



2021 ATLANTIC ASSET MANAGEMENT CONFERENCE

The Challenges of Implementing an Asset Management Culture

Cathie O'Toole, General Manager

Halifax Water

What is an asset management culture?



The 4 P's

- Purpose
- Process
- Proof-points
- People

CITIZEN

Governance

Regulatory Requirements
Community Expectations:
Levels of Service
Customer Expectations

- HRM Regional Plan
- HW Integrated Resource Plan
 - Infrastructure Master Plan
 - Compliance Plan
 - **Asset Management Plan**
 - Area Master Plans



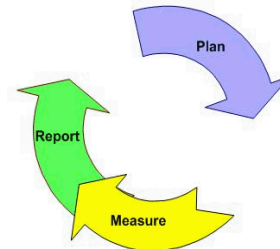
Performance Indicators
Corporate Balance
Scorecard

Five-year Business Plan
Five-year budgets CAP & OP EX



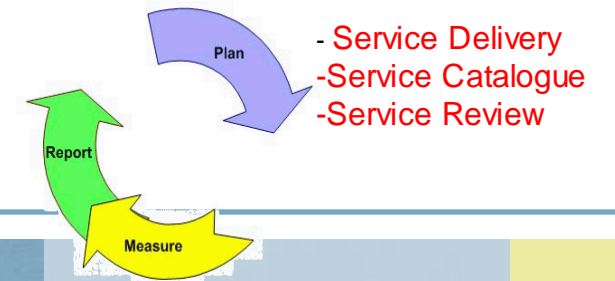
Annual Performance Reporting
Regulatory Reporting
Annual Report
Accountability Report

Annual Business Plan
Annual budget CAP & OP EX
Administrative priorities



Operational Reporting
BP Objectives Updates
CRM Reports
Operational Performance Indicators
Budget Projections
Enterprise Risk Registers

Customer Survey
Audits
Risk assessments



- Service Delivery
- Service Catalogue
- Service Review

Management



2021 Atlantic Asset
Management Conference

Challenges of Implementing an Asset Management Culture

- Purpose
- Process
- Proof-points
- People



Asset management:

Connects values, services, and assets

Involves multiple departments/stakeholders and **collaboration is key**

Is a continuous improvement program

Relies on data

Challenges of Purpose

- Creating an understanding of asset management
- Building commitment to asset management
- Asset management activities should be viewed as a priority
- Ensuring employees in different groups understand their role in asset management
- Defining levels of service and creating the vision are key to establishing a sense of purpose

As defined in ISO 55000:

“Asset management enables an organization to realize value from assets in the achievement of its organizational objectives”



Challenges of Process

- It may be difficult to achieve agreement on levels of service and establish processes to report on achievement of levels of service
- It may be difficult to establish processes due to organizational silos, power struggles and egos
- Bureaucracy versus efficiency... new policies, forms and processes
- Strong processes support good decision making, wise investments, and help mitigate risk
- Increasing complexity in legislative and regulatory compliance
- Board/Council/Regulatory approvals
- How do asset management processes fit with other overarching programs like business planning, Enterprise Risk Management, Climate Action Plans, etc.



