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## **3745-87-03      Contents of an asset management program.**

- (A) In order to demonstrate adequate managerial capacity, personnel commitments that are needed to provide for effective management, operation and financials of the public water system should be proven with documentation. The asset management program shall include, but is not limited to, the following:
- (1) Documentation of ownership accountability, which includes the legal authority to take the measures necessary for construction, operation, and maintenance of the system, including documentation of all cooperative agreements and service contracts.
  - (2) Documentation that the owner has committed to proper operation and management of the public water system including compliance with certified operator requirements in accordance with Chapter 3745-7 of the Administrative Code, contingency plan requirements in accordance with Chapter 3745-85 of the Administrative Code, and all other operational requirements as applicable.
  - (3) Documentation to ensure continued, proper operation of the public water system through succession planning for critical personnel.
- (B) The owner or operator of the public water system shall include at least the following information in the asset management program:
- (1) A brief, non-technical description of the water system, including major components, source type and capacity, number of service connections, and number and type of customers.
  - (2) An operating plan defining the tasks to be performed in managing and operating the public water system, which shall consist of at least the following:
    - (a) A table of organization which shall include clearly defined job duties, the individuals with those duties and the credentials of management and operations personnel.
    - (b) Documentation of operators, governing bodies and employees attending trainings.
    - (c) A written operation and maintenance plan as described in paragraph (B)(11) of this rule.
  - (3) Demonstration, in writing, of the owner's ability to address violations of applicable portions of the Revised Code and the Administrative Code. The demonstration shall include an explanation of how the water system will establish and maintain effective communications and relationships between the water systems management, its customers, professional service providers and any applicable regulatory agencies. The owner shall provide the following:
    - (a) Documentation of the governing body, if applicable, holding open, announced, in-advance meetings.
    - (b) An acceptable schedule to address significant deficiencies if the system has significant deficiencies cited.
  - (4) An inventory of external contacts and resources necessary for proper operation of the system, including a description of how they will be effectively utilized.
  - (5) Description of internal contracting and purchasing procedures to accomplish routine and emergency repairs and replacements.
  - (6) Written policies on the following :

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(a) Security.

(b) Use of system equipment.

(c) Routine billing, including a backup billing system.

(d) Customer deposits and payments.

(e) Collections, customer service disconnection, and shutoff notices.

(f) Connection charges.

(g) Purchasing authority.

(h) Internal communication of compliance and water loss.

(7) Schematic of water source, treatment, storage and distribution.

(8) Inventory of all assets, including the following:

(a) Asset name.

(b) Known purchase or installation date, or estimated age of asset if different.

(c) Status of asset (e.g. in use, available for use, needs repaired, etc.).

(d) Location of all assets, including up-to-date maps.

(9) Evaluation of all assets, including the following:

(a) Condition (e.g. excellent, good, fair, poor, needs replacement).

(b) History of maintenance and repair.

(c) Remaining useful life.

(d) Risk.

(i) Probability of failure.

(ii) Consequence of failure.

(e) A ranking of assets based on risk.

(10) Level of Service.

(a) Primary objectives and goals.

(i) Quantity.

(ii) Quality.

(iii) Reliability.

(b) Measure of success.

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(11) Operation and maintenance programs.

(a) Implementation procedures and standard operating procedures for daily operation of the facility.

(b) Performance testing protocols and maintenance schedules for each of the following:

(i) Wells, reservoirs and intakes.

(ii) Pump stations.

(iii) Electrical equipment and controls.

(iv) Water treatment facilities.

(v) Water storage tanks.

(vi) Distribution system components.

(vii) Auxiliary power.

~~(b)~~ (c) Maintenance schedules shall be based on on the following:

(i) The maintenance frequencies recommended by the manufacturer, for those components for which such recommendations exist.

(ii) For all other components, the maintenance frequency commonly used in the water works industry such as recommendations by the American Water Works Association's performance testing.

(iii) The public water system will determine other acceptable bases for operation and maintenance if paragraphs (a) and (b) of this section are not applicable.

~~(e)~~ (d) Demonstrate an adequate maintenance log is maintained.

(12) Emergency preparedness and contingency planning program.

(a) Community public water systems shall prepare a written contingency plan meeting the requirements of Chapter 3745-85 of the Administrative Code including, but not limited to documentation demonstrating the resources and ability to implement a contingency plan as required under rule 3745-85-01 of the Administrative Code.

