Develop action plan in consultation with Senior Managers and First Nations to determine appropriate areas of priority	2022	--	$45K	Reserve transfer

Blue highlighted areas are initiatives that directly address a Board Priority.
* Also includes minor support service(s) adjustment

This information reflects the business case costs which the executive leadership team reviewed as part of their annual assessment of initiatives.

3a-3 Protection & Conservation of Heritage Sites Policy Implementation
With the implementation of provincial *Heritage Conservation Act* and the CRD's Protection and Conservation of Heritage Sites Policy, which was introduced in 2020 and revised in 2021, there will be a continued and increasing need to build capacity in relation to archaeological incident prevention and response, as we undertake land-altering works within the Capital Region.

Archaeological sites are the physical remains of a lengthy settlement history of Indigenous Peoples and represent a fragile and non-renewable cultural legacy. To date, the CRD has contracted externally for a variety of activities including Archaeological Overview Assessments, Archaeology Impact Assessments, testing, on-site archaeology work, cataloguing of artifacts, transport of artifacts and ancestral remains, cultural monitoring, completion of Heritage Policy forms, consultation services and archaeology training services. This work is critical to complying with provincial legislation as well as the Board Strategic Priority of First Nation Reconciliation.

Initiative 3a-3 seeks to create an ongoing in-house archaeologist position (+1.0 FTE) in the First Nations Relations division. This will enhance the CRD's ability to keep up with the increased need for archaeological incident prevention and response, and to engage with First Nations about culturally appropriate approaches to ancestral remains. It will also reduce some contract expenses, support policy implementation and identify additional steps needed to protect First Nations' interests, while also protecting public interests and minimizing legal, financial and reputational risk for the CRD.

The addition of the 1.0 FTE will result in a small adjustment to the Financial Services staffing model to accommodate additional demand and requirements for financial support. To provide full transparency, the financial impact of the initiative reflects the whole cost of delivering the work, including flow-down impacts on support services.

3a-5 Reconciliation Action Plan
The CRD Board adopted the CRD's Statement of Reconciliation in 2018 and set First Nations relations and reconciliation as one of its four priorities in 2019. This set the direction for the work of the First Nations Relations division, which has been progressing a series of initiatives since, including an initiative approved in 2020 to develop a First Nations Strategic Plan.

The Statement of Reconciliation recognizes that commitment to reconciliation alone is not enough and that action is needed to show that the CRD is taking measurable steps towards a better relationship with Indigenous people. A Reconciliation Action Plan will identify actions, activities and initiatives that can be undertaken across the organization to advance reconciliation and create a work culture where reconciliation is everyone's mandate.

Initiative 3a-5 seeks to include all divisions in the discussions to ensure they incorporate the current goals in their mandate and operations. A facilitator with experience leading reconciliation-related organizational planning will be recruited to work with each division to identify measurable, meaningful actions that will provide the basis for annual reporting and accountability.

Alignment with Board & Corporate Priorities
The direction given to staff was to bring forward work that is of essential nature. This was defined as:
- Initiatives that provide for public health and safety and/or deliver on a regulatory requirement
- Initiatives that are required to deliver the Board Strategic Priorities
- Initiatives that will prevent the materialization of significant negative impacts on service customers, partners, the region, local services or the CRD's finances

- Initiatives that minimise the materialization of financial, reputational or other risks and liabilities for the CRD by ensuring the organisation is keeping pace with expectations and demand
- There is an imperative to deliver the work immediately and/or quickly

The Executive Leadership Team has reviewed and assessed all business cases against the criteria. The consolidated package of work is appropriate and commensurate to the challenge facing the organization.

CONCLUSION

Staff have been progressing initiatives and actions identified in the CRD Corporate Plan, including Board Strategic Priorities. The CRD Board determines resourcing through its annual review and approval of financial plans. As per previous years, to support the Board's decision-making, staff are providing recommendations on funding, timing and service levels through the service and financial planning processes.

RECOMMENDATION

The First Nations Relations Committee recommends the Committee of the Whole recommend to the Capital Regional District Board:
That Appendix A, Community Need Summary – First Nations Relations be approved as presented and form the basis of the 2022-2026 Financial Plan.

Submitted by:	Caitlyn Vernon, MES, Manager, First Nations Relations
Concurrence:	Kristen Morley, J.D., General Manager, Corporate Services & Corporate Officer
Concurrence:	Robert Lapham, MCIP, RPP, Chief Administrative Officer

ATTACHMENT(S)

Appendix A: Community Need Summary – First Nations Relations
Appendix B: Initiatives Progress Report

Community Need
2022 Summary

First Nations Relations

Strategy

Target Outcome
We envision strong relationships with First Nations based on truth and mutual respect, partnerships and working together on shared goals.

Strategic Context

Strategies

- Special Task Force on First Nations Relations
- Statement of Reconciliation
- Regional Climate Action Strategy
- Regional Food & Agricultural Strategy
- Regional Growth Strategy
- Regional Housing Affordability Strategy
- Regional Parks Strategic Plan
- Regional Water Supply Strategic Plan
- Organizational Development Plan
- Corporate Asset Management Strategy

Trends, risks and issues

- Increasing interest in collaborative process on plans and projects between various First Nations and the CRD.
- Moving toward more inclusive governance. First Nations Members invited to participate in certain standing committees, in accordance with the CRD Board Procedures Bylaw, where the Nation has an interest in matters being considered creating opportunities for shared decision-making on committees.
- Increased desire to include Indigenous cultural knowledge and practice within corporate processes.
- First Nations increasingly identifying economic reconciliation as an area of interest.
- Ongoing risks related to undertaking land-altering works
- As corporate and region-wide efforts to support reconciliation with First Nations continue, additional capacity within the CRD and/or within First Nations will likely be required to support continued efforts.
- Unclear how the ongoing implementation of the *Declaration on the Rights of Indigenous Peoples Act* will impact the delivery of region, sub-regional and local services by the CRD.
- Heightened scrutiny on how CRD Board and staff are translating reconciliation commitments into meaningful action, in the context of societal shifts towards increasing diversity, equity and inclusion.
- Ongoing treaty negotiations between First Nations and the provincial and federal government increasingly touch on items that intersect with CRD services/interests.
- With the conclusion of the Core Area Wastewater Project, the resources available through that project supporting capacity with Songhees and Esquimalt ended in March 2021 and with the WSANEC

Community Need

2022 Summary

Leadership Council will end in Dec 2021, and this will impact the CRD's ability to dialogue with these Nations on a range of matters.

Services

Core Services Levels	
Service	**Levels**
Leadership Vision Support the Board Priority through facilitating opportunities to build political relationships among the Board Chair, Directors, First Nations Chiefs and Councils.	• Advance inclusive governance across CRD • Identify opportunities for gatherings or events • Provide updates to committee on the progress of various items related to Board Priority • Support implementation of First Nations component of the Board Remuneration and Travel Reimbursement policy ↳ Service level adjusted (absorbed), increase in support for First Nations participation at committee meetings & to support Board intercultural skills training

Internal Departmental Support
 	
Support CRD Departments through consistent and ongoing outreach to explore and improve internal approaches, processes and protocols for working with First Nations though looking at augmenting divisional work plans.
	• Develop and implement training on protection and conservation of heritage sites
	  ↳ Service level adjusted, see IBC 3a-3
	• Provide support to CRD division looking to engage First Nations on activities and initiatives
	• Develop Cultural Confidence Program and Indigenous Internship Leadership Program
	  ↳ Service level adjusted (absorbed), lead implementation of steps to increase Indigenous employment (Indigenous internship program)
	• Arrange materials and facilitate First Nations liaison meetings
	• Manage the CRD's Standing Offer List for Archaeological Services
	• Participate in and/or negotiate various agreements with First Nations
	  ↳ Service level adjusted (absorbed), end of CRD-funded liaison position will increase divisional support required

Emergent Issues & Opportunities Explore, develop, and action areas of common interest with First Nations through seeking Board direction while	• Respond to and work to help coordinate activities related to correspondence from First Nations • Participate in Treaty and Reconciliation Agreement processes • Liaise with provincial and/or federal staff to discuss items and areas of opportunity

Community Need

2022 Summary

working closely with First Nations and affected CRD Divisions.	• Support the development of an Indigenous Economic Development Partnership Model including First Nations Economic Opportunity Portal and updates to Procurement Policy • Support a review of First Nations' water rates • Develop a First Nations Initiative Endorsement Policy
External First Nations Support Directly engage First Nations on a range of projects, initiatives, and activities to build and maintain relationships with First Nations and share information from the CRD that may align with Indigenous interests.	• Maintain visibility and presence in First Nations' communities • Draft materials and summarize documents for First Nations • Host and/or attend meeting with First Nations to share information on activities and processes • Listen to and work to understand the interests and activities of First Nations ↪ Service level adjusted, see IBC 3a-3 and 3a-5
Support Services The core services listed rely on the support of several corporate and support divisions to effectively operate on a daily basis. These services are reported on in the Accountability Community Need Summary.	• Services include Asset Management, Facility Management, Financial Services, Information Technology & GIS, Information Services, Human Resources & Corporate Safety, Corporate Communications, Legislative Services, Legal Services, Risk & Insurance and Real Estate Services.

Initiatives					
Ref	Initiative	Description	Year(s)	2022 impacts	
3a-3	Protection & Conservation of Heritage Sites Policy Implementation	In-house archeologist to support of policy implementation & next steps	2022	+1.0 FTE* ongoing	$125K requisition
3a-5	Reconciliation Action Plan	Develop action plan in consultation with senior Managers and First Nations to determine appropriate areas of priority	2022	--	$45K reserve transfer

* Also includes minor support service adjustment, see Appendix B CRD Staffing Overview for more detail

Community Need

2022 Summary

Business Model

Funding

Who contributes
- All 13 municipalities
- Three Electoral Areas
- Support Services: varies per service

Funding Sources
- Requisition

Reporting Structure

- First Nations Relations Committee

Performance			
Definition and Source	2020 Actual	2021 Forecast	2022 Target
Metric 1: Self-Determination – increase in First Nations Participation in CRD decision-making processes Total number of decision-making tables with First Nation voting representation; data from meeting committee, commission minutes.	2	8	9
Metric 2: Shared Prosperity – increase in the number of agreements/partnerships with First Nations that include, but is not limited to, provision of services and sharing of information Total number of active agreements/partnerships with First Nations; data from partnership index	11	13	14
Metric 3: Relationship with the Land and Water – increase in the number of collaborations related to taking care of the land Total number of active agreements/partnerships with First Nations; data from partnership index	5	6	8

Community Need

2022 Summary

Link to Target Outcome

Increasing the representation of First Nations' elected representatives around CRD tables will establish additional relationships between all participating First Nations and CRD Directors while ensuring information is shared effectively and all are working toward more collaborative process in support of reconciliation. Economic reconciliation has been identified as a critical interest of First Nations and an area of opportunity within CRD services. These relationships are often detailed through various services agreements and measuring progress using signed agreements helps to track specific steps forward in this area. Finally, First Nations have asserted a deep and reciprocal relationship to the land and water lasting since time immemorial and by looking to collaborations that involve this area the CRD can ensure that corporate activities are undertaken in a way that seeks to include Indigenous knowledge and are done collaboratively with First Nations.

Discussion

N/A

Community Need
Initiative Progress Report

First Nations Relations

Initiatives approved in 2020 and 2021			
Ref	Initiative	% complete	Progress to date
3a-1	First Nations Regional Planning	100%, ongoing	Lead: First Nations Relations (2020) Progressing – proposed amendments to CRD Procedures Bylaw to include First Nations at CRD Committees have been approved and completed. Outreach to the Nations to determine their identified elected representatives is ongoing, with orientation to take place as they are nominated. The Tsartlip First Nation has nominated a Councillor and alternate to join the CRD committee tables. Staff have provided an initial orientation session and will continue to provide any further assistance that the Nation Members may require to attend meetings. Discussions with First Nations are ongoing regarding how to further government-to-government decision-making and planning systems.
3a-2	First Nations Economic Goals	100%, ongoing	Lead: First Nations Relations (2020) Part of core services. Ongoing collaboration with First Nations to identify opportunities to support economic goals.
3a-2.1	Indigenous Intern Leadership Program	30%	Lead: First Nations Relations (2021) Progressing – The new First Nations Relations manager has revised the approach, based on lessons learned from similar programs. Staff anticipate retaining a consultant to scope a program that will support cultural safety for Indigenous interns, meet the needs of the local First Nations, and support service delivery, and that aligns with requirements of the collective agreement. The resulting scenarios will be assessed and brought forward for 2023 service planning.
3a-2.2	First Nations Economic Opportunity Portal Social Value Procurement	50%	Lead: First Nations Relations (2021) Progressing – Website content being developed to share information on how to access CRD contract opportunities, anticipated completion Q4. Updates to procurement policy are being considered to advance procurement opportunities for First Nations.

Community Need
Initiative Progress Report

Initiatives approved in 2020 and 2021			
Ref	Initiative	% complete	Progress to date
3a-3	First Nations Collaboration	100%, ongoing	Lead: First Nations Relations (2020) Part of core services – the CRD is meeting quarterly with the WSANEC Leadership Council (WLC) to share information on land altering works and receive feedback from the WLC. Ongoing engagement with First Nations on parks management planning, incorporating Indigenous names and perspectives into signage, developing Indigenous cultural programming for regional parks, and water and wastewater servicing agreements. The Protection and Conservation of Heritage Sites Policy has been approved and training sessions to support the use of this policy are ongoing. Cultural awareness training for CRD regional parks staff, Salt Spring Island parks staff, and Southern Gulf Islands parks commissioners is planned for 2022.
3a-5	First Nations Strategic Plan	0%	Lead: First Nations Relations (2020) Delayed by departure of the First Nations Relations Manager. The new First Nations Relations Manager has re-assessed goals and scope; next steps will be the Reconciliation Action Plan as outlined.
3a-5	Cultural Confidence Program Development & Implementation	30%	Lead: First Nations Relations (2021) Progressing – Delayed by departure of First Nations Relations Manager. Requests for proposals were shared in Q3, to determine an appropriate qualified facilitator to develop a module based program, with virtual/in person training sessions to begin in early 2022. The CRD Board endorsed Intercultural Skills Training in June 2021, which will support CRD Directors and Alternate Directors in building positive, respectful and reciprocal working relationships with First Nations participating in CRD Board select standing committees. The results of a CRD Board survey will be used to identify training goals, find a facilitator, and deliver training in Q4.
3a-6	First Nations Service Plan and Budget	100%	Lead: First Nations Relations (2020) Completed

REPORT TO FIRST NATIONS RELATIONS COMMITTEE
MEETING OF WEDNESDAY, SEPTEMBER 22, 2021

SUBJECT   Ecological Asset Management Plan

ISSUE SUMMARY

Update regarding implementation of Board Priority 3a-4, relating to natural asset management planning with a First Nations lens.

