

## **Advancing Asset Management in Your Utility -**

**A "Hands-on" Workshop (April 18-19, 2006), The William and Ida Friday Center for Continuing Education University of North Carolina at Chapel Hill**

Public sector managers have been managing assets for decades. However, it is clear that what we have been doing in the past will not be sufficient to address the growing and increasingly complex challenges that lie ahead.

This workshop is centered on “case-based” mentoring by asset management practitioners. The agenda is built around five core questions (see agenda, below). The workshop focuses on demonstrating, step-by-step, how a utility would select and deploy “Best Appropriate AM Practices.”

### **AGENDA**

#### **Day ONE**

##### Introductions

##### Storyline, Background and Context

- ◆ *Introduction of Storyline*
- ◆ *The Changing Utility Industry*
- ◆ *The Emerging Utility Of Tomorrow*

##### Overview of Fundamental Concepts and Core Practices

- ◆ *A Definition Of AAM*
- ◆ *The AAM Paradigm*
- ◆ *The Nine Building Blocks Of AAM*
- ◆ *Managing The Asset Base's "Potential To Fail"*
- ◆ *Payoffs and Benefits, Downsides*

##### Storyline And Worksheets - Tom's Very Bad Day

##### **Core Question 1:** What Is The Current State Of My Assets?

- ◆ *The Role of Expert Judgment – The "Delphi Group"*
- ◆ *Building a "Process Layout" Schematic*
- ◆ *Creating The "Asset Hierarchy"*
- ◆ *Defining The "Data Standard"*
- ◆ *Initial Condition Analysis, Remaining Physical Life*
- ◆ *Valuation/Asset Consumption/Financial Disclosure From a GASB Perspective*

##### **Core Question 2:** What Is My Required “Sustainable” Level Of Service (LOS)?

- ◆ *What Is "LOS"? Why Do It?*
- ◆ *How It Works (Strategic Level Versus Operations Level)*
- ◆ *A "Balanced Scorecard" Approach*

##### **Core Question 3:** Which Assets Are Critical To Sustained Performance?

- ◆ *Understanding How My Assets Can Fail*
- ◆ *What The Likelihood Of Failure Is*
- ◆ *What The Consequences Are*
- ◆ *How To Measure Our Agency's "Business Risk Exposure"?*

**Core Question 4:** What Are My Best Minimum Life-Cycle-Cost CIP And O&M Strategies?

- ◆ *What Alternative “Treatment” (Management) Options Are Feasible?*
  - ◆ *Which Is The Best Strategy – “Optimal Renewal Decision Making”?*
- Discussion, Q & A And Feedback

**Day TWO**

Summary Of Day 1, Outline Of Day 2

Core Question 4: O&M (Continued)

- ◆ *Using AAM To Drive Operations And Maintenance*
- ◆ *Moving Systematically Into Reliability Centered And Condition-Based Maintenance*

Core Question 4: CIP (Continued)

- ◆ *Using AAM To Drive The CIP*
- ◆ *Strategic CIP Validation*
- ◆ *Building Your First Asset Management Plan (“AMP”) For The System*
- ◆ *Balancing CIP And O&M Requirements*
- ◆ *The Strategic CIP Business Plan*

**Core Question 5:** What Is My Best Long-Term Funding Strategy?

- ◆ *So, Valuation Really Does Matter?*
- ◆ *Determining A Sustainable Renewal Funding Level*
- ◆ *Effectively Telling The Funding Story*
- ◆ *The “Whole Of Business” Perspective – Using AAM For Rate Setting & Budgeting*

Focus Topic 1: Deploying An AAM Program

- ◆ *The Three Fundamental Deployment Strategies*
- ◆ *“Gap Analysis” Benchmarking & Developing The AAM Improvement Program*
- ◆ *The Human Side*
- ◆ *The Political Side*
- ◆ *Implementation Work Plans – Lessons Learned*

Focus Topic 2: Meeting The IT Challenge - Toward An Enterprise Asset Management System (“EAMS”)

- ◆ *Defining “Work Processes”*
- ◆ *Defining “System Functionality”*
- ◆ *Defining Data Needs And Data Flows*
- ◆ *Developing An EAMS Work Plan*

Closing Summary, Questions, Comments, Evaluation, Discussion of Basic Audit

For more information on the program and access to training materials visit the EPA's Asset Management Website: <http://www.epa.gov/owm/assetmanage/index.htm>

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