



ASSET MANAGEMENT PROGRAM CHECKLIST

This Asset Management Program Checklist provides the framework for the essential elements of asset management to promote the responsible maintenance, investment and rehabilitation of water and wastewater utilities. A properly implemented asset management program can increase the efficiency of the system and increase the financial sustainability of a utility while at the same time decrease the chance of emergencies. The following checklist is broken down into three sections: Technical, Managerial, and Financial. Each section allows the utility to evaluate key components to asset management within the category. For more details regarding a specific element on the checklist, please refer to the Asset Management Program (AMP) Guidance for the State Revolving Fund Loan Program located here: <https://www.in.gov/ifa/srf/2376.htm>

Technical

- System Map/GIS
 - Lines and sizes, valves, hydrants, fittings, backflow preventers, sample stations, chemical feed, manholes
 - Lead lines (as identified)
 - Booster/lift stations
 - Water or Wastewater Treatment Plants
 - Storage
 - Meters
 - Wells
 - CSO/SSO locations
- Inventory of Assets
 - Account for all assets – “any physical property, real estate or equipment, item or appurtenance installed as part of the system”.
 - Asset Location – written description of location
- Evaluation of Assets
 - Condition and remaining useful life of assets
 - Assess Condition (Probability of Failure)
 - Assess Criticality (Consequence of Failure)
 - Assess Risk = Condition X Criticality
 - Value of assets
 - Desired Level of Service
- Evaluation and implementation of water and energy conservation efforts
- Plan for Maintaining, Repairing, and Replacing the Assets and Plan for Funding
 - Repair/Maintenance funds should be identified separately from Capital Replacement funds
 - Define the recommended planning period (20-year minimum)
 - Criteria and timeline for Rehabilitation and Replacement
 - Provide reference to location of maintenance Reports for meters, hydrants, pumps, valves, tanks, etc.
 - Growth related needs



Managerial

- Location of Documentation of Proof of Ownership (deeds, titles, receipts)
- Documentation of Proof of Certified Operator
- Non-Technical description of water/wastewater system
 - Average Daily Demand
 - Minimum and Maximum Daily Flow
 - Loadings
 - Number of Connections
 - Number of Customers
 - Population Served
 - Source type (if DW)
 - Receiving Stream (If WW or DW Backwash)
 - Storage Capacity (gallons)
 - Purchase/Sell (Agreements/Quantities)
 - CSO vs. Non-CSO
 - Accounting of I/I and/or Water Loss
- Operating Plan
 - Organization Chart including Governing Body
 - Description of Job Duties for all positions
 - Daily operating procedures
 - Operation & Maintenance Manuals
- Written Procedures
 - Security, including cyber security
 - Personnel Access/User Rights for System Equipment/Computers/Controls/SCADA
 - Customer Complaints
 - Purchasing Authority
 - Internal Controls (checks and balances)
 - Customer Deposits/Payments
 - Collections
 - Connection Charges (new/upgrade tap or sewer connections)
 - Routine Billing – AMR, AMI, monthly/quarterly billing
 - Use ordinances
 - Training and Safety
- External Contact Information
 - Police
 - Fire
 - Suppliers
- Internal Contracting and Purchasing Procedures
 - Routine
 - Emergency



Financial –

- Revenues by line item which should match the Utility’s historical financial statements. Normal revenues include but are not limited to:
 - Revenues by user type, if available.
 - Residential
 - Commercial
 - Industrial
 - Multi-family
 - Wholesale
 - Fire protection
 - Forfeited discounts/penalties
 - Excessive strength surcharges
 - System development charges fees
 - Interest Income
 - Other
- Customer growth, if any
 - Historical and future assumptions
- Collection rates and procedures
 - Collection procedures for delinquent accounts
 - Non recurring charges (disconnect, reconnect, bad check, etc.)
 - Verify billing follows adopted rate ordinance
 - Capacity/System Development Charges and assumptions for user connections
 - Historical and future assumptions
- Operating expenses (by function if available) by line item which should match the Utility’s historical financial statement. Normal expenses include but are not limited to:
 - Salaries and wages
 - Employee benefits
 - Purchased power
 - Chemicals
 - Sludge removal
 - Repairs and maintenance
 - Materials and supplies
 - Contractual services
 - Insurance
 - Rent
 - Transportation
 - Other
- Future expense assumptions including assumed annual inflation rate
- Capital improvement plan for the AMP period
- Estimated project costs and funding schedule for bond funded projects
- Outstanding bond debt service (Include amortization schedules)
- Proposed bond debt service (Include amortization schedules)
 - Debt assumptions – terms, rates, funding source
- Outstanding lease payments (Include amortization schedules)
- Revenues
- Combined debt service schedule
- Outstanding and proposed debt service reserve requirements
- Capital improvement plan expenditures from rates and charges
- Payment in lieu of property taxes and other transfers if applicable



- Each year's cash flow should result in an increase/(decrease) in cash and cash equivalents and also have a beginning and ending balance. The ending balance for cash and cash equivalents should not go below the minimum required balance for operating cash and cash equivalents as determined by the Utility. The ending balance for cash and cash equivalents should not result in a negative balance.
- Resulting rate increase required to fund requirements
- Resulting average user rates assuming 4,000 gallons per month
- Resulting debt service coverage meeting or exceeding SRF requirements
- Current historical financial statements for the last three years.
- Copy of Review, Examination or Audit per the AMP Guidance
- Current audited financial statements:
 - If cash basis:
 - Comparative schedule of selected financial information
 - Cash balances
 - Outstanding indebtedness
 - Comparative schedule of receipts and disbursements
 - If accrual basis:
 - Comparative Schedule of Net Position/Balance Sheet
 - Comparative Schedule of Revenues, Expenses and Changes in Net Position/Income Statement
 - Comparative Statement of Cash Flows
- Outstanding Long-Term Bonds and Leases. Provide a listing of the outstanding debt noting the funding source, security and bond rating.
- Other Items
 - Last bond rating agency report
 - Most recent annual budget
 - Current rate ordinance and rate structure