BACKGROUND

The Board's 2019-2022 Strategic Plan includes Board Priority 3a-4:

> To prepare an ecological asset management plan that includes natural infrastructure, First Nations guiding principles, First Nations language & place names, historical uses & invasive species management.

The Regional Board has considered undertaking ecological asset management planning in the past but ultimately did not include natural assets in our corporate Asset Management Strategy.

On July 6, 2016 the Board endorsed a Notice of Motion requesting the CRD's Asset Management approach be refined to include Natural Capital, attached at Appendix A.

On December 14, 2016, in follow up to the Notice of Motion, the Board received a report with background information related Natural Asset Management (Natural Capital) and that staff were initiating some work around natural asset management within service delivery. The report was received for information, attached at Appendix B.

In June 2017, the Board received a presentation regarding the Municipal Natural Assets Initiative (MNAI) Request for Expressions of Interest. Staff provided a verbal overview of what would be entailed in submitting a proposal in regards to costs, time and staffing. The Board did not direct further action at that time.

On March 13, 2019 the Board adopted the Corporate Asset Management Policy and Strategy. The Board did not include natural asset management in the strategy. See Appendix C.

Staff have undertaken preliminary investigations to determine the cost of retaining a consultant to incorporate ecological asset management planning into our Corporate Asset Management program. Initial estimates range as high as $300,000-$500,000.   Additional funds may be required to incorporate an Indigenous lens into the plan to meet the full intent of the Board Priority.

In the absence of an ecological asset management plan, staff have continued to advance a number of initiatives that meet many of the same objectives as an ecological asset management plan. Concurrently, staff have been incrementally advancing more understanding of Indigenous perspectives through additional consultation and information-sharing with local First Nations on land-altering works and on parks management projects. More information on existing initiatives is discussed below.

ALTERNATIVES

Alternative 1
The First Nations Relations Committee recommends to the Capital Regional District Board:
That staff proceed with ongoing, existing projects and activities that identify and proactively value ecological features in the region and support strategic engagement of First Nations regarding ecosystem values, taking care of land and water, Indigenous languages and place names.

Alternative 2
That this report be referred back to staff for additional information.

IMPLICATIONS

Environmental & Climate Implications
Understanding the multitude of ways that ecosystems support and enable communities in the region, whether as 'ecosystem services' supporting human needs or as 'gifts' to which we respond with reciprocity, leads decision-makers to make choices that nurture ecosystem abundance and resilience. Enhancing our collective understanding of ecological values in the region and proactively taking steps to nurture these values will support both climate mitigation (by protecting, managing and restoring of natural habitat that provide important carbon sinks) and adaptation (by maintaining natural mechanisms to reduce flooding and sea-level rise risks).

A variety of existing initiatives serve to identify and proactively value ecological features in the region and support strategic engagement of First Nations regarding ecosystem values, taking care of land and water, Indigenous languages and place names. Related, ongoing work includes the following:

- Biodiversity inventory for the capital region; to protect biological diversity and foster extraordinary environmental stewardship, CRD staff are engaging with key stakeholders (municipalities, provincial/federal governments and the stewardship sector) to promote biodiversity awareness with the public and to compile a regional biodiversity inventory. Tasks include:
  - Facilitating a regional discussion on biodiversity information;
  - Compiling existing relevant biodiversity data, information and research from various sources to identify data gaps and to support local government responsibilities;
  - Promoting public awareness of the importance of biodiversity and its role in improving harbour and watershed health through outreach and education and collaboration with stewardship groups.

- Updating the intertidal and backshore Harbours Ecological Inventory and Rating of the five core area harbours (Victoria and Esquimalt harbours, the Gorge Waterway, Portage Inlet and Esquimalt Lagoon to Albert Head); using low tide orthophoto imagery of the intertidal zone and backshore to gather data and classify the information into a spatial data set of biological and physical features and assign an ecological rating of the shoreline. This project is underway and will be completed by early 2022. In 2022, underwater video will be used to update the subtidal inventory for the five core area harbours. All maps and datasets will be publically available on the CRDs Harbour Atlas.

- Completing the fourth update to the land cover data for the region with a specific emphasis in changes in tree cover and impervious surface cover in a time series (1986, 2007, 2011, and 2019). Potential riparian habitat and potential tree planting areas were also identified. These data are provided to municipalities and First Nations to support urban forest plans, storm water management and watershed initiatives.

- Watershed report cards; CRD is working on a tool to assess the health of watersheds in the region, using various parameters (i.e. tree cover, impervious cover, road density, water quality and quantity).

- Updating the Regional Parks Strategic Plan; provides an opportunity to incorporate strategies regarding First Nations guiding principles, languages and place names, where requested by the Nations.

- Ongoing management planning of Regional Parks; staff regularly assess and consider ecosystem values and work with First Nations to understand and protect cultural heritage values, incorporate Indigenous place names, and support traditional use in parks.

- Land Altering Works policy and MOU; staff conduct impact assessments for land-altering works and engage in quarterly reviews with the WLC, which includes consideration of ecological values as well as archaeological and cultural values.

- Invasive species management; The Capital Region Invasive Species Program brings together local governments and First Nations with an interest in, or management responsibilities for, invasive species within the capital region to pursue a coordinated approach to effectively and efficiently managing invasive species. Priority focus areas are collaboration, capacity building and training, regional education and outreach programs, early detection and rapid response for new invasive species in the region, disposal, inventory and mapping and restoration, research and trials. Four Nations are currently participating in this program and CRD staff are actively working with T'Souke Nation, District of Sooke and the Province on the management of a significant knotweed infestation on the lower Sooke River.

- Updating the CRD Climate Action Strategy; includes opportunities for collaboration with First Nations on key regional climate adaptation priorities and actions.

- Watershed protection in the Sooke Lake watershed and Leech River watershed; to protect the natural functions of the watershed in order to supply good quality drinking water, for example proactive investments in fire suppression and in enhancing green infrastructure by acquiring and restoring additional sources of drinking water in the Leech watershed.

There is increasing understanding globally that respecting Indigenous worldviews and approaches to ecosystem management can help support resilient ecosystems and communities (including health and food security) in the face of the climate emergency. Continuing to learn from Indigenous perspectives on ecological values will enable the CRD to more effectively collaborate with local Nations on climate solutions for the benefit of the region.

Intergovernmental Implications (First Nations)
Staff have considered how Board Priority 3a-4 links First Nations guiding principles, languages, place names and historical uses to the preparation of an ecological asset management plan. The concept of 'assets' tends to imply ownership, and a view of nature as a service provider, which does not easily align with Indigenous worldviews which recognize the reciprocal relationship amongst humans and all beings in nature. Further, Indigenous languages and place names are definitively not 'assets' of the CRD.

In comparison to how an ecological asset management plan tends to highlight separate parts of the environment for their specific function, many Indigenous worldviews take a more holistic view. A better understanding of Indigenous perspectives and guiding principles related to ecosystem values, language, place names and traditional use would be important foundational work prior to proceeding with ecological asset valuation, with a possible re-framing of the approach to valuing ecosystem features in a manner that incorporates Indigenous perspectives.

Upcoming opportunities to deepen CRD awareness of First Nations guiding principles include:

- Development and delivery of Regional Parks Indigenous interpretive cultural programming, which includes working with First Nations regarding guiding principles for how to respectfully and reciprocally engage with all beings, as well as incorporating First Nations language, place names and historical uses into Parks programs.

- Inclusive governance; where First Nations have nominated representatives to participate in CRD Standing Committees, First Nations can offer their perspectives and guiding principles as related to a wide range of CRD governance and decision-making.

- Annual Forum of All Councils; provides an opportunity for municipal leaders to hear directly from First Nations leaders on a variety of topics. For the 2022 Forum, First Nations Relations staff will ask First Nations if they would like to share Indigenous understandings of ecological values and guiding principles for taking care of land and water in support of the CRD's Climate Action Strategy.

- Protection and Conservation of Heritage Sites; staff are working with First Nations on how to respect cultural heritage sites.

- Cultural sensitivity training for staff who engage directly with First Nations; may include opportunities to learn Indigenous perspectives on taking care of land and water.

- Cultural training sessions for Regional Parks staff, Salt Spring Island parks staff, and Southern Gulf Islands park commissioners and contractors; will provide an opportunity for First Nations to share their perspectives on ecological and cultural values and on taking care of land and water.

Through these opportunities, CRD staff, Directors and the public will be encouraged to learn from Indigenous perspectives on understanding, protecting and conserving ecosystem values.

Financial Implications
Alternative 1 would require no additional resources, as all current initiatives are already within existing budgets. If the Board wishes to proceed with an Ecological Asset Management Plan,

approximately $500,000 would need to be included in the 2022 provisional budget to retain a consultant to develop the plan.

Alignment with Board & Corporate Priorities
Further to Priority 3a-4 to prepare an ecological asset management plan, additional Strategic Board Priorities identified in the 2019 – 2022 CRD Corporate Plan relate to valuing ecological features in the region and working with First Nations to take care of land and water. These include:

3a-3 Work with First Nations on taking care of the land and water while providing space for cultural and ceremonial use, food and medicine harvesting, traditional management practices and reclaiming Indigenous place names.

5a-6 Evaluate & respond to Climate Change impacts & risks to water supply

6a-1 Ensure appropriate funding for parks & trails infrastructure, improvements & maintenance by updating the Regional Parks Strategy with consideration to ecological, recreation & reconciliation principles, land acquisition capacity, & expanded partnerships with First Nations & parks user groups

6b-1 Provide residents with information for advancing with invasive species management by increasing the number of partnerships

15c-2 Integrate asset management & risk analysis into our capital planning processes to strengthen our fiscal management practices & support resource sustainability

Alignment with Existing Plans & Strategies
Related strategies include:
   • Special Task Force on First Nations Relations Final Report and the Statement of Reconciliation
   • Regional Climate Action Strategy
   • Regional Parks Strategic Plan
   • Regional Water Supply Strategic Plan
   • Corporate Asset Management Strategy

CONCLUSION

In 2019, when the Corporate Asset Management Policy and Strategy was adopted by the CRD Board, the direction was to not include natural asset management. Instead, staff have implemented Board Priority 3a-4 through a variety of other existing initiatives which serve to identify and proactively value ecological features in the region and support strategic engagement of First Nations regarding ecosystem values, taking care of land and water, Indigenous languages and place names.

RECOMMENDATION

The First Nations Relations Committee recommends to the Capital Regional District Board:
That staff proceed with ongoing, existing projects and activities that identify and proactively value ecological features in the region and support strategic engagement of First Nations regarding ecosystem values, taking care of land and water, Indigenous languages and place names.

Submitted by:	Caitlyn Vernon, MES, Manager, First Nations Relations
Concurrence:	Kristen Morley, J.D., General Manager, Corporate Services & Corporate Officer
Concurrence:	Larisa Hutcheson, P. Eng., General Manager, Parks & Environmental Services
Concurrence:	Nelson Chan, MBA, FCPA, FCMA, Chief Financial Officer
Concurrence:	Robert Lapham, MCIP, RPP, Chief Administrative Officer

ATTACHMENT(S)

Appendix A: Notice of Motion: Refinement of CRD's Asset Management Approach to Include Natural Capital, July 6, 2016
Appendix B: Staff Report: Natural Asset Management (Natural Capital), November 23, 2016
Appendix C: Staff Report: Corporate Asset Management Policy and Strategy, March 6, 2019

NOTICE OF MOTION TO THE CAPITAL REGIONAL DISTRICT FINANCE COMMITTEE
MEETING OF JULY 6, 2016

SUBJECT   **Refinement of CRD's Asset Management Approach to Include Natural Capital**

BACKGROUND

The town of Gibsons is leading the way in valuing and maintaining its 'natural capital' or 'eco-assets' (see attached document for more information). Recently three other local governments in Canada have teamed up with Gibsons along with the David Suzuki Foundation to undertake a two-year pilot project, the "Municipal Natural Capital Initiative." This pilot project will generate practices and approaches that will be useful with regard to valuation, accounting and maintenance of natural capital that is stewarded by local and regional governments. In the meantime, the CRD can take a leadership role as a regional government by beginning to evaluate, value and develop an asset management strategy for the ecosystem services provided by the region's natural capital.

MOTION

1. That the CRD declare nature, and the ecosystems services that it provides, as a fundamental component of the region's infrastructure system.
2. That the CRD amend/develop an Asset Management Policy that ensures adequate provision for the operation, maintenance and funding of natural assets.
3. That the CRD conduct a natural capital valuation of the Greater Victoria water supply area to identify the ecosystems services that provide vital municipal functions, such as storm water conveyance and drinking water storage and filtration, and other ecosystem services and the associated economic value of those services.

Respectfully Submitted,

Mayor Helps   Mayor Williams

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REPORT TO ENVIRONMENTAL SERVICES COMMITTEE
MEETING OF WEDNESDAY, NOVEMBER 23, 2016

SUBJECT   **Natural Asset Management (Natural Capital)**

ISSUE

To provide the Environmental Services Committee with background information related to Natural Asset Management (Natural Capital).

BACKGROUND

Sustainable Service Delivery ensures that current community service needs, and how those services are delivered (in a socially, economically and environmentally responsible manner), do not compromise the ability of future generations to meet their own needs. Under the BC Framework for Asset Management for Sustainable Service Delivery, Asset Management is defined as "an integrated process, bringing together skills, expertise, and activities of people with information about a community's physical assets; and finances so that informed decisions can be made supporting Sustainable Service Delivery." Assets are physical infrastructure (e.g., water and wastewater systems, drainage and flood protection systems, transportation systems, civic facilities, parks and fleet) and can also include natural features and the ecological functions they provide (e.g., natural infiltration of stormwater; the cleaning and polishing capacity of wetlands to produce clean water). Natural Asset Management integrates an understanding of natural systems and the functions they provide into traditional service delivery.

