



## Ohio Administrative Code

### Rule 3745-87-03 Contents of an asset management program.

Effective: April 11, 2025

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(A) In order to demonstrate adequate managerial capacity, personnel commitments that are needed to provide for effective management, operation and financials of community and nontransient noncommunity public water systems shall be proven with documentation. The asset management program shall include, but is not limited to, the following:

- (1) Demonstration of ownership accountability, which includes the legal authority to take the measures necessary for construction, operation, and maintenance of the system, including maintaining staffing skills, resources, and prioritizing continuous improvements of the water system.
- (2) Demonstration that the owner has committed to proper operation and management of the public water system in accordance with agency 3745 of the Administrative Code, as applicable.
- (3) Demonstration to ensure continued, proper operation of the public water system through succession planning, such as having a continuity plan in place for critical personnel.
- (4) The following information from the owner or operator of the public water system:
  - (a) A brief description of the water system, including major components, source type, number of service connections, and number and type of customers.
  - (b) An operating plan defining the tasks to be performed in managing and operating the public water system, which consists of at least the following:
    - (i) A high-level table of organization that identifies critical personnel including the operator, manager and supervisor responsible for operations, maintenance, treatment, and distribution. The table shall include clearly defined job classifications/titles and the individuals within those job classifications/titles and include differentiation between a property owner and business owner or lessee, if applicable.



(ii) The director may require fiscal and managerial training for water systems governing bodies and responsible management, and documentation of governing bodies and employees attending appropriate water system fiscal and management training.

(iii) An operation and maintenance program as described in paragraph (B)(4) of this rule.

(c) Demonstration of the owner's ability to address violations of applicable portions of the Revised Code and the Administrative Code, that includes an explanation of how the water system will establish and maintain effective communications and relationships between the water systems management, its customers, professional service providers and any applicable regulatory agencies.

(d) An inventory of external contacts and resources necessary for proper operation of the system, including a description of how the contacts and resources will be effectively utilized.

(e) Description of internal contracting and purchasing procedures to accomplish routine and emergency repairs and replacements.

(B) In order to demonstrate adequate technical capacity, the asset management program shall include, but is not limited to, the following:

(1) Schematic of water source, treatment, storage and distribution system.

(2) Inventory of assets, including the following:

(a) Asset name.

(b) Known purchase or installation date, or estimated age of asset if different.

(c) Status of asset (e.g. in use, available for use, needs repaired, etc.) as identified by the water system.

(d) Locations of assets, including up-to-date maps.



(3) Evaluation of assets, including the following:

(a) Condition (e.g. excellent, good, fair, poor, needs replacement).

(b) History of maintenance and repair.

(c) Estimated remaining useful life based upon condition and performance

(d) A prioritization of assets based on criticality and condition assessment.

(4) Operation and maintenance programs.

(a) Standard operating procedures for daily operation of the facility and use of system equipment.

(b) Maintenance schedules or supporting documentation of the maintenance performed for each of the following as applicable:

(i) Wells, all raw-water reservoirs and intakes.

(ii) Pump stations.

(iii) Electrical equipment, controls, and auxiliary power.

(iv) Water treatment facilities.

(v) Distribution system components, including tanks, hydrants and valves.

(c) Demonstration of an adequate maintenance log.

(5) Emergency preparedness and contingency planning program.

(a) Community public water systems shall prepare a written contingency plan meeting the



requirements of Chapter 3745-85 of the Administrative Code.

(b) Nontransient noncommunity public water systems shall complete the approved, most-current, asset management program template to comply with contingency planning requirements.

Nontransient noncommunity public water systems may create an asset management program using an alternative format, provided the format includes no less than the required information in the agency's asset management program template.

(6) Source water assessment and protection plan review.

(a) Community and nontransient noncommunity public water systems shall review the source water assessment report annually to determine if revisions are necessary. If revisions are deemed necessary, the public water system shall submit the proposed revisions to the agency.

