Asset Management Plan

A Basic Plan

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Asset Management Plan

ADEM Admin Code R. 335-7-4-.04(1)(f) requires an Asset Management Plan that includes:

1. **Asset Inventory**
2. Required **Sustainable Level-of-Service**
3. Determination of **Critical Assets**
4. Determination of the **Lowest Life-cycle Cost Options** for providing the highest level-of-service
5. Long-term F**inancing Strategy**

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Asset Management Plan

Southwest Environmental Finance Center
guidance document and website

(https://swefc.unm.edu/home/infohubs/asset-management/)

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Asset Inventory – a list of your stuff

- Sources
- Treatment
- Storage
- Distribution
- Control
- Vehicles
- Computers

•Operators

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Required Sustainable Level-of-Service – goals for providing service to your customers

What level of service do you plan to provide? Set Goals for Performance that are Specific, Measurable, Attainable, Relevant, and Timely

- Pressure
- Leak repair response times
- Complaint response
- Provide water XX% of the time (lost pressure)
- Times for planned outages
- Hydrant flushing/ valve exercise

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Life Cycle Cost – what does it cost to own and operate an asset over the life of the asset?

(Can come into play when applying for SRF loans (alternatives))

Total Cost of Ownership

- Purchase Price
- O&M (power, lubricants, inspection/ painting, repair)
- Refurbishment
- Disposal

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Tank Example

Service Life = 30-60 years

- New tank cost (cost of tank plus installation)
- Inspection every 5 years
- Cleanout every 10 years
- Repaint every 20 years
- Disposal

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Pump Example

- Initial cost
- Energy efficiency
- Maintenance
- Repair
- Disposal

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Long-term Financing Strategy – how will you pay for being in the water business?

You need to know what things cost

- Budget
- Operating Costs
- Rates
- Rate Increases

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