Increased alignment of asset management with integrated watershed management leads to improvements in watershed health. Examples are being documented across many jurisdictions. New York City invested $1.5 billion USD in watershed protection in its Catskills watershed, and has saved $6 billion in capital costs and $300 million in annual operating costs for a treatment plant that it would otherwise have required. Research following Hurricane Sandy showed that healthy marshes, beaches and dunes, oyster reefs and floodplains provided important natural barriers against storm surges and flooding risks, making them an effective complement to, or in some cases a replacement for, engineered infrastructure.

Asset management business processes are increasingly used to manage aging infrastructure and service level expectations, and are increasingly becoming a requirement for grant programs such as federal gas tax funding. In May 2014, Canada, the Province of BC and the Union of BC Municipalities (UBCM) signed the renewed Gas Tax Agreement for a 10-year term. The Agreement identifies that local governments will be required to meet asset management commitments as established by the Partnership Committee. These asset management commitments are aligned with Asset Management BC's *Asset Management for Sustainable Service Delivery: A BC Framework*.

The Framework links directly to, and provides support and guidance in meeting, the asset management requirements under the Gas Tax Fund. Stakeholders such as the Province, UBCM, Local Government Management Association, Government Finance Officers Association, Public

Works Association, Planning Institute of BC, BC Water and Waste Association, and others, have endorsed it as the framework for asset management in BC.

Municipalities are starting to recognize the important role the natural environment plays in regional infrastructure systems. Strategies to conserve and enhance natural capital by measuring and managing natural capital within existing asset and financial management processes are starting to emerge. The Town of Gibsons is the first municipality in North America to develop a natural asset policy. The policy explicitly defines and recognizes natural assets as an asset class and creates specific obligations to operate, maintain and replace natural assets alongside traditional capital assets, including having natural asset management strategies and financial resources to maintain them. However, under the Public Sector Accounting Board (PSAB)'s, recognition criteria for tangible assets, natural capital resources are not recognized on the statement of financial position. While there has been growing support to include such natural resources in the definition of tangible assets, there is no timeline from PSAB on development or implementation of a natural capital policy.

Asset Management BC and UBCM are also starting to introduce the concept of natural capital in an asset management context through the Municipal Natural Asset Initiative. UBCM announced recently that "Gibsons is the first of several local governments engaged with the Municipal Natural Asset Initiative, a project bringing together asset management, financial planning and ecological protection."

Within the Capital Regional District (CRD), staff initiated a cross-departmental discussion in March 2016 that identified a number of current projects that have a link to natural capital. The group put forward a recommendation to discuss the Municipal Natural Asset Initiative at the Asset Management Steering Committee to promote awareness of the initiative across the organization. The CRD Board has formally expressed its support for the partnership and this workshop was identified as a deliverable from that support. Finally, Finance staff are working on a response to the July 6, 2016 Finance Committee request for more information on what is required to deliver certain tasks under Natural Asset Management.

ENVIRONMENTAL IMPLICATIONS

Natural Asset Management integrates land use, infrastructure servicing, financial and ecological planning. Emphasis is on the levels-of-service that assets provide and what is affordable over time. A logical management unit for natural capital is the watershed, a boundary within which all water drains to a common point. The BC *Water Sustainability Act* establishes expectations and direction for adapting to a changing climate and recognizes the connection between land use actions and the implications for the water cycle and watershed sustainability. There is strong and growing evidence that natural assets such as forests, rivers, wetlands and riparian areas can provide municipalities with services equivalent to those from engineered assets. Furthermore, natural assets can provide these services at lower cost than engineered alternatives, as they often have both lower capital costs and operating costs.

FINANCIAL IMPLICATIONS

Inclusion of natural asset management into business practices has the potential to reduce capital, operating and maintenance costs of service delivery by local and regional governments. In some

cases, natural systems can replace infrastructure at a lower upfront cost with lower operation and maintenance costs and longer service life. However, at this point, there are no established PSAB accounting standards or costing valuation methods in place.

SOCIAL IMPLICATIONS

The inclusion of asset management, and specifically natural asset management, moves service delivery closer to the goal of sustainability where the needs of current communities are met without compromising the ability of future generations to meet their needs.

NEXT STEPS

Some work in support of natural asset management is planned or underway:

- Integrated Watershed Management staff will co-host a sustainable service delivery workshop in early 2017 with the Partnership for Watershed Sustainability in BC.
- Staff will continue to work to support natural system mapping (through updating of CRD watershed mapping and supporting the Habitat Acquisition Trust's Land Cover Mapping project) and the completion of a set of low-impact guidelines for green infrastructure.

CONCLUSIONS

Natural Asset Management is an emerging component of asset management that meets the larger goal of sustainable service delivery. Consideration of natural asset management is becoming a requirement of funding requests from senior levels of government as it becomes more relevant with aging infrastructure, climate change and our understanding of the potential of natural systems to support resilient communities. CRD staff have initiated actions around natural asset management within our service delivery.

RECOMMENDATION

That the Environmental Services Committee recommend to the Capital Regional District Board:

That this report on Natural Asset Management (Natural Capital) be received for information.

Submitted by:	Glenn Harris, Ph.D., R.P.Bio., Senior Manager, Environmental Protection
Concurrence:	Larisa Hutcheson, P.Eng., General Manager, Parks & Environmental Services
Concurrence:	Nelson Chan, MBA, CPA, CMA, Chief Financial Officer
Concurrence:	Robert Lapham, MCIP, RPP, Chief Administrative Officer

DG:cam

REPORT TO THE GOVERNANCE AND FINANCE COMMITTEE
MEETING OF WEDNESDAY, MARCH 6, 2019

SUBJECT   Corporate Asset Management Policy and Strategy

ISSUE

To present the draft Corporate Asset Management Policy and Strategy and recommend Board endorsement and direction to implement the action plan outlined in the strategy.

BACKGROUND

New assets are procured with a focus on safety, security, and sustainability while current assets are maintained with a similar focus but also to extend useful life. Assets and their systems differ in terms of their complexity, their operational and performance parameters and requirements, and their levels of management. In order to maximize the lifetime of assets, which can be measured in years or decades, assets need to be conserved, protected, maintained, modernized, or upgraded depending on their level of service requirements. This requires different timed intervention strategies accomplished through asset management.

Asset Management is an emerging discipline at the regional and municipal government level. As a result, the CRD is broadening its scope of responsibility by expanding Asset Management practices at both the technical and corporate strategic level.

In 2015, the CRD Board set a priority to develop and implement both a policy and a strategic framework for asset management, to continue in proactively managing assets to meet the needs of the community today and into the future. In response to this priority, the CRD have made improvements in processes relating to capital planning, project management, and impact reporting in regards to the economy. Additionally, the CRD hosted an asset management provincial seminar that hosted a variety of organizations across the province which consisted of provincial ministries, colleges, non-profit housing societies, professional associations, local government, BC Ferries, and BC Housing. Through this seminar, connections were made with the 13 local municipalities and established a local asset management community of practice to share local knowledge and build on each other's successes on asset management maturity.

To formalize our commitment, a Draft Corporate Asset Management Policy and Strategy has also been developed to provide the pathway to sustainable service delivery. The policy outlines key asset management objectives, principles, and governance, while the strategy sets out the improvement action plan to achieve the objectives of the policy to meet the Board's directives. This will ensure that we will be resilient to the challenges we face and be sustainable in delivering the services to the community today and into the future.

The purpose of the policy is to promote sustainable service-delivery through the following objectives:

- Link Asset Management to the CRD's vision, values, and priorities;

- Establish a consistent, methodical, and integrated approach to Asset Management which incorporates a level of flexibility to recognize the differences between departments, services provided, and resources;

- Minimize life-cycle costs while maintaining approved service levels and managing risk within approved boundaries;

- Commit to providing the appropriate workforce and resource funding;

- Balance the level of service, customers' expectations, and regulatory requirements with affordability, available resources, risk, climate action, socio-cultural, and environmental impacts;

- Improve asset and service resiliency through monitoring and adapting to meet current needs, foreseeable medium-term needs, and long-term future needs where practical and appropriate;

- Establish a system of education, continuous improvement, reporting, performance measures, and innovation within the organization; and

- Demonstrate responsible governance in asset and service delivery decisions by requiring:
  - A lifecycle approach when estimating asset investment options;
  - Consideration of long-and-short term decision impacts;
  - Evidence-based decision-making with transparent and consistent decision processes; and
  - Role and responsibility accountability.

To achieve these objectives, the strategy sets out targets and an improvement action plan while linking them with the asset management principles. The priority actions we had set in the short term are:

- Establishing a Policy, Strategy, and Asset Management Steering Committee;

- Developing an Asset Management Program Manual;

- Conducting an Asset Management Maturity Assessment;

- Developing Sustainable Service Delivery Plans for each Service.

The development of this policy and strategy was guided by accepted industry practices and standards including:

- Asset Management BC: AM Roadmap and Guide;

- BC Capital Asset Management Framework;

- A BC Framework for Sustainable Service delivery;

- International Standards Organization (ISO) 55001;

- FCM: Municipal Asset Management Program Resources (Tools and Guides);

- International Infrastructure Asset Management Manual (IIMM).

The Corporate Asset Management Policy and Strategy can be found in Appendices A & B for further information on our progress to-date.

ALTERNATIVES

Alternative 1
That the Governance and Finance Committee recommend to the Capital Regional District Board:
That the Corporate Asset Management Policy and Strategy be adopted and staff be directed to
implement the strategy.

Alternative 2
That the Corporate Asset Management Policy and Strategy be referred back to staff for specific
revisions and additional information, as identified by the Governance and Finance Committee.

IMPLICATIONS

STRATEGIC PRIORITIES IMPLICATION

The CRD provides many services across the region that include a variety of strategic goals and
objectives, and are directly and indirectly related to asset management. One of the key principles
of asset management is being transparent and as a result, there will be clearer communication
on how asset management activities are linked and contribute to achieving strategic goals and
objectives within the organization. The Asset Management (AM) Policy and Strategy will unify our
efforts and play a key role in achieving the strategic goals and objectives in a manner that is
affordable, culturally beneficial, socially and environmentally responsible.

GOVERNANCE IMPLICATION

The AM Policy and Strategy will improve the governance for Asset Management within the
organization. It defines the accountabilities and responsibilities at different levels. As a result, it
will provide clear cross-departmental roles and responsibilities to create an efficient and
consistent model which enables informed decision-making on asset investments that balances
risks and costs, and will be sustainable in the delivery of the agreed-upon level of service.

DECISION-MAKING IMPLICATION

Decision-makers at all levels of the organization are constantly challenged to:
- Find a balance between costs, risks, and benefits;
- Meet the current needs of the community, while also trying to position the CRD to best
  meet future needs;
- Consider climate change, growth forecasts, environmental management, socio-economic
  issues, affordability, and changing risk as infrastructure assets age;
- Maintain compliance with current and changing legislative requirements and industry
  standards.

Asset Management business practices will provide evidence-based data for informed decision-
making, and analysis of that data will build understanding of the many complex relationships
between inputs, variables, options, and consequences which need to be considered. Having a
consistent, systematic, standardized method of collecting, storing and analyzing information
about our assets will help our organization know which assets are in critical need of replacement,
how much we should put into our capital reserve for future replacement, and ultimately show our
region we are good stewards of the services and assets they rely on every day.

Figure 1 shows common criteria for informed decision-making.

Figure 1: Common criteria for informed decision-making

Asset Management data and analysis will support the CRD decision-makers to more easily navigate complex issues, and to understand the truly important matters which will guide them to make well-informed, transparent, and balanced decisions.

LEVEL OF SERVICE IMPLICATION

Our community relies on the services the CRD provides. Level of service is defined in the strategy through service attributes such as quality, quantity, and reliability, and written from a perspective of how the community receives this service. The core output of implementing asset management ensures the sustainability of our service delivery through having established sustainable service delivery plans which analyse the key elements of managing assets such as demand, cost, risks, asset condition, and capacity, to ensure we meet the needs of the community today and into the future.

LONG-TERM SUSTAINABILITY IMPLICATIONS

- Implementation of the AM Policy and Strategy will build organizational resilience towards the practice of asset management. It does so through adopting a continuous improvement 'Plan, Do, Check, Adjust' process (based on the Deming Cycle). This four-step process will be used to generate on-going iterative improvement, and facilitate responsible adaptation to change in the AM program, supporting the improvement of our information and processes over time.

- Asset Management is a whole-life management practice of our infrastructure from planning through construction, to operation and maintenance, and then through disposal or replacement at the end of life. With the implementation of the AM Policy and Strategy, our mindset of asset management as a continuously adapted business process will support informed decision-making on an on-going basis within a long-term environment of change.

- Asset management will build collaboration cross-departmentally and build robust teams which get all the right information to make well informed decisions. Asset Management is a complex practice; a team effort is needed to scale the practice relevant to the complexity of the services and related assets, in order to provide the best value of time and effort. As our assets and services mature over time, our teams and asset management practices will also mature to provide for a more robust and complex analysis, greater accuracy in financial forecasts and assessments of options, costs, and risks that can be reported to support decision-makers. In addition, collaborating with other local governments to share knowledge and tools, and developing relationships with provincial and federal governments is key to sustaining and evolving the practice of asset management.

- Measuring performance is critical to understanding what progress is being made and whether the goals and targets that have been set are delivering the intended outcomes. Performance measurement drives improvement and provides critical guidance for decision-making. Key performance indicators will be established to ensure we are meeting our objectives, targets, activities, and procedures as well as identifying improvements on how we deliver our services and improve our asset management practices.

