



Ohio Administrative Code Rule 3745-87-01 Asset management definitions.

Effective: April 11, 2025

Except as otherwise noted, the definitions in rule 3745-81-01 of the Administrative Code 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 and documentation of a program of activities that demonstrates the managerial, technical, and financial capability of a public water system, to manage physical infrastructure assets in order to maintain levels of service to customers, the community and the environment, while considering costs and residual asset risks.

(3) "Asset management screening" (formerly capability screening) means an evaluation of the technical, managerial, and financial capability of a public water system.

(B) "Break" means physical damage to a pipe, valve, hydrant, or other appurtenance that results in a disruption.

(C)

(1) "Capital improvement plan" or "CIP" means a financial plan based on a planning period for all individual capital improvement projects.

(2) "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.



(3) "Continuity plan" means a written plan developed through succession planning that establishes the public water system's plan in the event of the loss of critical personnel. Continuity plan criteria may include, but is not limited to, cross-training existing critical personnel, timeframes and detailed steps for hiring replacement personnel, and position descriptions for critical personnel.

(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" is a measure of the importance of an asset, based on potential consequences that would result if the asset were to fail, including financial, environmental, and social consequences.

(D) [Reserved.]

(E) [Reserved.]

(F) [Reserved.]

(G) [Reserved.]

(H) "Horizontal/linear asset" means assets which may be configured or networked for the purpose of moving materials or services from one place to another. Also known as "below-ground asset." In the context of the water industry, this includes pipeline assets for water distribution, collection, and transmission.

(I) [Reserved.]

(J) [Reserved.]

(K) [Reserved.]

(L) "Leak" means an unintended hole or crack in a transmission or distribution pipeline, valve,



hydrant, appurtenance, or service connection that continuously loses water but that does not result in a disruption.

(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 the system's 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 an asset 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.]

(X) [Reserved]

(Y) [Reserved]

(Z) [Reserved]

(AA) Referenced materials. This chapter includes references to certain subject matter or materials. The text of the referenced materials is not included in the rules contained in this chapter. Information on the availability of the referenced materials as well as the date of and the particular edition or version of the material is included in this rule. For materials subject to change, only the specific version specified in this rule are referenced. Material is referenced as it exists on the effective date of this rule. Except for subsequent annual publication of existing (unmodified) Code of Federal Regulation compilations, any amendment or revision to a referenced document is not referenced unless and until this rule has been amended to specify the new dates.

(1) Availability. The referenced materials are available as follows:

(a) "American National Standards/American Water Works Association" (ANSI/AWWA). A copy may be obtained from "AWWA Bookstore, 6666 W. Quincy Avenue, Denver, CO, 80235," (303) 794-7711, www.awwa.org.

(b) Ohio EPA technical documents. These documents are generally available in most Ohio public



libraries and the state library of Ohio. Information and copies may be obtained by writing to "Division of Drinking and Ground Waters, Lazarus Government Center, P.O. Box 1049, Columbus, OH" 43216-1049.

(2) Referenced materials:

(a) "ANSI/AWWA, Utility Benchmark Performance Indicators," 2022.

(b) "AWWA Asset Management Definitions Guidebook"

<https://www.awwa.org/Portals/0/AWWA/ETS/Resources/AMGuidebook.pdf?ver=2018-12-13-100101-887>. (David DiCesare, AWWA Ohio Section Asset Management Committee)

(c) "Guidelines for Design of Small Public Water Systems."

<https://dam.assets.ohio.gov/image/upload/epa.ohio.gov/Portals/28/documents/engineering/greenbook.pdf> (2023).

(d) "Planning and Design Criteria for Establishing Approved Capacity for: 1) Surface Water And Ground Water Supply Sources, 2) Drinking Water Treatment Plants (WTPs), and 3) Source/WTP Systems."

<https://dam.assets.ohio.gov/image/upload/epa.ohio.gov/Portals/28/documents/engineering/Approved Capacity.pdf> (2010).