

WARRANT ARTICLE
WASTEWATER ASSET MANAGEMENT

BACKGROUND

All wastewater, water and stormwater systems are made up of “assets”. These include buried assets, such as pipes, and assets that are visible, such as the wastewater treatment facility. The “assets” are the physical components of the system. For the wastewater system, these physical components include sewer pipes, manholes, valves, tanks, pumps, buildings, mechanical equipment, treatment facilities and other components that make up the wastewater system. The assets (physical components) that are part of the wastewater system generally lose value over time as these components age and deteriorate. Once consequence of this aging and deterioration is that it can become more difficult to provide the type and level of service that customers expect. Also, the costs of operation and maintenance tend to increase over time as the system ages. If the operation and maintenance costs become excessive the Town or operator of the utility may be faced with excessive costs that it can no longer afford.

There is an approach to managing wastewater, water and stormwater assets that help the operators of the system make better, well-informed decisions on managing aging assets. This approach is called asset management. Proper asset management allows the operators of the system to maintain the expected or desired level of service to customers and, at the same time, control operation and maintenance costs so that the system remains affordable. The goal of asset management is to meet the required level of service in the most cost-effective way through creation, acquisition, operation, maintenance, replacement, and disposal of assets to provide for present and future customers.

There are several good reasons for implementing asset management, including:

- (1) These assets (infrastructure) represent a major investment of public money, so the assets need to be managed so as to maximize the life of the assets in a cost-effective manner;
- (2) Well managed infrastructure is critical to maintaining the level of service expected by customers;
- (3) Proper operation and maintenance of a utility is essential to protect public health and safety;
- (4) Utility assets provide an essential customer service (collection, treatment, and disposal of wastewater for example);
- (5) Asset management promotes efficiency and innovation in the operation and maintenance of the system.

Implementation of an asset management program for the wastewater system will help to ensure the long-term sustainability of the wastewater system and its ability to continue to deliver the required level of service for its customers.

THE PROJECT

A warrant article was approved by Allentown voters last year to enable the first phase of the asset management program for the wastewater system to be developed. That work has been ongoing. The

components of the asset management system include: asset inventory, asset condition, level of service, critical assets, life-cycle costing, long-term funding strategy. There are various elements that go into each of these components that must be developed as part of the overall wastewater asset management program.

The warrant article is to authorize and appropriate a sum of \$30,000 to fund the development of the next phase of the asset management program for the wastewater system. The project would be funded by a loan through the State Revolving Fund (SRF) loan program administered by the New Hampshire Department of Environmental Services (NHDES). **The notable feature of this funding is that currently the NHDES is offering payment of 100% of the loan principal – in essence a 100% grant for the project.** The NHDES is doing this as an enticement for communities to develop asset management programs for wastewater. **Thus, there will be no cost to sewer users or tax payers for this project under this warrant article.**