(b) Non-community public water systems shall prepare a written contingency plan in accordance with paragraphs (B), (C)(1), (C)(2), (C)(4), (D)(3), (D)(4)(c), (D)(4)(d), (D)(4)(e), (D)(4)(g), (D)(4)(h), (D)(4)(i), (D)(4)(j), (D)(12), (D)(13), (D)(14), (G)(1) and (G)(2) of rule 3745-85-01 of the Administrative Code.

(13) Source Water Protection.

(a) Community public water systems shall review the source water assessment and revise as necessary to include new potential contamination sources every three years.

(b) Non-community public water systems shall review the source water assessment and revise as necessary to include new potential contaminant sources every five years.

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(c) Community public water systems that have an endorsed drinking water source protection plan, shall review and revise the protection plan as stated in the protection plan.

(d) Community public water systems that have an endorsed drinking water source protection plan that does not include a review schedule, shall review the protection plan every three years and revise it as necessary.

(e) Public water systems that have a drinking water source protection checklist that has been submitted and accepted by Ohio EPA, the water system shall review and update the checklist every five years.

(f) Non-transient non-community public water systems that have an endorsed drinking water source protection plan shall review the plan every three years and revise it as necessary.

(14) Approved capacity projections.

(a) Written approved capacity projections meeting the requirements of Ohio EPA's "Planning and Design Criteria for Establishing Approved Capacity for: 1) Surface Water And Ground Water Supply Sources, 2) Drinking Water Treatment Plants (WTPs), and 3) Source/WTP Systems" (2010 ).

(b) Identification of infrastructure needed to meet written approved capacity projections.

(15) Criteria and timelines for infrastructure rehabilitation and replacement.

(a) Identification of, and a schedule for needed repair, rehabilitation, replacement and expansion of existing assets and prioritized to address the most critical needs.

(b) Identification of funds and the funds will be collected or set aside for repair, rehabilitation, replacement or expansion of existing assets.

(16) Capital improvement plan (CIP).

(a) A CIP will include annual projections in five-year, ten-year and twenty-year planning horizons with detailed expenditures in each of those time frames.

(b) The projects should be listed by the year in which they are planned and include, at a minimum, the following information:

(i) Description of the project.

(ii) Need for, and benefits of, the project.

(iii) Estimate of project cost.

(iv) Estimate of operation and maintenance.

(v) Funding sources.

(vi) Impact on level of service.

(17) Long-term funding strategy to support asset management plan implementation, including, but not limited to, the identification of sources and amounts of funds to finance the needed repair, rehabilitation, replacement or expansion of assets, including debt service and to provide for emergencies for each of the following ten years.

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(a) New publicly owned public water systems shall include a five year pro forma statement of the next five years of operation, which includes the following:

(i) An income statement, balance sheet, statement of cash flow pertaining to the water operating fund.

(ii) An amortization schedule of all water system debt including terms of all outstanding debt.

(iii) Capitalization terms of long term debt anticipated to be incurred in the next five years of operation.

(iv) The current water rate ordinance in effect including any planned periodic increases of the rate.

(v) Documentation of triennial water rate evaluation.

(vi) Documentation of all customers billed water usage.

(vii) Any existing information demonstrating bond or credit rating.

(b) Existing publicly-owned public water systems shall include all of the following:

(i) All the items shown in paragraph (B)(17)(a) of this rule.

(ii) The most recent five years of annual financial statements which describe the performance of the owner and the water system and include the following:

(a) All assets, liabilities, income, expenditures, and balances.

(b) Schedule of water system indebtedness.

(c) New non-publicly owned public water systems shall include all of the following:

(i) A demonstration of the cost of the water treatment components and the conveyance system including capitalization terms or lump sum debt retirement option if selected.

(ii) Demonstration of the annual operation and maintenance costs of the system which shows adequate budgeting and revenue source generation for the next five years of operation including the following:

(a) Cost of required level certified operator coverage.

(b) Capitalization terms of anticipated long-term debt incurred in the next five years of operation.

(d) Existing non-publicly owned public water systems shall include all of the following:

(i) All the items shown in paragraph (B)(17)(c) of this rule.

(ii) Type of business organization and historical origination date; including legal document of corporate structure.

(iii) The most recent five years of annual financial statement documentation which describe all assets, liabilities, income, expenditures, balances and equity of the owner of the water system.