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3745-87-01 **Asset management definitions.**

Except as otherwise noted, the definitions in rule 3745-81-01 of the Administrative Code shall apply to this chapter.

(A)

- (1) "Asset" means a component of a facility with an independent physical and functional identity and age.
- (2) "Asset management plan" means a written document that demonstrates the managerial, technical, and financial capability of a public water system, a discipline for managing the life cycle of infrastructure assets to achieve a defined level of service at the least cost and risk to the utility.
- (3) "Asset management program" means the development and implementation of an asset management plan.

(B) [Reserved.]

(C)

- (1) "Capability screening" means an evaluation of the technical, managerial, and financial capability of a public water system.
- (2) "Capital improvement plan" means a long range plan based on a five to twenty-year planning horizon for all individual capital improvement projects.
- (3) "Capital improvement projects" means unique construction projects that aim to install, repair, rehabilitate, replace, or expand existing infrastructure, not including regularly incurred operation and maintenance costs.
- (4) "Consequence of failure" or "CoF" means the real or hypothetical effects associated with the failure of an asset.
- (5) "Critical infrastructure" means assets, systems and networks, whether physical or virtual, that are vital for a public water system to operate, or if its inoperability would have a debilitating effect on the ability of the water system to operate as intended or create a public health risk.

(D) [Reserved.]

(E) [Reserved.]

(F) [Reserved.]

(G) [Reserved.]

(H) [Reserved.]

(I) [Reserved.]

(J) [Reserved.]

(K) [Reserved.]

(L) "Level of service" means a utility's stated commitment to deliver service at a specified level of quality and

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reliability. Service levels can be performance related (e.g. asset performance driven by faults, equipment failures, etc.) or customer and regulatory related (e.g. response times, complaints, information availability, etc.). Service levels are most often selected by the utility based on customer demands, business drivers, and constraints.

(M) [Reserved.]

(N)

(1) "Non-publicly owned" means public water systems not owned by a governmental entity.

(2) "Non-revenue water" or "Water loss" means water that is produced and lost before it reaches the customer. Water loss can be real loss through leaks, or apparent loss through theft or inaccurate meters.

(O)

(1) "Operating budget" means yearly estimated income derived from known expenses and expected future costs.

(2) "Operating ratio" means a ratio comparing the system's operating expenses to its operating revenue.

(P)

(1) "Plant utilization" means the comparison of the average daily demand by consumers to the approved design capacity of the public water system.

(2) "Probability of failure" or "PoF" means the chance an asset will fail according to its percent of effective life consumed and redundancy.

(3) "Publicly owned" means public water systems owned by a governmental entity.

(Q) [Reserved.]

(R)

(1) "Reliability" means an evaluation of the ability of a water system to continuously serve adequate quantities of potable water. This may include elevated storage capacity, interconnections with other water systems, or multiple treatment plants within the same water system.

(2) "Reserve funds" means funds to operate and maintain the water system, or line of credit to do the same.

(S) [Reserved.]

(T) [Reserved.]

(U) "Useful life" means the average amount of time in years, that a new system component is estimated to function when installed.