



# MEMORANDUM

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Action  
 Discussion  
 Information

**DATE:** December 2, 2010

**TO:** Environmental Services Commission

**FROM:** Jean Shaffer, Manager, Operations and Maintenance Planning and Programs  
Bill Heubach, Senior Utilities Engineer

**SUBJECT:** **Asset Management Program and Failure & Claims Analysis Update**

### Action Required at this Time

No action by the Commission is required. Staff will provide a presentation on the status of the Utilities Asset Management Program (AMP) and an update of failures and claims analysis and mitigation. Because the primary focus of the asset management program over the next two years will be to assess current and future wastewater system needs, sewer main and stub asset management will be emphasized.

### Fiscal Impact

The Asset Management Program does not have a direct fiscal impact. However, the AMP provides a framework for providing the information and tools needed to identify and select the most cost-effective asset management capital (CIP) and operating and maintenance (O&M) strategies, and for forecasting future CIP and O&M resource needs. Failures and claims data are used to help identify where CIP and O&M resources should be targeted.

### Policy Issues

AMP activities support implementation of the Utility's service reliability policies, which direct that utility resources be invested as necessary to construct, maintain and renew system infrastructure to provide consistent, reliable service. The AMP also supports the Utilities Strategic Plan, which emphasizes continued development of a comprehensive asset management program.

### Background

The fundamental goal of the asset management program is to enable management of the Utilities' infrastructure assets to meet service level goals while optimizing costs. Bellevue's AMP development is based on the US Environmental Protection Agency's model program, which provides a conceptual framework that organizes all asset related activities. A key component of asset management is the collection and analysis of failures and claims data to use to help develop prevention and mitigation strategies.

As in past years, staff will present a summary of recent AMP accomplishments, and highlight the focus of program development.