  Figure 2 shows the Performance Measurement Framework the CRD will use to measure and report performance towards asset management.
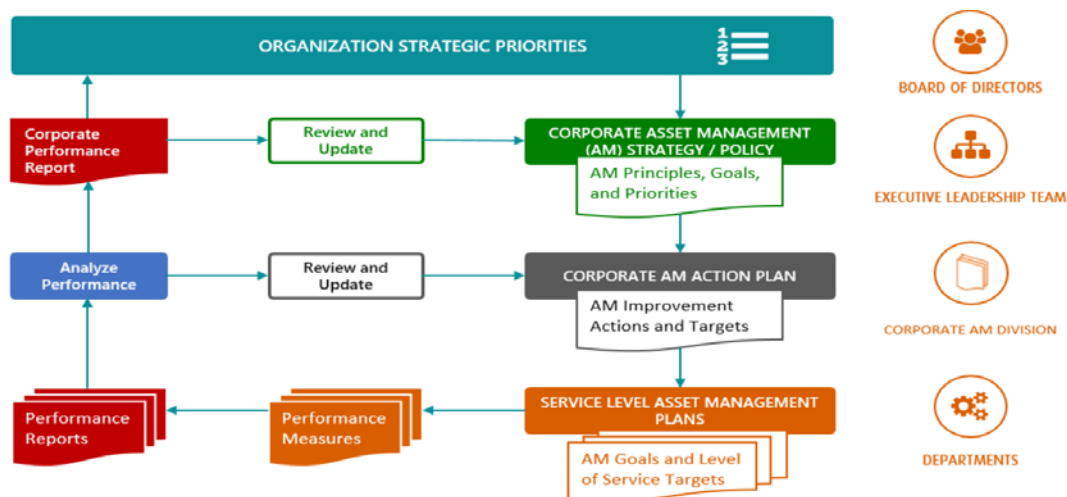

Figure 2: Performance Measurement Framework

- Our region is becoming increasingly more diverse, dynamic, and exposed to disruptive and unpredictable events (i.e. climate change and natural disasters). To be resilient, the provision of assets which are adaptable to change is of paramount importance. A risk register will be implemented and maintained, and risk analyses will be completed on all assets from an asset, service delivery, and organizational risk perspective, and outputs will be used to make evidence-based decisions in the procurement of new assets and in the replacement of existing assets. Having robust risk management processes and well-defined levels of service will enable the capital region to become more resilient.

- Asset management will provide a methodology to articulate and understand workforce requirements to ensure the service is delivered at the defined and agreed-upon level to the community.

- The Corporate Climate Action Strategy demonstrates leadership within operations and the management of CRD-owned assets to reduce greenhouse gas emissions and adapt to climate change, and asset management builds upon this commitment through integration of climate mitigation and adaptation into our sustainable service delivery plans.

FINANCIAL IMPLICATIONS

- As a steward of the tax-payer dollars, services and assets, we aim to make decisions that minimize life cycle costs and maximize the value of our investment by understanding the life cycle cost of an asset that includes the cost of capital, operations, and maintenance costs. With a sound asset management program, we will have a detailed understanding of the costs over the life of an asset which includes capital, operations and maintenance, which will help in calculating the level of funding into capital and operational reserves for long-term financial sustainability. This will provide visibility of the timing and cost of asset replacements.

- Implementation of this policy and strategy is organization wide and will have an impact on existing organizational resources. Determining resource need will be determined through conducting the asset management maturity assessment. An outcome of this assessment will indicate whether the service-delivery team's utilization is balanced, under or over utilized. If a resource gap is identified, it will be addressed through the annual service and budget planning. This ensures that we are appropriately resourced to deliver the level of service to the community.

COMMUNITY IMPLICATIONS

- Public confidence will increase in the organization's stewardship towards the sustainability of our service delivery through having established sustainable service delivery plans. Sustainable service delivery plans will increase our transparency towards the health of our service delivery by stating our asset registry, condition profile, risks, financial profile, and life-cycle strategies. Asset management integrates business practices to manage our assets cost-effectively and to help us make forward-looking decisions to ensure we meet the current and future demands of our community. Ensuring that we have a robust asset inventory, thorough knowledge of our capacity and future demands, established risk, procurement and project management processes, will greatly assist in our goal for long term sustainability.

- Asset management is a process that will provide visibility to opportunities and challenges that our services are facing today and in the future. As it relates to decisions towards asset (re)investments, the processes of asset management will provide the relevant information in making those decisions such as how it impacts the level of service, the consequences associated with the options provided and risks. This will ensure that the decision-maker is well informed in making the decision in order to meet community needs.

CONCLUSION

The Corporate Asset Management Policy and Strategy presents a pathway to CRD's sustainable service delivery including a clear set of objectives, principles, and an action plan to achieve sustainable service delivery.

RECOMMENDATION(S)

That the Governance and Finance Committee recommend to the Capital Regional District Board: That the Corporate Asset Management Policy and Strategy be adopted and staff be directed to implement the strategy.

Submitted by:	Carlo Vijandre, PMP, AScT, FMP, Manager, Asset Management
Concurrence:	Nelson Chan, MBA, CPA, CMA, Chief Financial Officer
Concurrence:	Robert Lapham, MCIP, RPP, Chief Administrative Officer

Attachments
Appendix A: Corporate Asset Management Policy
Appendix B: Corporate Asset Management Strategy

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CAPITAL REGIONAL DISTRICT

CORPORATE ASSET MANAGEMENT POLICY

Section	Financial Services	
Subsection	Policies, Procedures, Manuals	*(policy #)*
Title	CORPORATE ASSET MANAGEMENT POLICY	

POLICY:

This policy outlines the Capital Regional District's (CRD) direction on Asset Management practices and responsibilities. See Appendix A for definitions.

PURPOSE:

The purpose of this policy is to promote sustainable service delivery through the following objectives:

- Link Asset Management to the CRD's vision, values, and priorities;
- Establish a consistent, methodical, and integrated approach to Asset Management that incorporate a level of flexibility to recognize the differences between departments, service provided and resources;
- Minimize life-cycle costs while maintaining approved service levels and managing risk within approved boundaries;
- Commit to providing the appropriate workforce and resource funding;
- Balance the level of service, customers' expectations and regulatory requirements with affordability, available resources, risk, climate action, socio-cultural and environmental impacts;
- Improve asset and service resiliency through monitoring and adaptation to meet current needs, foreseeable medium-term needs, and long-term future needs where practical and appropriate;
- Establish a system of education, continuous improvement, reporting, performance measures, and innovation within the organization; and
- Demonstrate responsible governance in asset and service delivery decisions by requiring:
  - A lifecycle approach when estimating asset investment options;
  - Consideration of long-and-short term decision impacts;
  - Evidence-based decision making with transparent and consistent decision processes; and
  - Role and responsibility accountability.

Further information is available in the Corporate Asset Management Strategy.

SCOPE:

This applies to all CRD services and functions including CRD, Capital Region Housing Corporation (CRHC) and Capital Regional Hospital District (CRHD) Boards, Committees, Commissions, Officers, and Employees. It applies to all assets, both natural and engineered, owned or managed by CRD in the region.

Progress will be reported periodically and implementation of this policy reviewed by the Board at the mid-point of its term.

ASSET MANAGEMENT PRINCIPLES:

To achieve the objectives of the policy and alignment with corporate values and priorities, the CRD will apply the following principles in all asset management initiatives:

1. Put community service delivery needs first and foremost;
2. Make well-informed and evidence-based decision making;
3. Deliver services that are environmentally, economically, and socially sustainable for current and future generations;
4. Manage risk and build resilient infrastructure;
5. Evaluate and include full lifecycle costs in financial decisions;
6. Establish a systematic and integrated approach to asset management and require rigorous and transparent processes; and
7. Commit to continual improvement, encouraging innovation of asset management practices and service delivery.

Further information is available in the Corporate Asset Management Strategy.

ASSET MANAGEMENT DOCUMENTS:

The following are guiding documents for Asset Management:

- **Asset Management Policy** – this defines the organization's commitment to the development, implementation, maintenance, and improvement of Asset management practices; and defines organizational and stakeholder expectations around the administration of CRD's natural and engineered assets. It will initially be reviewed in three years then on a five-year cycle.
- **Asset Management Strategy** – this defines the organization's commitment and approach to implementing the Asset Management Policy. It will be reviewed on an annual basis. It provides an outline of how asset management practices align with the AM Policy and support achievement of corporate goals and objectives.
- **Asset Management Program Manual** – this provides guidance for the development of sustainable service delivery plans and outlines the standard approaches and methods that need to applied consistently within Service Areas to enable corporate-level outcomes reporting.
- **Sustainable Service Delivery Plans** – these plans provide information on how assets are managed including, asset valuation, current asset condition, sustainability plans, risks, long-term financial plans (O&M and Capital), and current performance against levels of service.

ROLES AND RESPONSIBILITIES:

CRD Board (including Capital Regional Hospital District Board and Capital Region Housing Corporation)

- Adopt the Corporate Asset Management Policy and Strategy;
- Provide commitment to ensure sufficient organizational resources are available;

Commissions and Committees

- Understand and implement the approach to Asset Management and use the tools provided in the exercise of delegated authority or provision of recommendations;

<u>Chief Administrative Officer and Executive Leadership Team</u>

- Implement the Asset Management Policy across the CRD;
- Approve Asset Management Strategy, Asset Management Steering Group Terms of Reference, and Asset Management priorities;
- Provide oversight to ensure Asset Management goals and objectives are met;
- Report to Board on Asset Management Program;

<u>Chief Financial Officer</u>

- CRD Asset Management sponsor, providing overall leadership for Asset Management;

<u>General Managers, Senior Managers, Managers</u>

- Accountable for delivery of a service or for one or more asset classes required to support service delivery;
- Understand and implement the Corporate AM Policy and AM Strategy;
- Ensure Division's compliance with the Corporate AM Policy, as applicable;
- Manage assets under their oversight, and for the accuracy and maintenance of required asset data in the registry;
- Maintain agreed levels of service throughout the life cycle of assets, for all services (functions) managed by their Division;
- Develop and implement Sustainable Service Delivery Plans for Services in accordance with the Corporate Asset Management Program Manual;

<u>Manager of Asset Management</u>

- Establish and chair the Asset Management Steering Group (AMSG);
- Development and maintain the Asset Management Strategy, Program Manual and other strategic documents, including tools and templates;
- Review and update Corporate Asset Management Policy as appropriate;
- Advise CRD staff on asset management practices which support the principles and purpose of the Corporate Asset Management Policy;
- Report Asset Management outcomes;

<u>Asset Management Steering Group (AMSG)</u>

- Implement the Asset Management Strategy, as a corporate cross-functional team comprised of –
    - Manager of Asset Management (Chair);
    - Senior Managers and Managers representing departments, services, and asset groups as defined in the AMSG Terms of Reference;
- Recommend priorities to ELT and implement approved priorities;
- Provide governance and management for the continuous improvement process and implementation of the Asset Management improvement plan; and
- Provide oversight on implementation of improvement initiatives, and monitoring and reporting on the overall performance of Asset Management.

STANDARDS OF PRACTICE:

The implementation of Asset Management within the CRD is guided by accepted industry practices including:

- Asset Management BC: AM Roadmap and Guide
- BC Capital Asset Management Framework
- A BC Framework for Sustainable Service delivery
- International Standards Organization (ISO) 55001
- FCM: Municipal Asset Management Program Resources (Tools and Guides)
- International Infrastructure Asset Management Manual (IIMM)

The CRD complies with tangible capital asset reporting requirements as set out by the Public Sector Accounting Board and developed a Tangible Capital Asset Accounting Policy in 2008 that defines the requirements for tangible asset accounting and financial reporting.

Approval Date:		Approved By:	
1. Amendment Date:		Approved By:	
Next Review Date:		Reviewed By:	
Supersedes:			

TERMS AND ABBREVIATIONS

Asset Management (AM): AM involves the balancing of costs, opportunities and risks against the desired performance of assets to achieve organizational objectives. It is an integrated approach made up of business practices performed throughout the asset life cycle to maximize the asset's value, while managing risk and life cycle costs, and providing services to the community that are socially, culturally, environmentally, and economically sustainable.

Sustainable Service Delivery Plan (SSD Plan): A plan developed for the management of infrastructure assets that combines multi-disciplinary management strategies (including technical and financial) over the life cycle of the asset in the most cost-effective manner to deliver a specified level of service. It specifies the activities, resources and timescales required for individual assets to achieve the organization's asset management objectives. A significant component of the plan is therefore a long-term program of works and cash flow projection for the activities.

Asset Management Policy (AM Policy): The asset management policy describes the organization's intentions and directions for asset management, as formally expressed by its senior management. It describes the principles and framework adopted in applying asset management to achieve the organization's strategic objectives.

Asset Management Steering Group (AMSG): A group of people with different functional expertise working toward a common goal. It may include people from finance, IT, operations, and human resources departments. Typically, it includes employees from all levels of an organization.

Asset Management Strategy (AM Strategy): Documented information that specifies how organizational objectives are converted into asset management objectives; the scope and role of the asset management system in supporting achievement of the asset management objectives; and the approach for developing sustainable service delivery plans. The AM Strategy provides a clear "line of sight" between high-level objectives and the day-to-day activities carried out to deliver services and manage assets.

CRD Corporate Asset Management Program (CAMP): The people, resources, funding, processes, and activities necessary to manage implementation of the requirements of the CRD Corporate AM Strategy and Action Plan.

CRD Asset Management: The complete set of interrelated elements used to effect the AM Policy and support the development and continuous improvement of appropriate asset management practices that will deliver sustainable, affordable services to required standards. CRD Asset Management elements include documents, procedures, tools, data, and the assets. Together, these elements create the total management system for asset management.

Continuous Improvement: An ongoing effort to improve services or processes. These efforts can seek "incremental" improvement over time or "breakthrough" improvement all at once.

Engineered Assets: Assets that have been constructed and are owned by the Regional District (e.g. water mains, roads, streetlights, buildings), land that is owned by the Regional District and supports assets (e.g., land under roads or buildings), or land that is undeveloped and owned by the Regional District. These assets must be operated, maintained, managed, and, with the exception of land, ultimately replaced as they wear out.

Level of Service: The service level delivered to the public by the Regional District. This can take the form of the selection of services that are provided (e.g., bike lanes, doggie bags, or a new pool), the standard of infrastructure in place (e.g., concrete sidewalks versus gravel paths), or the standard to which an asset is maintained (e.g., the frequency of trail clearing/cleaning). The desire of Board or the public for a particular Level of Service will directly affect utility fees or taxation.