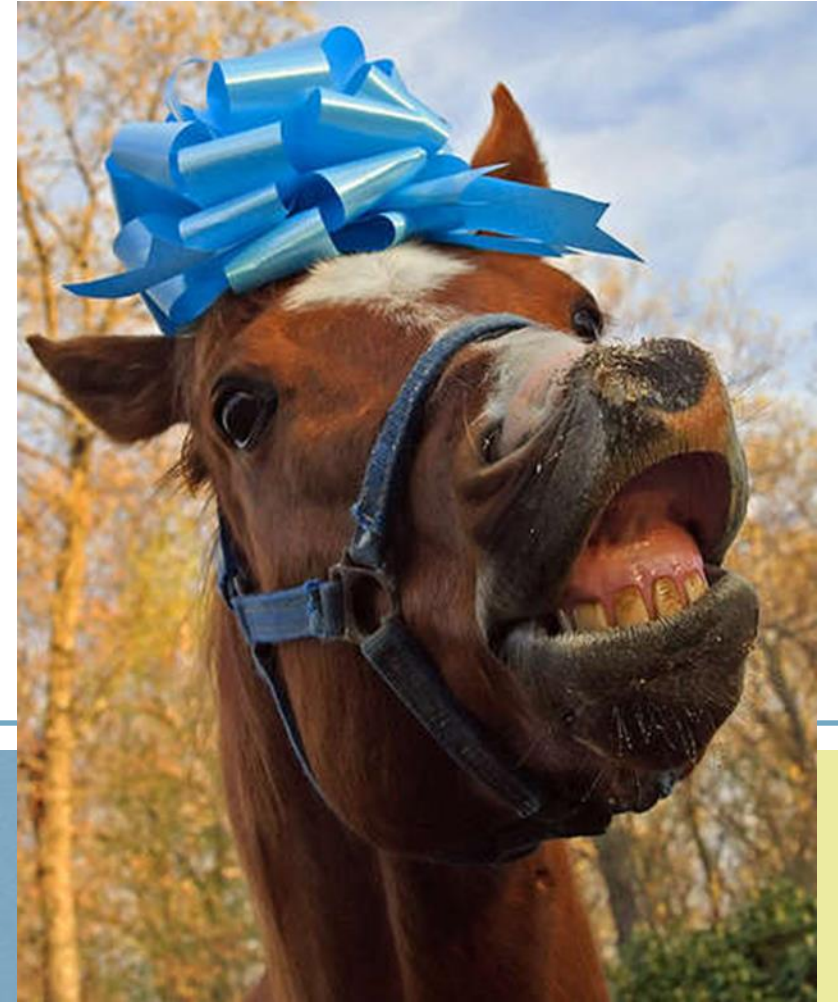
Challenges of Proof-Points

- Developing and getting agreement on data standards
- Getting agreement on how to resolve data conflicts
- Getting agreement and support on how and when to fill data gaps
- Getting agreement on where data is stored, and which system will be the one source of truth
- Quality and availability of condition data
- Gaining acceptance for the validity of the data



Challenges of People

- The same people involved in asset management often are required to work on operational issues
- Traditional organization structures make asset management difficult
- Emergencies/unplanned events
- Changes in leadership or strategic direction
- Talent management gaps – adequately resourcing, training, and managing employees
- Resistance to change
- Distraction of new opportunities



In Summary

It is a good idea to approach asset management like a culture change initiative

- Create the imperative
- Invest in communication
- Invest in change management
- Invest in talent management

Move from working in traditional silos to working collaboratively



Create the Imperative

Enterprise Risk Management

Asset Management and Aging Infrastructure

Category	Risk Name	Risk Definition
Infrastructure and capital assets	Asset management and aging infrastructure	The risk that Halifax Water's assets are not maintained and the utility does not invest in replacing aging infrastructure, which could lead to lower levels of service to customers, potential liability, property damage and non-compliance with operating permits / regulations.



2021/22 Business Plan

COMMUNICATION

Our Vision

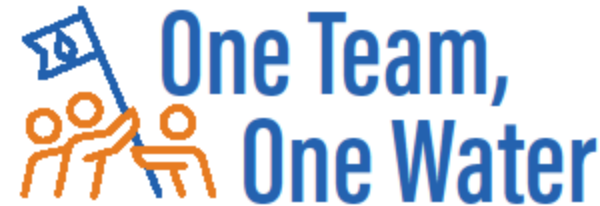
We will provide our customers with high quality water, wastewater, and stormwater services.

Through adoption of best practices, we will place the highest value on public health, customer service, fiscal responsibility, workplace safety and security, asset management, regulatory compliance, and stewardship of the environment.

We will fully engage employees through teamwork, innovation, and professional development.

Our Mission

To provide world-class services for our customers and our environment.



Our Values

Relationships: we nurture relationships with our customers, our team members and the environment. We are engaged in the neighbourhoods we serve and we support continual learning across our team.

Innovation: we are among the top utilities across the continent and we are known on the global stage. We always ask, "how can we improve efficiency, sustainability, creativity and the customer experience?"

Accountability: we refuse to cut corners. We check in with our excellence standards regularly and look to one another for support. Safety steers our decision-making. We are driven to make our policies, decisions and projects as clear as our drinking water.

Protection: Halifax Water protects the health and well-being of our population. We exist to guard natural resources, finding ways to sustain our communities and environment.

