



Stimulate Your Sustainability



The pulse of stimulus funding to the SRFs is more than an opportunity to invest in needed infrastructure. It is also a time to pause and reflect on how you can ensure your utility is able to continue providing service for its customers over the long term.

Effective Utility Management (EUM): A framework for sustainability

The Water Sector Agrees

Six major professional associations across the drinking water and wastewater sectors have come together with the EPA to endorse and promote principles of “Effective Utility Management, “ or EUM. EUM is based on defining and pursuing improvements based on a series of Ten Attributes of Effectively Managed Water Sector Utilities and 5 Keys to Management Success. These Attributes define the kinds of outcomes water sector utilities should pursue and cover the full range of your business, from Product Quality, to Financial Viability, to Infrastructure Stability and beyond.

Set Your Priorities

The biggest challenges you face may be different from those at other utilities. The first step in implementing EUM is to review the Ten Attributes, note your strengths and set the priorities for action on those areas where you could most improve. The EUM partnership has published a Primer which helps you do just that, as well as including a set of potential performance measures for you to consider. You can download the Primer at: <http://www.epa.gov/waterinfrastructure/watereum.html>.



Meet the Infrastructure Challenge with Asset Management

One of the Ten Attributes that EPA continues to emphasize is “Infrastructure Stability.” This Attribute is often one of the greatest challenges. The key to that stability is having a long term plan for renewal, rehabilitation and replacement. As you move forward with your SRF loan, ask yourself these two questions:

- ◆ **When the infrastructure you build today wears out, will you have a plan in place to repair or replace it?**
- ◆ **Do you know what other infrastructure you will need to replace before that day comes?**

To ensure that your organization is ready, it is time to start or upgrade your Asset Management efforts. As you know, every piece of pipe, every pump and every part of your system will one day need to be replaced. A robust Asset Management program is the path to sustaining your infrastructure over the long term. Many utilities are now doing some form of Asset Management, but a robust program includes the following steps:

- 1: **Know what you have and how long you think it will last.** Every system should have a complete inventory of the infrastructure assets that they manage. And for each asset, you can make a projection as how long it will last – based on its age and condition.
- 2: **Prioritize your infrastructure investments.** Assets should be repaired, rehabbed or replaced based on 1) the risk of the asset ‘failing’ and 2) the consequences of that failure. The high risk, high consequence failures will be your top priorities.

Asset Management is managing infrastructure capital assets to minimize the total cost of owning and operating them, while delivering the service levels customer's desire.



3: **Make a plan for each of your assets.** With knowledge of what you have, how long it will last, and which assets are your priorities, you can map out a schedule for when you will need to replace each part of your system. Replacement that comes too soon, wastes money as you can still get more use out of the asset. Replacement too late also wastes money as emergency work is always more costly.

4: **Select least life cycle cost solutions.** In many cases there are alternatives to weigh in replacing or renewing infrastructure. To make the best decisions you need to select the solutions that have the least cost over the life cycle of the new asset. Take into account how long the new asset will last and how much it will cost to run or maintain the asset over its life.

- 5: **Develop your funding strategy.** By mapping out your finances to meet all of your long term infrastructure needs, you can be sure that you have a plan to pay for the investments when you need to make them.

There are numerous free resources to help you get started or take your Asset Management efforts to the next level. They include ‘how-to’ guides, training, software and even low cost expert assistance from Environmental Finance Centers across the country. EPA’s website is a great place to start: <http://www.epa.gov/owm/assetmanage/>