Life Cycle Costs: Life cycle costs refer to the total cost of ownership over the life of an asset. This may include but is not limited to capital costs, operating costs, maintenance costs, renewal costs, replacement costs, environmental costs and decommissioning costs.

Natural Assets: Naturally occurring land or subsurface features which perform or support service delivery to the Regional District (e.g., Regional Trails, watersheds, regional parks etc.). This category also includes artificial features that mimic naturally occurring features (e.g., ditches, ponds and wetlands). If these assets did not exist, Engineered Assets would be required to provide these services. Natural Assets must be operated and maintained but, if managed appropriately, require no replacement.

Sustainability: The pillars of sustainability include ensuring that current socio-cultural, economic and environmental commitments are considered in investment decisions and do not compromise the ability of future generations to meet their own needs.

Triple Bottom Line: Framework that expands on the traditional view of an organization's financial bottom line by also measuring an organization's commitment to socio-cultural and environmental factors.

Corporate Asset Management Strategy

CRD

Making a difference...together

Front cover photos, top to bottom:

Craigflower Pump Station

Royal Theatre

Engineering staff at Sooke fire station

Regional parks dock

This strategy represents current information as of the time of publication. The Capital Regional District will be periodically updating and revising this strategy to reflect changes in direction and other developments.

Published February 2019

Asset Management Steering Group Members:

▶ Signe BAGH
▶ Lorraine BREWSTER
▶ Karla CAMPBELL
▶ Shawn CARBY
▶ Nelson CHAN
▶ Annette CONSTABEL
▶ Christine CULHAM
▶ Sarah FORBES
▶ Liz FERRIS
▶ Sharon GRIGG
▶ David HENNIGAN
▶ Ian JESNEY
▶ Steve KNOKE
▶ Rianna LACHANCE
▶ Iain LAWRENCE
▶ Scott MASON
▶ Stephen MAY
▶ Matthew McCRANK
▶ Mike MACINTYRE
▶ Jan D Van NIEKERK
▶ Hilary PARRY
▶ Chris ROBINS
▶ Dan ROBSON
▶ Todd SHANNON
▶ Russ SMITH
▶ Rob STORIE
▶ Carlo VIJANDRE

Table of Contents

CRD
Making a difference...together

AT A GLANCE

This strategy outlines how the CRD will apply an integrated approach, evidence-based decision-making, life cycle management and continuous improvement to maintain the levels of service desired by residents of the capital region.

It establishes seven asset management principles, developed in alignment with industry practices and organizational values and priorities:

1. **Service Delivery & Community:** The CRD will put community service delivery needs first and foremost.

2. **Decision-Making:** The CRD will make well-informed and evidence-based decisions.

3. **Sustainability:** The CRD will deliver services that are environmentally, socially and economically sustainable for current and future generations.

4. **Risk & Resiliency:** The CRD will manage risk and build resilient infrastructure.

5. **Financial Strategy:** The CRD will evaluate and include full life cycle costs in financial decisions.

6. **Transparency:** The CRD will establish a systematic and integrated approach to asset management and require rigorous and transparent processes.

7. **Continual Improvement:** The CRD will commit to continual improvement, encouraging innovation of asset management practices and service delivery.

Asset management is the pathway to sustainable, resilient and adaptive service delivery.

The CRD's service delivery system

1,100 employees managing the CRD's assets

15 drinking water systems *treating & delivering 130M litres of water daily*

618 structures *including bridges, dams, docks and affordable housing covering over 92,000 square metres*

7 wastewater systems *processing 100M litres of wastewater daily*

130,000 average tons of muncipal solid waste received at Hartland landfill annually

3 regional trails

31 regional parks & reserves

750 kilometres of pipe infrastructure

Context & Definition

Swim lessons at SEAPARC

OVERVIEW

This Corporate Asset Management Strategy outlines how the Capital Regional District (CRD) will achieve and maintain a level of service delivery that is sustainable, resilient and adaptive to changing needs and circumstances.

The CRD was incorporated in 1966 to provide regional decision-making on issues that transcend municipal boundaries and to enable more effective service delivery to residents of the capital region.

Today, the CRD delivers more than 200 services. To accomplish this, the CRD owns a vast amount of assets, both engineered, such as treatment plants, and natural, such as parks.

These assets are managed by a workforce of approximately 1,100 employees and a network of more than 1,700 registered volunteers.

This strategy describes how the CRD will use a consistent and systematic approach to support the long-term sustainability and efficiency of all these assets to maintain desired levels of service.

Delivering efficient and effective services

The CRD is the regional government for 13 municipalities and three electoral areas on southern Vancouver Island and the nearby Gulf Islands, serving an estimated population of over 403,000 residents.

As a local government, the CRD develops partnerships to facilitate and deliver projects and services — regionally, sub-regionally and locally — that will ensure a sustainable, livable and vibrant capital region.

The key objectives of this Corporate Asset Management Strategy are to:

1. Establish asset management guidelines and targets to ensure all divisional activities are in alignment with organizational priorities.

2. Specify tasks in a detailed Improvement Action Plan to achieve the objectives of the Corporate Asset Management Policy and to improve the CRD's asset management program.

3. Provide a baseline understanding of asset management practices.

This strategy came together with input and collaboration from divisional experts across the CRD. It is based on industry best practices and governed by the CRD's Corporate Asset Management Policy.

At a **regional level**, the CRD provides governance and services, such as affordable housing, parks and solid waste management, to all 13 municipalities and electoral areas. The CRD serves local municipalities while municipalities serve the residents.

For example, the CRD manages Hartland Landfill & Recycling Facility, a multi-purpose facility that provides collection for recycling, household hazardous waste and salvageable items; yard and garden waste collection and processing; and controlled waste disposal and landfill service for commercial and residential customers across the region.

At a **sub-regional level**, the CRD provides a service partnership when two or more jurisdictions jointly decide to receive services. For example, the CRD operates and manages SEAPARC, a recreation centre that is funded by the Town of Sooke and the Juan de Fuca Electoral Area.

At a **local level**, the CRD serves as the local government for three electoral areas — Salt Spring Island, Southern Gulf Islands and Juan de Fuca — and provides services such as community planning and land use regulation only to those areas.

Cost recovery of services

Each CRD service is established by bylaw or letters patent that set out cost recovery methods within each service area. Funds collected must only be used for a specific service and cannot be shared, per Part 11 of the *Local Government Act*.

The only exception is a temporary loan from one service's reserve fund to another service's reserve fund for a budgeted capital purpose, also called inter-fund borrowing.

Current challenges with assets

The majority of the CRD's existing assets were constructed in an era when there was significant funding support from provincial and federal governments across Canada.

Today, assets in the region face the following issues:

- ▸ They are seeing increasing demand from growing communities in the region.
- ▸ They need to be upgraded to comply with evolving environmental and safety standards.
- ▸ They must be able to handle the frequent and severe weather-related events of climate change.
- ▸ Their operational greenhouse gas emissions must be reduced.

Additionally, these assets are approaching the end of their expected useful life, and renewal investment is required so they can continue to provide services to the region.

Asset management is crucial to the CRD's vision of an effective, efficient and open organization where communities strive to achieve exemplary environmental stewardship; a dynamic, vibrant economy; and an inclusive, caring society.

ASSET MANAGEMENT DEFINED

Asset management involves the balancing of costs, opportunities and risks against the desired performance of the assets for the purpose of delivering services that are socially, culturally, environmentally and economically sustainable.

An integrated approach

Asset management is a team effort involving cross-divisional communication to gather all relevant information to make well-informed decisions.

The CRD's Asset Management Division was formed to guide the development of asset management at the CRD by collaborating with divisions; by developing policy, strategies, frameworks, guidelines and procedures; and by serving in an advisory and mentoring role.

The key role of other divisions is to operationalize asset management practices by creating sustainable service delivery plans for the services they manage and then reporting out on progress.

A steering group that includes representation from every department within the CRD was created to develop this strategy as well as enable information-sharing throughout the organization and coordinate all asset management activities.

ASSET MANAGEMENT is **an integrated approach** made up of business practices that are performed throughout **an asset's life cycle** to maximize the value of the asset.

It is **continually improved** to support **evidence-based decision-making** within an environment of change.

Evidence-based decision-making

The CRD is governed by a Board of 24 elected officials supported by over 70 committees and commissions. Its internal functions and external services are administered by staff in departments and divisions, volunteers, partnerships and contracted service arrangements.

The CRD works collaboratively with First Nations and other levels of government and also nurtures relationships with individuals, businesses, organizations, institutions and communities to deliver services to residents.

Within this environment, CRD decision-makers at all levels of the organization are constantly challenged to:

- ▶ find a balance between costs, risks and benefits
- ▶ meet the current needs of the region while trying to position the CRD to meet future needs
- ▶ consider climate change, growth forecasts, environmental management, socio-economic issues, affordability and changing risks as assets age
- ▶ maintain compliance with current and changing legislative requirements and industry standards
- ▶ provide consistent governance and decision-making across the organization

CRD decision-makers can more easily navigate these complex issues and structures when they have access to reliable and consistent information.

Asset management data and analysis will help them make well-informed, transparent and balanced decisions based on evidence that considers the purpose for the assets, the reason the assets exist and what the assets are required to do — all in the context of community needs and service performance objectives.

Having a consistent, systematic and standardized method of collecting, storing and analyzing information about assets will help CRD decision-makers determine which assets are in critical need of replacement, determine the capital reserve allocations for future replacement and demonstrate good stewardship of the services and assets that residents rely on every day.

Life-cycle management

As a public sector organization, the CRD procures new assets with a focus on safety, security and sustainability and maintains current assets with a similar focus while also maximizing their useful life.

Decisions in one stage of an asset's life cycle can have significant impacts on the asset's performance in that stage and in subsequent stages. For example, a reduction in critical maintenance can shorten the lifespan of an asset, which results in needing to invest more in capital asset replacement programs.

Asset management considers these interrelationships and promotes a holistic way to achieve best performance against required outcomes.

Asset Life Cycle

Planning Stage

determine asset requirements

- assessment of supply and demand, existing assets and their capabilities
- systematic analysis and review of strategic alignment
- review of long-term plans
- prioritization and development of a business case
- cost-risk-benefit analysis
- consideration of total life cycle costs

Implementation Stage

build or acquire the asset

- pre-construction tasks, such as design and tender, procurement analysis and acquiring funding
- construction or acquisition
- project management
- post-construction tasks, such as commissioning and handing off to operations and maintenance staff and systems

renew or dispose of asset

- replacement
- upgrading
- disposal
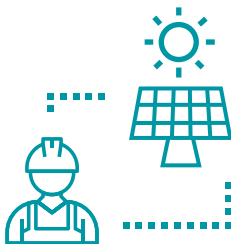
Renewal or Disposal Stage

deliver services with the asset

- general operations
- preventative and reactive maintenance
- routine and periodic inspections
- condition assessments
- compliance testing and monitoring
- performance measuring and reporting
- cost tracking

Operations & Maintenance Stage

Continuous improvement

Continuous improvement is an integral part of asset management as it allows improvement and adaptation of processes as needed, which builds organizational resilience.

The continuous improvement process is a way to review the continued relevance of targets and actions and to identify a new set of actions for upcoming years.

The continuous improvement cycle the CRD applies to its asset management activities is an industry best practice.

It repeatedly cycles through the following stages:

‣ **Plan**: identify what improvement actions need to be done to achieve desired targets

‣ **Do**: implement the improvement actions

‣ **Check**: monitor and measure improvement progress and results

‣ **Adjust**: compare outcomes to objectives and determine if changes need to be made

See **Implementation & Measurement on page 16**, to learn how the CRD will apply the continuous improvement cycle to its asset management activities.
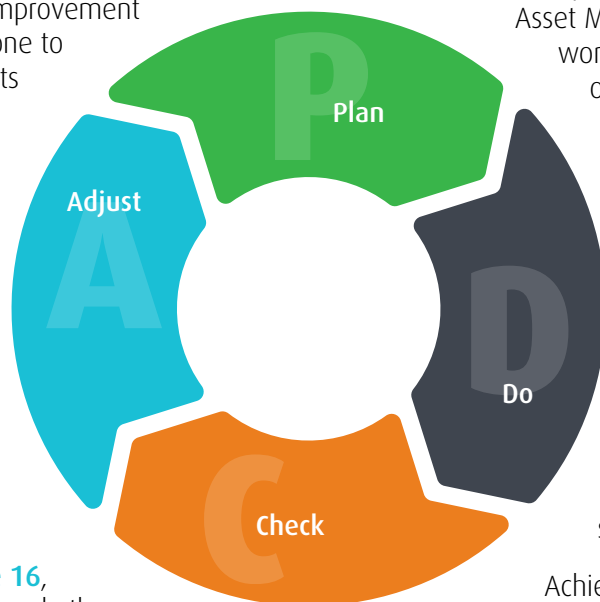
Benefits

Asset management provides multiple benefits, including:

‣ the ability to demonstrate accountability to stakeholders

‣ greater access to financial assistance, as some funding agencies give applicants higher priority ratings for having sustainable service delivery plans

‣ credible evaluation and communication of trade-offs between service, cost and risk

‣ a defensible way of prioritizing projects and resources

Additionally, implementation of the Corporate Asset Management Strategy will align work happening throughout the organization.

For example, the Regional Growth Strategy (RGS), a framework developed by municipalities and the CRD for identifying social, economic and environmental objectives and for guiding the direction of planning decisions, has a core objective to sustainably manage regional infrastructure services.

Achieving this and other RGS objectives will be critical to successfully sustaining the level of services that assets deliver today and for future generations. This Corporate Asset Management Strategy supports achievement of RGS actions, such as aligning with their long-term planning horizons.

This strategy also supports the other major strategies, plans and initiatives at the CRD. The benefits of this organizational integration will also be seen through the following:

▶ maximizing investments through managing risks and balancing costs

▶ ensuring fiscal management by knowing how much money needs to be saved for future infrastructure renewal

▶ achieving organizational strategic priorities and the service delivery mandate

▶ aligning with the long-term planning horizon of 20 years

▶ integrating a climate change lens in all relevant asset management decisions

▶ enhancing business continuity planning for essential service requirements

▶ ensuring that current and future demands are known and planned for in all relevant asset management decisions

Sharing knowledge freely and openly will build a sustainable asset management culture within our community of practice.

