

Five Core Components of an Asset Management Plan

1. Asset Inventory

- What do I own?
- Where is it?
- What condition is it in?
- What is its remaining useful life?
- What is its value?

2. Level of Service

Level of Service (LOS) defines the way in which the City stakeholders want the City to perform over the long term. The LOS can include any technical, managerial, or financial components the City's wishes, as long as all regulatory requirements are met.

Critical Assets Determining Criticality In determining criticality, two questions are important. The first is how likely is it that the asset will fail; and second, what is the consequence of failure? Determining an asset's criticality will allow a utility to manage its risk and aid in determining where to spend operation and maintenance dollars and plan capital expenditures. Factors attributed to Probability of Failure: Asset Age Condition of Asset Failure History Historical Knowledge Maintenance records Knowledge regarding how the type of asset is likely to failure Assessing Criticality Assessing criticality requires an examination of the probability of failure and the consequence of failure as discussed above. The assets that have the greatest probability of failure and the greatest consequences associated with the failure will be the assets that are the most critical.

3. Critical Assets

Determining Criticality

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Factors attributed to Probability of Failure:

- Asset Age

- Condition of Asset
- Failure History
- Historical Knowledge
- Maintenance records
- Knowledge regarding how the type of asset is likely to failure

Assessing Criticality

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4. Revenue Structure

Accurate budgeting will help track and control spending, ensure accountability, and improve the ability to anticipate expenses.

5. Capital Improvement Project Plan

A long-term Capital Improvement Plan (CIP) should look at the utility's needs for the future. There are several categories of capital improvements that must be considered. The categories are listed below. Capital Needs Related to Future/Upcoming Regulations Capital Needs Related to Major Asset Replacement Capital Needs Related to System Expansion Capital Needs Related to System Consolidation or Regionalization Capital Needs Related to Improved Technology Information above was taken from the DEQ Forms and Guidance for an Asset Management Plan, which are located on this page for more details.