

# Asset Management Guidance Supplement to the Priority Rating System Guidance (For Line Item 3B of the Priority Rating System Form) (revised February 2017)

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This guidance is intended only for the purpose of determining if the applicant qualifies for points under Line Item 3B of the Priority Rating System Form.

**To qualify for the points, the applicant must have implemented an Asset Management Plan as of the date of application that addresses each of the 4 key areas described below.**

Implementation of an Asset Management Plan means that the applicant has taken specific actions to put into practice the elements that comprise the Plan, and can demonstrate the application of each activity and its outcome.

**The Asset Management Plan must include all water or wastewater infrastructure assets owned by the applicant, not just the assets involved in the proposed project.**

This guidance is not intended to be an exhaustive resource for the development of asset management plans, and there are many aspects of asset management that may tie into a system owner's plan (e.g., financial aspects such as [GASB 34](#)) that are not evaluated for the purpose of determining qualification for points. There are no requirements that the asset management plan be managed electronically.

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## **Requirements for Narrative to Support Line Item 3B**

A narrative is required to support Line Item 3B. The narrative must include a specific section that addresses each of the following key areas that comprise the applicant's Asset Management Plan. It is not necessary to provide maps with the narrative, but the applicant's Asset Management Plan must include mapping as described below. The 4 (four) key areas are:

- Inventory of assets including maps;
- Assessment of the condition of the infrastructure in the inventory;
- A capital improvement plan (CIP) with projected cost estimates; and
- An operation and maintenance plan to ensure proper management of the assets.

**1. Inventory of Assets:** The inventory **must include all** water or wastewater infrastructure assets owned by the applicant, not just the assets involved in the proposed project.

- Waterlines, valves, hydrants and tanks: map with age, type, and size of pipe materials; age and size of valves, hydrants and tanks; the narrative to support Line Item 3B must describe the general age of the pipe segments and valves.
- Gravity Sewers and Forcemains: map with age, type, and size of pipe materials; age, size and materials of manholes; the narrative to support Line Item 3B must describe the general age of the pipe segments and manholes.
- Pump Stations: map and narrative with age, number and capacity of pumps, power reliability, and telemetry
- Water or Wastewater Treatment Plants: process schematic; age, number and capacity of each major treatment unit. Units that were built as part of a larger treatment process at the same time and that are in the same general condition may be grouped together.
- Other Assets (e.g., reclaimed water distribution Systems): provide information as outlined above.

**Each asset item (e.g., manhole, line segment, pump station, treatment unit, valve, hydrant, tank) must be given a unique identifier.**

## **2. Condition Assessment**

Each asset item included in the Inventory of Assets must be assigned a condition. The assessment of the condition of the infrastructure may be based on:

- Operator knowledge,
- Formal evaluations (e.g., sanitary sewer evaluation study),
- Broad assumptions based on age and type of facilities (e.g., 40 year old concrete pipe can be assumed to be in poor condition), and
- Condition of other similar facilities in the system where formal evaluations have been conducted.

The assessment scale (e.g., excellent – poor condition) is at the discretion of the applicant. The narrative must describe the assessment scale and include a clear explanation of each category (e.g., “Poor” rated sewer lines are those with offset joints, significant corrosion, cracks, experience surcharging, etc.)

**It is expected that the project for which funding is being sought will address infrastructure in the “poor” category. If it does not, provide a discussion and justification of why this project is proposed for funding when other infrastructure is in greater need of improvement (e.g., other high priority projects are being implemented with local funds).**

## **3. Capital Improvement Plan with Projected Cost Estimates**

See Line Item 3.A in the combined priority rating system guidance for information on what is required for the capital improvement plan.

**In order to qualify for the points, the project proposed for funding must be included in the CIP. Review of a CIP for the purposes of awarding points for funding priorities in no way absolves the system owner of responsibility for regulatory noncompliance.**

## **4. Operation and Maintenance Plan**

The operation and maintenance (O&M) plan should be based on manufacturers’ recommendations and/or typical industry best management practices. The narrative to support Line Item 3B must describe the applicant’s O&M plan.