~CARLO VIJANDRE
ASSET MANAGEMENT MANAGER

Asset management seminar presentation

Approach

ASSET MANAGEMENT FRAMEWORK

The CRD's asset management framework ensures the organization will be **sustainable in service delivery**, will be **equipped to adapt to change** and will have the **tools to build resilience** into its infrastructure, natural assets and workforce.

The framework enables the organization to evolve its asset management practices and link them together, regardless of which division is implementing them. It also gives individual staff the confidence to make evidence-based decisions that are in alignment with organizational priorities and CRD policies while balancing cost, levels of service and risk.

Corporate Asset Management Policy

The CRD's Corporate Asset Management Policy formalizes the corporate commitment to asset management and sets out specific roles and responsibilities for governance, management, implementation and participation in the various elements of the asset management program.

Guided by the CRD's organizational values, prioritization criteria, risk policy, accepted industry practices and other relevant corporate strategies, the Corporate Asset Management Policy establishes the CRD's seven asset management principles and the overarching objectives of the asset management program.

It also aligns the CRD's asset management approach with the region's needs and objectives, drives decision-making to be evidence based,

requires integration of asset management into all phases of an asset's life cycle and supports the CRD's approach to asset financing.

Corporate Asset Management Strategy

The Corporate Asset Management Strategy ensures the CRD's Corporate Asset Management Policy will be implemented consistently across the organization while allowing flexibility and scalability within that implementation to accommodate differences in services.

It establishes 27 targets to ensure progress is made in achieving the seven principles defined by the Corporate Asset Management Policy and outlines tangible things the CRD will do to achieve those targets. This strategy also guides the development of sustainable service delivery plans, providing a clear line of sight between high-level objectives and the day-to-day activities carried out to deliver services and manage assets.

The Improvement Action Plan within the Corporate Asset Management Strategy will be updated annually to acknowledge completed actions and modify actions as needed to adapt to change in internal and external environments.

Residents using the
Galloping Goose
Regional Trail

Asset management practices

Each division will implement asset management practices and tools – for example, data collection and monitoring – being mindful of continuous improvement to enhance and optimize decision-making capabilities throughout the life cycle of the assets.

Sustainable service delivery plans

Each CRD service with an asset will have a sustainable service delivery plan. A corporate sustainable service delivery plan will aggregate these plans.

The plans will include performance measures with criteria such as condition and age profiles, level of risk exposure, total cost of service compared to income and reserves, technical measures for regulatory compliance, customer satisfaction indicators and other measures as appropriate.

While this strategy outlines how the practice of asset management will be integrated into every element of CRD operations, the service-level plans will describe how each specific asset will be managed and will include detailed information about the asset, such as valuation, current condition, risks and long-term financial plans.

Each sustainable service delivery plan will be routinely reviewed to accommodate the changing needs of communities.

CRD Asset Management Framework

ORGANIZATIONAL VALUES & COMMUNITY NEEDS

Organizational strategic priorities

Corporate Asset Management Policy

‣ defines asset management program objectives
‣ establishes 7 asset management *principles*
‣ describes roles and responsibilities

Corporate Asset Management Strategy

‣ outlines 27 asset management *targets*
‣ ensures individual activities are in alignment with the policy

Improvement Action Plan

‣ details *actions* that will achieve the targets

Asset management practices

‣ manuals, tools, data, training, people, etc.

Sustainable service delivery plans

‣ developed for each CRD service
‣ include performance measures
‣ describe how each asset will be managed

SUSTAINABLE SERVICE DELIVERY

IMPLEMENTATION & MEASUREMENT

The CRD's methodology for implementing and measuring success on its corporate asset management framework is to follow the **continuous improvement cycle** of "Plan, Do, Check, Adjust."

Implementation: plan and do phases

Plan: developing the corporate asset management program

The CRD has completed the plan phase of its asset management program, and the outcome is this Corporate Asset Management Strategy, which outlines 27 targets to realize the seven asset management principles and also lists actions to achieve those targets.

The planning process was led by the Manager of Asset Management, with help from various subject matter experts. An asset management steering group, which included representatives from multiple CRD divisions, collaborated and held workshops to develop the corporate approach to asset management.

The plan phase also included a strategic risk assessment. Risk assessments are an important part of asset management, and for the purposes of this document, only risks relating to the CRD's ability to achieve asset management targets were defined. See the **Risk assessment table on page 42** for a list of potential risks and options for mitigation.

Risks associated with service delivery and individual assets will be defined through different avenues, such as the corporate risk register and site-specific risk assessments. These risks will be described in sustainable service delivery plans.

Do: implementing improvement tasks

The **Improvement Action Plan on page 20** sets out tasks to be completed to improve asset management practices and service delivery across the CRD and achieve the asset management targets.

The responsibility for completing these tasks is shared across the organization. Progress on tasks will depend on availability of resources, commitment of senior management to assign staff and prioritize improvement work, and approval of funding for the support of external subject matter experts or additional resources as needed.

The divisions will determine the workforce needed to complete these actions, which may require new resourcing, depending on the results of the asset management maturity assessment and the capacity of their division.

Implementation & Measurement of the CRD's Asset Management Program

Plan

The Implementation Action Plan is updated annually based on feedback during the Adjust phase.

The Corporate Asset Management Strategy, including the Implementation Action Plan, is developed.

Do

The detailed actions within the Implementation Action Plan are carried out.

Adjust

The Implementation Action Plan is revised as needed.

Relevance of targets and actions in the Implementation Action Plan is reviewed and progress is reported out on.

Continuous improvement cycle

Check

Performance of sustainable service delivery plans is evaluated.

Progress on asset management targets is measured.

Asset management maturity levels are assessed.

Completion of actions within the Implementation Action Plan is monitored.

Measuring performance: check and adjust phases

The CRD will be monitoring and reporting out on the success of:

‣ the corporate asset management program
‣ the overall effectiveness of asset management
‣ the level of asset management maturity
‣ the success of service delivery

The Asset Management Division will prepare a report for the Board that includes progress in implementing improvement actions and achieving asset management performance measures, the status of asset management maturity, and recommendations for adjustments to the Improvement Action Plan.

Check: assessing progress

Performance of the corporate asset management program will be assessed by measuring the rate of progress in completing tasks in the Improvement Action Plan. Completion of assigned actions on time and on budget will indicate that the program is successful with the provision of appropriate levels of funding and resourcing.

Ongoing monitoring of the Improvement Action Plan will occur throughout the year and be reported on annually. The responsibility for monitoring, measuring performance and reporting is a collaborative one, with inputs and actions from all divisions.

In addition to measuring whether individual actions have been completed or not, progress on the 27 targets will also be measured and reported out on as an indicator of the overall effectiveness of asset management.

Each division currently managing assets will complete an asset management maturity assessment that will help them understand where they are along the asset management journey. Individual divisional assessments will be collated by the Asset Management Division to establish a corporate result.

The level of asset management maturity achieved will be compared to previous benchmarked measures to report overall organizational improvement and capability. This performance measure is an indication of the level of knowledge and understanding that exists among CRD staff to do asset management as well as the level to which asset management practices have been implemented and embedded into routine business activities.

Service delivery performance will be monitored by each division based on the performance measures included in sustainable service delivery plans.

Adjust: revising the Improvement Action Plan

The asset management maturity assessment process will help divisions with the annual process of considering asset management objectives and performance targets and of reviewing, resequencing and reprioritizing action items as relevant at a corporate level.

From this, the CRD will have the annual opportunity to review the continued relevance of the 27 targets and 73 actions in the Improvement Action Plan and update them accordingly.

Taking Action

Capital Region Housing Corporation maintenance and property

IMPROVEMENT ACTION PLAN

This section outlines the targets and actions that will ensure day-to-day activities are in alignment with the CRD's seven asset management principles:

1. Service Delivery & Community: The CRD will put community service delivery needs first and foremost.

2. Decision-Making: The CRD will make well-informed and evidence-based decisions.

3. Sustainability: The CRD will deliver services that are environmentally, socially and economically sustainable for current and future generations.

4. Risk & Resiliency: The CRD will manage risk and build resilient infrastructure.

5. Financial Strategy: The CRD will evaluate and include full life cycle costs in financial decisions.

6. Transparency: The CRD will establish a systematic and integrated approach to asset management and require rigorous and transparent processes.

7. Continual Improvement: The CRD will commit to continual improvement, encouraging innovation of asset management practices and service delivery.

Construction at the
Summit project

Each of the seven sub-sections includes:

▶ The principle statement for the section.

▶ Discussion on the principle statement, what it means and why it's needed.

▶ A list of targets, which are numbered sequentially across all seven sections, that will demonstrate progress made toward achieving the principle.

▶ A list of improvement actions designed to achieve the stated targets. The actions are listed in tables that provide the following details:

  ‣ a reference number linking tasks and sub-tasks to the seven principles

  ‣ a brief description of the action

  ‣ a timeline for completion: 1-2 years (short-term actions), 3-5 years (medium-term actions), 5-10 years (long-term actions) or ongoing (actions with no fixed end date)

  ‣ a status column that indicates whether an action is completed, in progress or not started

  ‣ a column that indicates which division(s) or stakeholder will be responsible for carrying out the action

The improvement actions requiring immediate attention have been highlighted as priority actions, and many of the actions listed in this plan already have been started or are well underway.

Implemented as part of this strategy, the improvement actions will:

▶ improve asset management practices and service delivery across the CRD

▶ evolve the CRD's asset management practices

▶ implement the requirements and commitments in the Corporate Asset Management Policy

▶ achieve tangible benefits that support delivery of CRD services and programs

Status of Improvement Actions

as at December 2018

4 completed

31 in progress

38 not started

These are actions that were not a corporate-wide priority as at the time of publishing this strategy.

Hartland landfill

CRD drinking water

1

Service Delivery & Community

The CRD will put community service delivery needs first and foremost.

Deciding whether a service is needed and then what the appropriate level of service should be requires balancing community needs, safety regulations, legal obligations, the demands of a changing climate, changes to demographics and population and the cost of service delivery.

Defining service levels ensures that stakeholder and community needs and expectations are fully understood and that the effectiveness of the service can be measured against those needs. With a clear understanding of the desired and required levels of service, the CRD will be better able to manage risk and save costs by planning proactively and will also be able to identify any surplus or under-performing assets.

The CRD believes it is important to communicate to the community the true cost of delivering their desired level of service and the different risks associated with these various levels. Consulting with community members on service priorities and expectations will also help direct the focus of asset management efforts.

In addition, developing relationships with other organizations will ensure asset management best practices and techniques are shared to spur innovation and continuous improvement.

Targets:

1. Levels of service that balance customer expectations and regulatory requirements with affordability, available resources and risk, and with climate, socio-cultural and environmental impacts

2. Levels of service that are sustainable because the following were considered in all asset and service delivery decisions:

   ‣ current and long-term service delivery requirements
   ‣ likely changes in demographics and population
   ‣ community needs
   ‣ legislative requirements
   ‣ technological factors
   ‣ adaptation to climate change
   ‣ greenhouse gas reduction
   ‣ socio-cultural, economic and environmental impacts

3. Strong, collaborative relationships with relevant organizations and stakeholders for sharing asset management knowledge

Service Delivery & Community

Action		Timeline	Status	Associated Division(s) and Key Stakeholders
1.1	Develop a corporate levels of service framework.	‣ 3-5 years	‣ In progress	‣ Asset Management Division ‣ Asset Management Steering Group
1.2	Define the level of service for every service in both customer need and technical output.	‣ 3-5 years	‣ In progress	‣ All divisions*
1.3	Establish networks and relationships with relevant organizations and stakeholders.	‣ Ongoing	‣ In progress	‣ All divisions

"All divisions" refers to divisions within the CRD that manage infrastructure assets.

2

Decision-Making

The CRD will make well-informed and evidence-based decisions.

The CRD delivers numerous services through the use of infrastructure assets, both engineered and natural.

Making the best decisions about these assets requires understanding the service need and evaluating all costs and benefits over the life of the asset. This can only happen when the CRD has appropriate, accurate, complete and credible information, together with an awareness of community priorities (see **Principle 1: Service Delivery & Community**).

When it has that information, the CRD is empowered to make well-informed decisions that promote financial stability and resilience and demonstrate good stewardship.

Targets:

4.   The inclusion of relevant corporate perspectives, such as growth, sustainability and risk, and functional interdependencies, such as finance and land use, in asset and service delivery decisions

5.   Informed decision-making that identifies full life cycle revenues and costs of assets, assesses options on a comparative basis, articulates and evaluates trade-offs and documents the basis for the decision

Action		Timeline	Status	Associated Division(s) and Key Stakeholders
2.1.	Develop and Implement a multi-criteria analysis framework for prioritizing projects.	‣ 1-2 years	‣ In progress	‣ Asset Management Division ‣ Asset Management Steering Group ‣ All divisions
2.2.	Develop a business case framework, including implementation guide and templates, to support decision-making for major and minor capital projects.	‣ 1-2 years	‣ In progress	‣ Asset Management Division ‣ Asset Management Steering Group
2.3.	Establish a decision-making process for determining which projects should be submitted for grant applications.	‣ 1-2 years	‣ Complete	‣ Asset Management Division

3

Targets:

6. Sustainable service delivery plans for each service that minimize life cycle costs while providing agreed levels of service, achieving public safety requirements, ensuring risks do not exceed acceptable levels, and considering social, cultural, environmental and economic sustainability

7. Periodic assessments of all assets regarding their use, function, and operating and maintenance costs to identify when assets are no longer necessary for the delivery of the agreed level of service

8. Procurement documents that include requirements to integrate relevant asset management practices during transitions from planning to implementation and from implementation to operation of assets

9. Asset and service delivery projects that are continually delivered according to current industry project management standards and best practices, including but not limited to project integration, scope, schedule, cost, communication, quality, human resources, procurement, risk and climate change lens

10. A corporate asset registry that has information on current engineered assets to support evidenced-based decisions

11. An enterprise asset management system that meets functional requirements and where asset data is optimized and maintained throughout the asset's life cycle

12. A corporate asset management program, including a steering group, policy and strategy, that supports the implementation of asset management practices across the CRD

Sustainability

The CRD will deliver services that are environmentally, socially and economically sustainable for current and future generations.