Operations

Wastewater & Stormwater Services

- Complete Biosolids Facility upgrade plan and progress procurement for Capital and Operations contracts
- Continue to implement Wastewater research program as per plan submitted to NSERC
- Stakeholder consultation on plan for HHSP upgrades to meet 2040 environmental compliance
- Complete Wet Weather Management projects and initiate any changes required to enable an effective private side I&I reduction program
- Communicate and implement actions from odour strategy

Water Services

- Complete Water Quality Master Plan V4
- Secure approval for water treatment plant upgrade program (strategy)
- Fully implement enhanced algal monitoring program as a permanent program
- Launch and successfully implement year 1 of the new LSL replacement program
- Implement findings from dam safety review
- Develop a roadmap for data utilization and intelligent water
- Recommend next steps for Water Loss Control program

Administration

- Obtain approval for regulations governing Cogswell District Energy System
- Update Service Level Agreement with HRM
- Roll out updated Code of Conduct to all employees
- Roll out training Risk Management Policy & update Corporate Risk Register
- Engage next Dispute Resolution Officer for NSUARB approval
- Enhance and roll out Stormwater customer communication and education
- Complete unconscious bias training for managers/supervisors and align Halifax Water with HRM culture & diversity initiatives

Regulatory Services

- Implement Regional Development Charge annual stakeholder consultation process
- Phased corporate implementation of EMS
- Maintain regulatory compliance and enhance reporting
- Launch new service account compliance program
- Evaluate ISO45001 (safety) certification and complete physical security audit
- Enhance stormwater credit program and continue support of stormwater billing
- Coordinate HalifACT 2050 Halifax Water climate change adaptation and mitigation projects



Corporate Services

- Analyze impervious area data, and apply to adjust rates for stormwater service
- Integrate customer connect portal and continue to increase utilization
- Commence ERP design subject to NSUARB approval
- Update procurement policy and processes
- Improve financial forecast and reporting
- Update Cost of Service Manual and apply for NSUARB approval
- Implement new bill design and monthly billing, and improve the collection process

Engineering & Technical Services

- Optimize capital project delivery and % of annual capital budget spent
- Complete design and tender process for Burnside Depot construction
- HRM Cogswell Redevelopment infrastructure relocation
- Promote the multi-year Water Supply Enhancement Program (WSEP) and implement year 1 Clarifier design phase
- Deliver key IT projects (Cyber Security and ERP)
- Finalize levels of service for asset management, and evaluation of Asset Management Program
- Monitor and report on progress of the Integrated Resource Plan

