

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 as defined by the water system. This includes items of substantial value and critical to the delivery of potable water.
- (2) "Asset management program" means the development of a program that demonstrates the managerial, technical, and financial capability of a public water system, by the implementation of the tracking documents, programs or systems that will assist with the management and replacement of infrastructure assets to achieve metrics at the least cost and risk to the water system.

(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" or "CIP" means a financial plan based on a three to five-year planning period for all individual capital improvement projects.
- (3) "Capital improvement project" means a unique construction project that aims to install, repair, rehabilitate, replace, or expand existing infrastructure, not including regularly incurred operation and maintenance costs.
- (4) "Critical infrastructure" means assets, systems and networks, whether physical or virtual, that are vital for a public water system to operate, or whose inoperability would have a debilitating effect on the ability of the water system to operate as intended or would create a public health risk.
- (5) "Criticality" means an asset prioritization measure used to determine assets on which to focus, based on potential consequences of failure, and is used to determine higher priority assets for risk management activity.

(D) [Reserved.](E) [Reserved.](F) [Reserved.]

(G) [Reserved.]

(H) [Reserved.]

(I) [Reserved.]

(J) [Reserved.]

(K) [Reserved.]

(L) [Reserved.]

(M) "Metric" means a qualitative or quantitative measure of actual performance against a standard or other target.

(N)

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

(2) "Non-revenue water" means the distributed volume of water that is not reflected in customer billings.

(O) "Operating ratio" means a ratio comparing the system's operating expenses divided by its operating revenue (or net sales).

(P)

(1) "Pro-forma" means projected or estimated financial statement that attempts to present a reasonably accurate idea of what a water system's financial situation would be if the present trends continue or certain assumptions hold true.

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

(Q) [Reserved.]

(R) "Reserve funds" means funds used for addressing expense situations of a capital nature that were not expected nor anticipated.

(S) "Succession planning" means the process for identifying and developing new or current personnel who can replace personnel when vacancies occur

(T) [Reserved.]

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

(V) "Vertical asset" means an asset within a building or facility often comprised of multiple components, also known as an above-ground asset. In the context of the water industry, this typically refers to assets within pump stations, treatment plants, and may include other facilities, such as storage facilities.

(W) [Reserved.]

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