Asset management integrates business practices to help make forward-looking decisions that ensure the current and future demands of the community can be met.

These practices include: development and maintenance of a robust asset inventory; thorough knowledge of capacity and future demands; and established risk, procurement and project management processes.

The outputs from these processes and other considerations will be used to determine whether the total cost to manage assets and deliver services for the long term meets the three tiers of sustainability.

Action	Timeline	Status	Associated Division(s) and Key Stakeholders
3.1. Enhance and maintain condition data in asset inventory:			
a. Develop condition assessment program guidelines and framework, including framework for reporting assessment outcomes and trends.	‣ 3-5 years	‣ Not started	‣ Asset Management Division ‣ Asset Management Steering Group
b. Develop and implement 10-year prioritized condition assessment programs and procedures.	‣ 3-5 years	‣ Not started	‣ All divisions
c. Annually report on asset condition outcomes and trends.	‣ 3-5 years	‣ Not started	‣ All divisions
3.2. Implement and integrate asset management practices into operations and maintenance business practices:			
a. Develop a register of maintenance activities to enable long-term maintenance planning.	‣ 1-2 years	‣ Not started	‣ All divisions
b. Define and document existing operations and maintenance management strategies.	‣ 3-5 years	‣ Not started	‣ All divisions
c. Develop and implement periodic assessment of use and function of all assets in relation to service delivery and optimization of service delivery costs and long-term sustainability.	‣ 3-5 years	‣ Not started	‣ All divisions
d. Identify legal obligations, standards, CRD Board targets and commitments related to assets at a divisional level.	‣ 3-5 years	‣ Not started	‣ All divisions
e. Establish a corporate energy management process for buildings, facilities and infrastructure (see Corporate Climate Action Strategy for details).	‣ 3-5 years	‣ In progress	‣ Asset Management Division ‣ Risk & Insurance Division ‣ Facilities Management & Engineering Services Division
3.3. Develop and implement key sustainable service delivery planning documents to support sustainable service delivery, informed decision-making and effective risk management:			

PRIORITY ACTION   a. Develop framework and templates for:
     ‣ sustainable service delivery plans
     ‣ corporate sustainable service delivery plan
	‣ 1-2 years	‣ In progress	‣ Asset Management Division
			‣ Asset Management Steering Group

PRIORITY ACTION b. Integrate and implement the Corporate Asset Management Strategy into relevant service plans.	‣ 1-2 years	‣ In progress	‣ All divisions
PRIORITY ACTION c. Develop sustainable service delivery plans for each service and maintain up to date.	‣ 1-2 years	‣ In progress	‣ All divisions
d. Aggregate all sustainable service delivery plans into the corporate sustainable service delivery plan.	‣ 3-5 years	‣ Not started	‣ Asset Management Division ‣ Asset Management Steering Group
e. Develop a corporate sustainable service delivery plan for the Salt Spring Island, Southern Gulf Islands and Juan De Fuca electoral areas.	‣ 3-5 years	‣ In progress	‣ Southern Gulf Islands Administration ‣ Salt Spring Island Administration ‣ Juan De Fuca Electoral Area Planning

Action table continues on next page.

Action		Timeline	Status	Associated Division(s) and Key Stakeholders
3.4.	Develop and implement key asset management reports and long- term financial plans to support sustainable service delivery, informed decision-making and effective risk management:			
	a. Develop a Corporate Infrastructure Status Report template and distribute to divisions for completion.	‣ 1-2 years	‣ Not started	‣ Asset Management Division ‣ Asset Management Steering Group ‣ All divisions
	b. Gather standard analytic and insight reports for reporting at corporate, departmental and divisional levels, and for electoral areas.	‣ 3-5 years	‣ Not started	‣ Asset Management Division ‣ Asset Management Steering Group
3.5.	Integrate asset management practices into procurement procedures:			
	a. Assess current procurement methods and how they could improve with asset management data and reports.	‣ 1-2 years	‣ Not started	‣ Asset Management Division ‣ Legal Services Division
	b. Liaise with Corporate Services to update existing procurement documentation and scope of work definitions to embed asset management principles.	‣ 3-5 years	‣ Not started	‣ Asset Management Division ‣ Legal Services Division
	c. Develop and embed standard asset management terms and requirements in operating agreements with third parties that operate and maintain CRD-owned assets.	‣ 5-10 years	‣ Not started	‣ Asset Management Division ‣ Legal Services Division
3.6.	Integrate industry project management standards and best practices into capital project delivery:			
	a. Develop guidelines for project management standards and best practices to be used for capital projects.	‣ 1-2 years	‣ Not started	‣ Asset Management Division ‣ Asset Management Steering Group
	b. Develop guidelines for converting capital project costs to unit rates that can be used for capital budgeting and renewal forecasts.	‣ 1-2 years	‣ Not started	‣ Corporate Asset Management Division ‣ Asset Management Steering Group
3.7.	Enhance and maintain comprehensive asset inventory:			
PRIORITY ACTION	a. Develop data governance document, including data model, data standards, definition of data roles and responsibilities, quality control and reporting framework.	‣ 1-2 years	‣ Not started	‣ Asset Management Division ‣ Information Technology & GIS Division
	b. Develop and implement prioritized data capture programs and procedures.	‣ Ongoing	‣ Not started	‣ All divisions

	Action	Timeline	Status	Associated Division(s) and Key Stakeholders
	3.8. Implement an enterprise asset management system:			
PRIORITY ACTION	a. Develop a corporate technology master plan (related to physical assets) and include an enterprise asset management technology road map and readiness assessment.	‣ 1-2 years	‣ In progress	‣ Asset Management Division ‣ Information Technology & GIS Division
PRIORITY ACTION	b. Develop a functional requirements list for each division, covering asset management, service delivery and decision support needs in every phase of an asset's life cycle.	‣ 1-2 years	‣ In progress	‣ Asset Management Division ‣ Asset Management Steering Group
	c. Evaluate the corporate IT systems against the asset management functional requirements list and report outcomes.	‣ 3-5 years	‣ In progress	‣ Asset Management Division ‣ Information Technology & GIS Division
	d. Develop an enterprise asset management system, including: ‣ an operations and maintenance module ‣ a capital project management module ‣ a capital planning module ‣ a training program	‣ 5-10 years	‣ In progress	‣ Asset Management Division ‣ Information Technology & GIS Division
	3.9. Provide effective asset management guidance to enhance and maintain appropriate consistency of approach in implementing asset management practices:			
PRIORITY ACTION	a. Establish an asset management steering group, document terms of reference, and develop asset management roles & responsibilities structure.	‣ 1-2 years	‣ Complete	‣ Asset Management Division
PRIORITY ACTION	b. Develop the asset management policy and strategy.	‣ 1-2 years	‣ Complete	‣ Asset Management Division ‣ Asset Management Steering Group
	c. Liaise with Corporate Services to include relevant asset management principles and requirements when developing and updating service and requisition bylaws.	‣ Ongoing	‣ Not started	‣ Asset Management Division ‣ Legal Services Division
	d. Identify measurable indicators for assessing the sustainability of current service delivery. Develop a framework and guide for assessment of sustainability of service levels.	‣ 3-5 years	‣ Not started	‣ Asset Management Division ‣ Asset Management Steering Group
	e. Complete assessments of the sustainability of current levels of service and report results.	‣ 5-10 years	‣ Not started	‣ All divisions ‣ Risk & Insurance Division

4

Risk & Resiliency

The CRD will manage risk and build resilient infrastructure.

The capital region is becoming increasingly diverse, dynamic and exposed to disruptive and unpredictable events. To be resilient, assets must be adaptable to change.

To ensure this resiliency, the CRD will implement a risk management program that maintains a risk register. The organization will also complete risk analyses on all assets from an asset, service delivery and organizational risk perspective and will use outputs to make evidence-based decisions in the procurement of new assets and in the replacement of existing assets.

These robust risk management processes and well-defined levels of service will improve the CRD's resiliency.

Targets:

13. Infrastructure and levels of service that can adapt to changing conditions and recover rapidly from identified, disruptive events

14. An up-to-date analysis of asset risk, service delivery risk and organizational risk

15. The integration of change factors — such as, but not limited to, population and demographic changes, climate change, legislative change and economic fluctuations — into future planning

Action		Timeline	Status	Associated Division(s) and Key Stakeholders
4.1.	Provide asset management analysis to support adaptability to change:			
a.	Identify key demand drivers and analyze demand trends, current demands and demand forecast.	‣ Ongoing	‣ In progress	‣ All divisions
b.	Identify asset capacity, current demand and utilization; compare this to future demand forecast; and incorporate any required works into the operations and maintenance and capital planning programs.	‣ Ongoing	‣ In progress	‣ All divisions
c.	Align the Corporate Asset Management Strategy with Corporate Climate Action Strategy.	‣ 1-2 years	‣ Complete	‣ Asset Management Division ‣ Risk & Insurance Division
d.	Develop a climate adaptation program for critical infrastructure.	‣ 3-5 years	‣ In progress	‣ All divisions ‣ Risk & Insurance Division
e.	Develop a natural disaster (seismic, wildfire, storms) mitigation program for critical infrastructure.	‣ 3-5 years	‣ Not started	‣ All divisions ‣ Protective Services Division
4.2.	Provide asset management analysis to support organizational and service delivery resiliency:			
a.	Develop a framework for business continuity, including business impact analysis.	‣ 5-10 years	‣ Not started	‣ Asset Management Division ‣ Protective Services Division ‣ Risk & Insurance Division
b.	Develop business continuity plans using business continuity framework	‣ 5-10 years	‣ Not started	‣ All divisions
c.	Consider participating in the Regional Resilience Assessment Program to measure and improve resilience to all hazards in Canada.	‣ 5-10 years	‣ Not started	‣ Asset Management Division ‣ Asset Management Steering Group
d.	Incorporate 5yr, 10yr, and 20+yr greenhouse gas reduction capital plans into sustainable service delivery plans as they become available.	‣ 3-5 years	‣ Not started	‣ All divisions
e.	Perform a climate risk/vulnerability assessment aligning with the guidance of the forthcoming corporate adaptation plan.	‣ 3-5 years	‣ Not started	‣ All divisions

PRIORITY ACTION (row 4.1.c)

Action table continues on next page.

Action		Timeline	Status	Associated Division(s) and Key Stakeholders
4.3.	Enhance understanding, management, analysis and reporting of risk to support informed decision-making:			
a.	Develop an asset criticality assessment framework.	‣ 1-2 years	‣ Not started	‣ Asset Management Division ‣ Protective Services Division ‣ Risk & Insurance Division
b.	Develop a risk assessment and management framework and guide.	‣ 1-2 years	‣ In progress	‣ Asset Management Division ‣ Risk & Insurance Division
c.	Develop and implement training programs for asset criticality assessments, risk assessments and risk management.	‣ 3-5 years	‣ Not started	‣ Asset Management Division ‣ Protective Services Division ‣ Risk & Insurance Division
d.	Implement criticality assessment program, identify critical infrastructure assets, develop action plans and establish review and reporting procedures.	‣ 3-5 years	‣ Not started	‣ All divisions
e.	Implement risk assessment program, determine risk ratings for infrastructure assets, document mitigation plans, and establish review and reporting procedures.	‣ 3-5 years	‣ Not started	‣ All divisions
f.	Perform a hazard, risk and vulnerability analysis of CRD and specific analyses for the electoral areas.	‣ 1-2 years	‣ In progress	‣ Protective Services Division ‣ Risk & Insurance Division

RISK MANAGEMENT in managing assets and delivering services is a process by which hazards and opportunities are identified, analyzed, evaluated, mitigated, communicated, documented and monitored on an ongoing basis.

This process helps the CRD prioritize where resources are allocated based on the likelihood and consequence of an event. Through a continuously improving process, risk management builds resiliency into and ensures sustainability of the services we provide.

~ROSS CAMERON
RISK & INSURANCE MANAGER

Integrated Water Services crew replacing water pipe
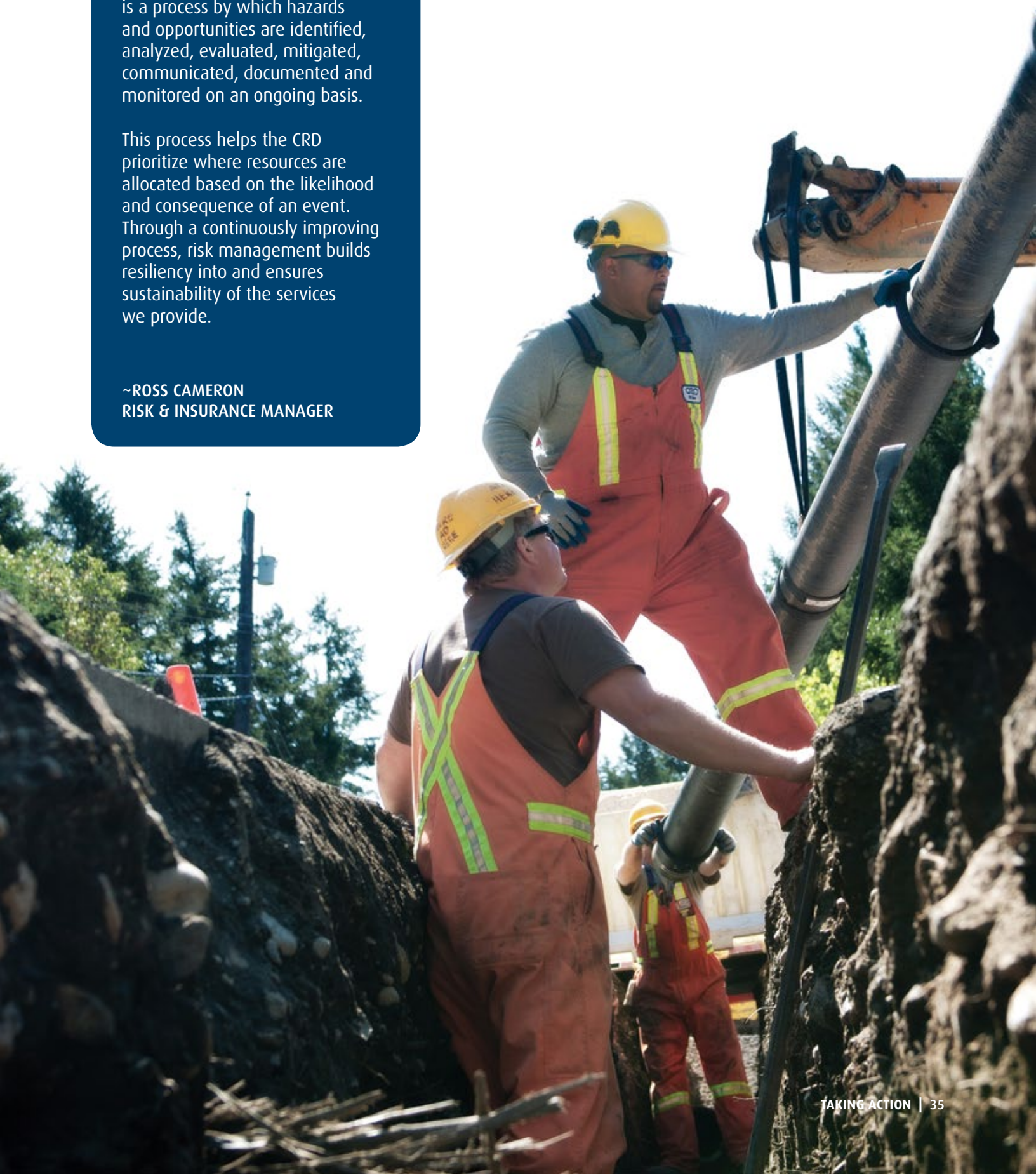
5

Financial Strategy

The CRD will evaluate and include full life cycle costs in financial decisions.

