

Asset Management

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What is Asset Management?¹

- “maintaining a desired level of service for what you want your assets to provide at the lowest life cycle cost.”
- Getting the most out of your assets at the lowest cost to you.



1. "Asset Management: A Best Practices Guide." Environmental Protection Agency. 1 Apr. 2008. Web. 20 Jan. 2016.

What is the OEPA doing when it comes to Asset Management?

- Legislative/Rules
- SB 333
 - Intending to implement rules that would require ALL public water systems to have an asset management program.
 - This program would be used to evaluate capability of water systems getting SRF loans, enforcement cases and otherwise obviously struggling water systems



SB 333 Provisions

- An inventory and evaluation of all assets
- Operation and maintenance programs
- An emergency preparedness and contingency planning program



SB 333 Provisions

- Criteria and timelines for infrastructure rehabilitation and replacement
- Approved capacity projections and capital improvement planning
- A long-term funding strategy to support asset management program implementation



Draft Asset Management Rules

- To mesh with the proposed statutory change and our existing capability rules, we have drafted rules to address the managerial, technical and financial capability of all water systems
- Requires a written asset management program available for inspection on-site



Managerial Capability

- Ownership accountability
- Brief non-technical description
- Operating plan
- Written demonstration of addressing complaints, violations, etc.
- Inventory of contacts
- Purchasing procedures



Technical Capability

- Map of water source, treatment, storage, and distribution
- Inventory of assets
- Evaluation of assets
 - Condition, maintenance and repair history, RUL, criticality
- Ranking of assets

		Likelihood		
		Low	Medium	High
Impact	High	Yellow	Red	Red
	Medium	Green	Yellow	Red
	Low	Green	Green	Yellow



Technical Capability con't

- Operation and maintenance programs
- Adequate maintenance log
- Emergency and contingency planning
- Approved capacity projections



Metering

- Meters are your cash registers
- Necessary to determine Non Revenue Water
- Ensures everyone pays their fair share
- Run your water system like a business



Rehabilitation & Replacement → Capital Improvement Plan

- Criteria and timeline for rehabilitation and replacement
 - What are the costs of rehabilitation, repair, and replacement for critical assets?
- Capital Improvement Plan
 - Project description, cost, funding sources



Long-term Funding Plan

- Funding for CIP and operations
- Do we have enough funding to maintain our assets for our required level of service?
- Is what we charge for water sustainable for our system's long-term needs?
- Reserve funds



Long Term Implementation

- Reviewing levels of service
 - These will be unique to each water system
 - Suggestions differ by type of water system
- Review of metrics
 - List of required metrics differing by type of water system
 - Want to see that the system is continuing to make improvements
 - Example: Non Revenue Water



Level of Service

- What level of service do my stakeholders and customers demand?
- What do regulators require?
- What is my actual performance?
- What are the physical capabilities of my assets?
- Quantity, Quality, Reliability
- Ability to measure success



Metrics

- Community
 - Operating Budget (Operating Ratio)
 - Non-revenue Water (Meters are your cash registers!)
 - Summary of completed projects from CIP
- Transient Non Community/Non Transient Non Community
 - System Pressure
 - Reserve Funds
 - Number of days unable to serve water



Summary

- Asset management can help you address issues while they're small
- Don't let small problems turn into big ones!



Questions



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