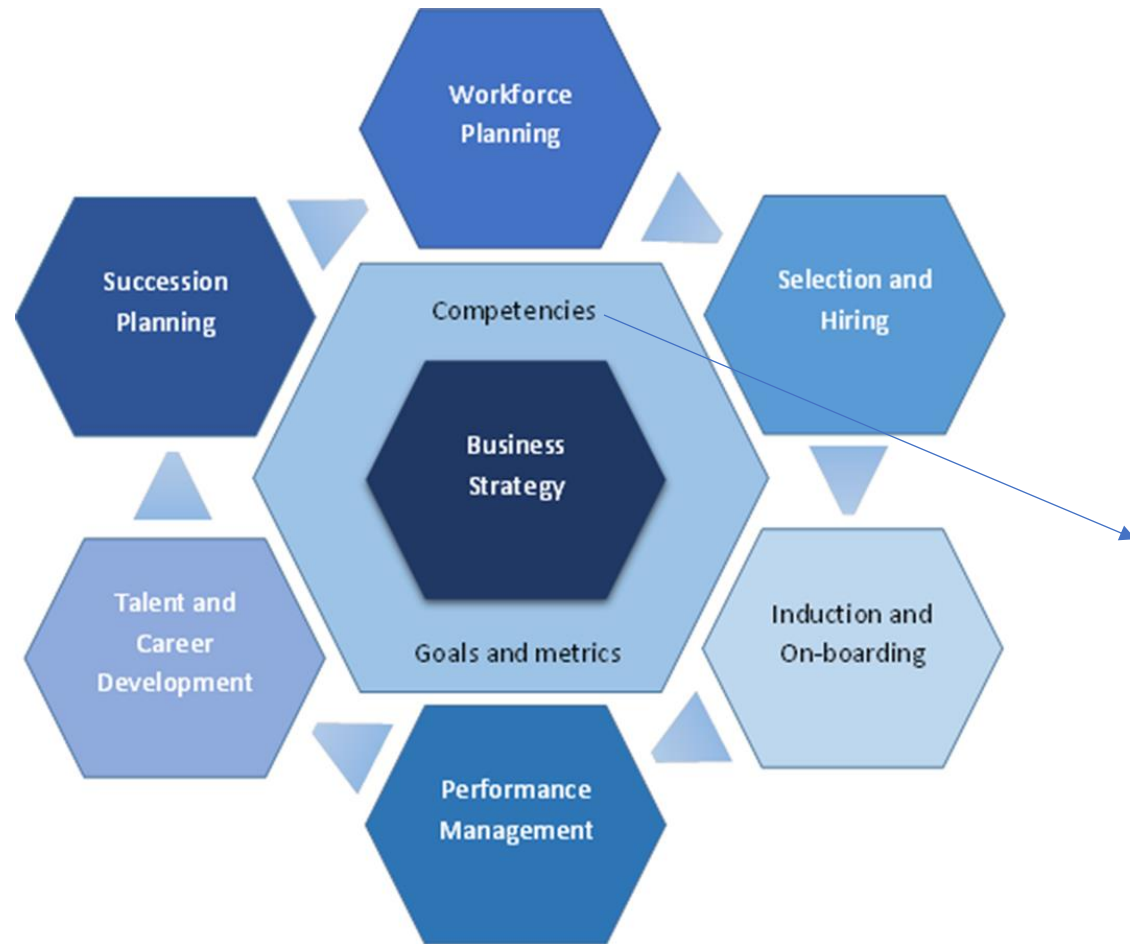
Leading Change

- Creating and communicating a vision for change that is not directly tied to a project or initiative
- Transform, envision & drive the business solution, not simply implement it
- Build the awareness & commitment that managing change is expected at all levels
- Create a mindset that focuses on what could or should be different & to become part of creating the solution (i.e., co-create)
- “Think differently” – embed change thinking into everything from daily interactions to complex strategies
- Instilling an environment of collaboration, learning & performance driven engagement
- Connecting the current work to how it contributes to the future of your organization and employees
- Focus on our customers, our employees, our environment, and our technology

CHANGE MANAGEMENT



TALENT MANAGEMENT



Are asset management competencies defined?
Are they embedded in job descriptions?

Working Collaboratively

From working in Silos

Teams are functional

Information and data stay within the teams that created it

Proposing a “sure” solution

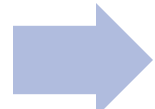
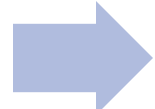
Information is not known or not shared

Conflicts within teams are avoided or unresolved

Work within team is prioritized; outside work comes second

Success is evaluated by the achievements of the functional team

Consideration of issues and risks are siloed



TO Working Collaboratively

Cross-functional project teams are formed

Information is deliberately shared with all the organization

Seeking options and opinions

Information is shared so everyone understands the impacts of their work on LOS, revenue, or costs

Conflicts are discussed and openly resolved

Work is prioritized, regardless of the enterprise area

Success is evaluated by the achievements of the organization as whole

Issues and Risks are evaluated holistically



Because

Our customers are demanding more, they want a seamless and exceptional customer experience

Our board and regulators demand a holistic and integrated approach to planning and service delivery

Our employees customers and stakeholders expect to have input on how we deliver services

We must be more deliberate and respond quickly and creatively with holistic solutions

We need to enable easy access to data and internal knowledge, creating a workplace that enables creativity and speed for the business

Our focus must be on ensuring a seamless services view to our customers

Our customers' see one company and demand accountability from all of us

Successfully managing risk protects the operational and financial health of the organization, as well as its reputation

Thank-you for attending today and good luck on your asset management journey!



Cathie O'Toole MBA, FCPA, FCGA, ICD.D

General Manager

Halifax Water

[Email: cathieo@halifaxwater.ca](mailto:cathieo@halifaxwater.ca)

(902) 490-4840



2021 Atlantic Asset
Management Conference