When the assets that the CRD owns age and are exposed to demands that they weren't initially designed for, such as climate change, it is important to replace those assets and continue to deliver services in the most financially responsible way.

To do this, the CRD will create processes to help decision-makers understand the life cycle cost of an asset, including capital, operations and maintenance costs. This will help calculate the level of funding needed to be placed into capital and operational reserves for long-term financial sustainability and will provide visibility of the timing and cost of asset replacements.

Targets:

16. Needs-based budgets that are based on long-term financial plans for delivering agreed levels of service

17. Capital reserves for asset renewal funding that are based on asset management analysis of current state of infrastructure and long-term projection of asset renewals

18. Operational reserves that can fund variable reactive maintenance and periodic operations, inspections and preventative maintenance tasks that are completed less frequently than every year, i.e., once every two, five or 10 years

19. Implementation of financial policies that support asset management

20. Long-term financial plans that identify funding needs and consider full life cycle cost of ownership for all new capital assets and upgrades

Action		Timeline	Status	Associated Division(s) and Key Stakeholders
5.1.	Design and implement procedures to record operational and maintenance costs at an asset level.	‣ 1-2 years	‣ Not started	‣ All divisions
5.2.	Review current cost tracking for infrastructure assets; identify improvements to be implemented in enterprise asset management system; and define relationships between asset management data, analysis, reports and informed decision-making.	‣ 1-2 years	‣ Not started	‣ Asset Management Division ‣ Asset Management Steering Group
5.3.	Generate needs-based budgets based on financial data in sustainable service delivery plan documents and analyses:			
	a. Develop a framework for short- and long-term financial and work plans for operations, maintenance, renewals and capital planning, based on agreed levels of service, including standardized methods for determining asset replacement values.	‣ 1-2 years	‣ Not started	‣ Asset Management Division ‣ Asset Management Steering Group
	b. Create short- and long-term financial and work plans for agreed service delivery, in accordance with framework, and maintain them: ‣ long-term renewals plans based on expected service life ‣ 5yr, 10yr and 20+yr capital (new assets) plan based on future need analysis ‣ long-term maintenance and operations plans include post-construction and ongoing operations, maintenance and inspections costs for new assets scheduled in the 5yr, 10yr, and 20+yr capital plans	‣ 3-5 years	‣ Not started	‣ All divisions
	c. Determine needs-based budgets by comparing short- and long-term financial and work plans with forecast revenue; identifying gaps; and considering options and service delivery impacts.	‣ 3-5 years	‣ Not started	‣ All divisions
5.4.	Develop an asset (infrastructure) funding strategy.	‣ 3-5 years	‣ In progress	‣ All divisions
5.5.	Develop a capital reserve policy.	‣ 3-5 years	‣ In progress	‣ Financial Services Division
5.6.	Develop a capital reserve account for infrastructure assets.	‣ 3-5 years	‣ In progress	‣ Financial Services Division
5.7.	Review connectivity between asset data for Public Sector Accounting Board (PSAB) financial reporting and asset data for asset management analysis and supporting informed decision-making and identifying improvement actions.	‣ 3-5 years	‣ In progress	‣ Asset Management Division ‣ Financial Services Division

6

Transparency

The CRD will establish a systematic and integrated approach to asset management and require rigorous and transparent processes.

The CRD is committed to developing functional policies, technical standards, plans and processes that achieve a consistent approach to asset management practices across the organization.

The CRD's corporate asset management framework is built on its Corporate Asset Management Policy, which provides the mandate to practice asset management. Other strategic documents, such as this Corporate Asset Management Strategy, link to corporate documents and provide implementation guidance.

The CRD will adopt an integrated approach that interweaves processes with other management systems, such as quality, environment, risk and health and safety management. This will improve cross-departmental coordination, optimize processes and reduce risks.

Targets:

21. An asset management program that complies with statutory requirements and aligns with other relevant CRD policies and corporate documents

22. A corporate asset management program manual that compiles scalable templates, process flow maps, procedures, processes and technical guides to enable all divisions to follow an approved and consistent approach to implement asset management

23. Routine status reports that communicate the condition of assets, target service levels and service level performance, costs, risks and options

	Action	Timeline	Status	Associated Division(s) and Key Stakeholders
PRIORITY ACTION	6.1. Develop and implement a corporate asset management program manual, including requirements and guidance relating to: ‣ alignment between the Corporate Asset Management Strategy and sustainable service delivery plans and CRD policies and relevant corporate documents ‣ compliance of asset management practices with statutory and regulatory requirements ‣ a framework for implementation and continuous improvement of consistent asset management practice across the CRD ‣ relevant templates, standards, process flow diagrams, methodologies or approaches to be used; scalability for different applications; available tools; knowledge area matrix; and examples to assist staff	‣ 1-2 years	‣ In progress	‣ Asset Management Division ‣ Asset Management Steering Group
	6.2. Communicate the outcomes and impacts on the environment, society, culture and economy from asset management inputs, activities and outputs.	‣ 3-5 years	‣ In progress	‣ Asset Management Division ‣ Asset Management Steering Group

Continual Improvement

The CRD will commit to continual improvement, encouraging innovation of asset management practices and service delivery.

This organization's asset management program is exposed to a dynamic environment.

A continuous improvement practice is fundamental to ensuring the CRD can adapt to this environment. Key performance indicators will be established to monitor progress against targets and to ensure the system can be adjusted when necessary.

Targets:

24. An asset management continuous improvement process and program that is resourced appropriately with staff and funding

25. Established key performance indicators and regular reports on the performance of CRD asset management, including:

- annual progress reports about the Improvement Action Plan
- reports on corporate and divisional asset management maturity
- reports on how effectively asset management initiatives are achieving intended outcomes

26. Development and implementation of asset management training programs to educate staff and establish and maintain an asset management knowledge base within the CRD to support organizational resiliency

27. Defined asset management maturity levels at divisional and corporate levels

	Action	Timeline	Status	Associated Division(s) and Key Stakeholders
PRIORITY ACTION	7.1. Develop and maintain a prioritized list of asset management Initiatives with estimated budget and resource needs.	‣ Ongoing	‣ In progress	‣ All divisions
	7.2. Develop a mechanism to provide financing and resources for asset management initiatives.	‣ 1-2 years	‣ Not started	‣ Asset Management Division ‣ Financial Services Division
PRIORITY ACTION	7.3. Develop a method for assessing asset management maturity.	‣ 1-2 years	‣ In progress	‣ Asset Management Division ‣ Asset Management Steering Group
PRIORITY ACTION	7.4. Conduct an asset management maturity assessment for each division.	‣ 1-2 years	‣ In progress	‣ All divisions
	7.5. Develop corporate key performance indicators.	‣ 3-5 years	‣ In progress	‣ Asset Management Division ‣ Asset Management Steering Group
	7.6. Develop and implement enhanced learning and development program for asset management.	‣ 3-5 years	‣ In progress	‣ Asset Management Division ‣ Asset Management Steering Group
	7.7. Perform an organizational structure assessment to determine how to efficiently conduct asset management, and develop a methodology to determine demands of delivering the service to human resource capacity and utilization.	‣ 3-5 years	‣ In progress	‣ Asset Management Division ‣ Asset Management Steering Group
	7.8. Facilitate working groups that contribute to continuous improvement of data and reports.	‣ 3-5 years	‣ Not started	‣ Asset Management Division ‣ Asset Management Steering Group
	7.9. Integrate asset management continuous improvement initiatives into the CRD corporate plan.	‣ 1-2 years	‣ In progress	‣ Asset Management Division ‣ Asset Management Steering Group

APPENDIX:
RISK ASSESSMENT TABLE

This table summarizes the most likely strategic risks related to implementation of this Corporate Asset Management Strategy and Implementation Action Plan. See Implementation on page 16 for more details.

Risk No.	Potential Risk & Description	Forecast Impact	Mitigation Options
R1.01	**Failure to get Board endorsement:** The Board does not support asset management initiatives.	‣ Difficultly in achieving successful maturity of asset management	‣ Include the Board early on in the CRD's asset management initiatives. ‣ Draft a policy and strategy for asset management to embrace stewardship role and responsibility. ‣ Provide regular status updates through staff reports on the progress of asset management initiatives.
R1.02	**Inadequate communication within the community** The local community expects to have an opportunity to be advised and consulted on how tax dollars are being invested. Engagement with community is key to educate them on our asset management initiatives, their importance and the risks of failing to proactively manage publicly owned assets.	‣ Unwillingness by residents to pay the costs ‣ Unclear expected levels of service	‣ Engage with the community when developing plans. ‣ Provide more transparency on publicly owned assets, regarding condition, service life, risk and cost.
R1.03	**Unclear roles and responsibilities** Each level has differing roles and responsibilities within the CRD. Board members have a stewardship and an oversight role, while staff have an implementation and reporting role to the Board.	‣ Overlapping efforts within team members ‣ Missed performing activities	‣ Document roles and responsibilities clearly so they are easy to understand, and communicate them out to appropriate members.
R1.04	**Undefined level of service** Level of service is a measure of the quality, quantity and/or reliability of a service from the perspective of residents, businesses and customers in the community.	‣ Unclear performance targets	‣ Define level of service based on customer expectations.
R1.05	**Failure to prioritize high-risk assets** Investing in high-risk assets is critical to ensuring the delivery of the service is sustained.	‣ Unexpected asset failures	‣ Assess risk and identify criticality on core assets.
R1.06	**Implementing too many initiatives** Asset management is a complex but scalable practice. It is an evolutionary process that takes years to build onto the CRD's existing practices.	‣ Slow progress ‣ Low morale within staff	‣ Start small and continually build on small wins.

Risk No.	Potential Risk & Description	Forecast Impact	Mitigation Options
R1.07	**Disconnected organizational effort** Asset management is an integrated business process that requires different divisions within the CRD to interact and develop sustainable service delivery plans.	‣ Inaccurate plans ‣ Inefficient process	‣ Create a cross-functional team that integrates the different departments/divisions.
R1.08	**Unidentified asset risks** Asset management involves risk management, and it is critical that asset risks are assessed to aid in the decision-making process in operations and planning.	‣ Unexpected asset failures	‣ Develop a risk management framework. ‣ Assess asset risks.
R1.09	**Lack of a long-term financial plan greater than five years** A key fundamental is linking long-term renewal plans with the long-term financial plan. An industry best practice on the planning horizon for a long-term plan is a minimum 10 years.	‣ Uncertainty in financial liabilities ‣ High risk in not delivering the defined level of service	‣ Develop 10-year plans.
R1.10	**High rate of outsourcing asset management** Using consultants to aid in the CRD's asset management activities is a reasonable approach depending on internal capacity. However, too reliant on external resources will inhibit building asset management maturity within internal staff.	‣ Slow progress on building internal capacity for practising asset management practices	‣ Carry out asset management workshops to train internal staff. ‣ Ensure that proper rationale is developed when engaging external resources.
R1.11	**Failure to track performance** Set performance targets relating to the performance of assets and asset management practices in order to be able to measure outcomes.	‣ Difficulty in achieving continuous improvement	‣ Develop key performance indicators.

CRD fleet with electric bikes and vehicles

"

At CRD, we're changing our definition of business as usual by incorporating climate action into the culture of the organization.

Global climate models project an average annual warming of about 3ºC in our region by the 2050s. While that may seem like a small change, it is comparable to the difference between the warmest and coldest years of the past and will impact many aspects of our operations, including provision of drinking water, the resiliency of ecosystems in regional parks, and the design, construction and maintenance of our buildings and infrastructure.

The asset management process integrates a climate change lens into each stage of the asset life cycle, from planning to operations, through to decommissioning.

By reducing CRD's contribution to global greenhouse gas emissions and preparing our assets to withstand the impacts of climate change, CRD can foster the sustainable, resilient region that the public and future generations expect of us.

~LIZ FERRIS
CORPORATE CLIMATE ACTION COORDINATOR

The Corporate Asset Management Strategy
was edited and designed by Rachel Penner.

THE IMPACT OF ASSETS

My son was five years old, and he had never caught a fish.

In the summer, we went out fishing in Elk Lake, and he caught his first fish! The moment was truly remarkable: the smile, his laughter and the look on his face was absolutely priceless!

I realized that his delight and this memorable experience would not have been possible if it weren't for the CRD staff who create such a wonderful and safe environment at Elk Lake specifically and at all the regional parks more generally.

With this, I give the entire team a BIG thank you as neither I nor my son will ever forget our special afternoon together.

~CRD RESIDENT

Capital Regional District

625 Fisgard Street
Victoria, BC V8W 2S6
250.360.3000

Website: www.crd.bc.ca
Twitter: @crd_bc
Facebook: Capital Regional District