

Number: **BP 015**

Authority: Board of Directors
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Reviewed: February 22, 2024
Initiating Dept./Div.: Engineering/ Planning & Development



BOARD POLICY

ASSET MANAGEMENT

PURPOSE

The purpose of this Board Policy is to recognize that the District

- has invested significant resources in its assets, and
- aims to optimize the management of these assets to deliver high quality and reliable services in a sustainable manner with an acceptable level of risk.

DEFINITION

An asset pursuant to this Policy refers to both physical and intangible assets (i.e., software, easements, etc.) that are (A) used for and critical to operations, regulatory, or safety requirements and (B) have an initial useful life equal to or greater than two years.

POLICY

Asset management is a broad strategic framework that encompasses many disciplines involving the entire District. In support of its Mission, Vision, and Strategic Plan, the District sets forth the following directives related to asset management:

Data and Knowledge

The District will maintain a comprehensive asset register to facilitate management over the assets' lifecycle.

Information Systems

The District will make capital and ongoing investments sufficient to own, operate, and maintain a reliable and state-of-the-art security-protected information management system that supports timely, evidence-based decision making at all levels of the organization.

Processes and Practices

The District will develop processes, procedures and practices for staff in support of this Policy using industry accepted guidelines and practices to provide consistency across the organization.

People

The District will implement education, training, and mentoring programs to ensure that asset management practices are widely communicated, understood, and implemented throughout the organization.

Organization

The District will establish organizational responsibility to lead and manage a comprehensive asset management program.

Asset Management Plan

An asset management plan shall be prepared and adopted by the District and then updated at least once every five years. The objectives of the plan will include:

- Demonstrate Central San's approach to optimizing the lifecycle management of the asset portfolio;
- Describe how asset management will deliver the organizational objectives to implement and comply with the Asset Management Policy; and
- Describe initiatives and plans of asset level activities for the next 5 years including asset valuation.
- To maximize the remaining useful life of the assets

Accounting and Financial Reporting

The District shall establish procedures to ensure assets, particularly capital assets, are properly accounted for and reported on in the annual audited financial statements to achieve the following objectives:

- Establish internal controls to reduce the risk misappropriation of capital assets to an acceptable level;
- Compliance with generally accepted accounting procedures as issued by the Government Accounting Standards Board;
- Ensuring reasonable capitalization thresholds and methods are applied to ensure the cost of capitalization does not exceed the benefit; and
- Standardize the categories of capital assets to be reported on and their estimated useful lives.

[Original Retained by the Secretary of the District]