(b) Community and nontransient noncommunity public water systems with an endorsed drinking water source protection plan shall review the protection plan in accordance with the review frequency stated in the plan and revise the plan as necessary. If there is no specified review schedule in the protection plan, the system shall review the plan no less than every three years and revise as necessary.

(c) Community and nontransient noncommunity public water systems with a drinking water source protection plan checklist that has been accepted by the agency shall review and update the checklist every five years.

(d) A revised drinking water source protection plan or checklist shall be submitted to the agency within sixty days of making the revisions.

(7) Approved capacity projections, including.

(a) Written approved capacities of small public water systems using only ground water (such as factories, mobile home parks, office buildings, restaurants, condominiums, and the like) will be



established in accordance with Ohio EPA's "Guidelines for Design of Small Public Water Systems."  
Written approved capacity projections for all other water systems shall meet the requirements of Ohio EPA's "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."

(b) Identification of infrastructure needed to meet written approved capacity projections.

(8) Criteria and timelines for infrastructure rehabilitation and replacement.

(a) Identification of, and a schedule for needed repair, rehabilitation, replacement and expansion of existing assets and prioritized to address the most critical needs.

(b) Identification of funds that will be collected or set aside for repair, rehabilitation, replacement or expansion of existing assets.

(9) Capital improvement plan (CIP).

(a) A CIP shall include annual projections for a three to five-year planning period with detailed expenditures in each of those time frames.

(b) The projects should be listed by the year in which they are planned and include, at a minimum, the following information:

(i) Description and reasoning for the project.

(ii) Estimate of project cost, including engineering design and construction.

(iii) Funding sources.

(c) A description and estimated cost of significant projects for the next five to twenty years.

(C) In order to demonstrate adequate financial capacity, community and nontransient noncommunity



water systems shall include a long-term funding strategy to support asset management plan implementation, including, but not limited to, the identification of sources and amounts of funds to finance the needed repair, rehabilitation, replacement or expansion of assets, including debt service.

(1) New publicly owned public water systems shall include a five-year pro forma statement of the next five years of operation, which includes the following:

- (a) An income statement, balance sheet, and statement of cash flow pertaining to the water operating fund.
- (b) An amortization schedule of all water system debt including terms of all outstanding debt.
- (c) Capitalization terms of long-term debt anticipated to be incurred in the next five years of operation.
- (d) The current water rate ordinance in effect including any planned periodic increases of the rate, as applicable.
- (e) Documentation that water rate evaluations are adequate for CIP to be developed as required by paragraph (B)(9) of this rule and conducted at a minimum every five years.
- (f) Documentation of all customers being billed for water usage, as applicable.
- (g) Any existing information demonstrating bond or credit rating.

(2) Existing publicly-owned public water systems shall include all of the following:

- (a) All the items listed in paragraph (C)(1) of this rule.
- (b) The most recent five years of annual financial reports, as required by section 117.38 of the Revised Code, or substantively equivalent documents which describe the performance of the owner and the water system.



(3) New non-publicly owned public water systems shall include all of the following:

(a) A demonstration of the cost of the water treatment components and the conveyance system including capitalization terms or lump sum debt retirement option if selected.

(b) A demonstration of an adequate budget and revenue sources to support the annual operation and maintenance costs of the system for the next five years of operation including the following:

(i) Cost of required level certified operator coverage.

(ii) Capitalization terms of anticipated long-term debt incurred in the next five years of operation.

(4) Existing non-publicly owned public water systems shall include all of the following:

(a) All the items shown in paragraph (C)(1) of this rule.

(b) Type of business organization and historical origination date; including the legal document establishing the corporate structure.

(c) The most recent five years of annual financial statement documentation which describe all assets, liabilities, income, expenditures, balances and equity of the water system.

[Comment: All referenced materials can be found in rule 3745-87-01 of the Administrative Code.]