

# Asset Management Do's and Don'ts

**Carl E. Brown, President**  
Carl Brown Consulting, LLC

**Everyone** is weighing in these days about asset management. Most experts are saying that just about every water and sewer system needs to develop a comprehensive asset management program as soon as possible. The author begs to differ for two reasons:

1. It's just too ambitious, and
2. Almost no small systems are doing it anyway.

Well, then, what's a small system to do? The author believes small systems need to start out gradually and build their way into more complete asset management programs. Following are some do's and don'ts for small systems considering advanced asset management (AAM).

**Don't** start a comprehensive AAM program all at one time. That is too ambitious!

**Do** adopt an AAM policy statement, such as, "It is the goal of the city council and administration of Kansasville to provide utility and infrastructure-based services to its users and citizens as well as possible for as long as possible within the confines of funds available. Strategies for performing in this way are commonly called advanced asset management. It is the policy of the city council and administration to grow in its use of advanced asset management strategies in order to better serve the city's users and citizens." Advanced asset management has been defined by the American Public Works Association as, "A comprehensive and structured approach to the long-term management of assets as tools for the efficient and effective delivery of community benefits."

**Do** inventory assets and their needs.

**Do** consider all reasonable options to try to assure that investment decisions will produce the best possible life-cycle outcome when considering major capital improvements or infrastructure upgrades, or the funding of such improvements. Translation: you want the cheapest option that will serve you well over the long-haul.

**Do** mine knowledge from your key operators. Most small water and sewer systems in the U.S. now have key operators that will soon retire. In

most cases it took years for these operators to build a base of knowledge and understanding of how their systems work. When these operators leave they will carry with them (in their heads) storehouses of information and knowledge about the systems they manage and operate. You need to capture that knowledge before it goes away.

**Do** part on good terms with key, long-term operations staff. The system will occasionally have problems that this now retired or resigned staff person will know how to handle. When you hit such a problem, pay the former staff person to help your new staff to troubleshoot the problem. That fee will be money well invested.

**Do** pursue asset management when the city or district's decision-makers, management AND staff are ALL ready for it.

**Do** analyze or have a rate setting specialist analyze the utility's rates and fees to assure that revenue generation will be adequate to properly fund the utility and maintain adequate reserves, and to assure that the rate structure is fair to the ratepayers. Such analysis is usually needed once every five years.

**Do** examine the financial needs (budgeting) of each utility every year and increase rates and fees as necessary to satisfy those needs. Such financial examinations are done during the years in between comprehensive rate analyses.

**Do** the right things and don't do the wrong things and your advanced asset management program will come together nicely.

## Author Bio and Contact Information

Carl Brown is President of Carl Brown Consulting, LLC, specializing in water, sewer and storm water system rate analysis, asset management and training nationwide.

Carl may be contacted at Carl Brown Consulting, LLC, 1014 Carousel Drive, Jefferson City, Missouri, 65101,

Phone (573) 619-3411,

E-mail [carlbrown@mchsi.com](mailto:carlbrown@mchsi.com)

Web site [www.carlbrownconsulting.com](http://www.carlbrownconsulting.com)

**PLAN TO  
ATTEND**

# KRWA Asset Management Workshops

## Why?

Not using asset management is like driving a speeding train at night with no headlight. The tracks may be clear. Or, maybe not. Either way, knowing what is down the tracks, and knowing that you are on the right track sure makes the trip go better and maybe cheaper.



## Who should attend?

Board and council members, managers, city administrators, finance directors, clerks, utility chief operators and key staff. This training is most useful when a team from your system attends together. Operators receive certification credit.

## When, where, how to register?

July 16, Wichita, Best Western North  
July 23, Salina, Holiday Inn

July 17, Chanute, Holiday Park  
July 24, Topeka, Holiday Inn

Mark your calendar now and register for a session at: [www.krwa.net/training](http://www.krwa.net/training)

## Who is the trainer?

Carl Brown, <http://carlbrownconsulting.com/>, will surprise you by showing you just how much asset management you are already doing, how much more you need to do and how you can do that in the best way possible. Carl Brown is a nationally recognized expert in water system operation, maintenance, regulatory and financial issues. He developed the "Show-me Ratemaker" rate analysis programs for water and sewer systems and has authored a book, "How to Get Great Rates", as well as numerous articles on rate setting and asset management. **DON'T LET THIS TRAIN LEAVE WITHOUT YOU!**

