

(3) The asset management plan shall address the following 5 core components:

(a) The current state of the utility's assets

- (i) Prepare an asset inventory
- (ii) Develop a system map
- (iii) Develop a method to assess and prioritize assets based on condition
- (iv) Assess remaining useful life of the asset
- (v) Determine asset value and replacement cost

(b) The utility's required "sustainable" level of service

- (i) Analyze current customer demand and satisfaction
- (ii) Analyze anticipated customer demand and satisfaction
- (iii) Understand current regulatory requirements
- (iv) Communicate system performance goals with the public
- (v) Identify standard levels of service and track system performance

(c) Assets that are critical to sustained performance

- (i) Conduct a failure analysis on all assets
- (ii) Determine probability of failure
- (iii) Analyze risk and consequences of failure
- (iv) Prioritize system assets based on criticality to system operation
- (v) Develop specific response plans based on potential asset failure

(d) Minimum infrastructure life-cycle cost

- (i) Implement an appropriate maintenance schedule including costs for all assets
 - (ii) Identify life cycle costs for all assets
- (iii) Develop a capital improvement plan and an operations and maintenance strategy
- (iv) Identify and compare the cost of rehabilitation versus replacement
- (v) Determine the related costs of responding to asset failure

(e) Long term budgeting strategy

- (i) Regularly review system budget
- (ii) Establish and fund a capital facilities account
- (iii) Implement a rate structure to ensure financial sustainability
- (iv) Explore asset renewal and replacement financing
- (v) Identify financial assistance options for major asset repair or replacement
- (vi) Prioritize financial resources based on asset condition and importance