



## Asset Management Policy

Document No: PO - 2001

Document Designation:  
Level One

Revision 2.0 – 8/16/2019

**Relates To:** PR-2001.01 (Low Flow Hydrant Management Procedure); PR-2001.02 (Life Cycle Asset Management Procedure)

### 1.0 PURPOSE

The purpose of this policy is to state Louisville Water Company's ("Louisville Water" and/or "the Company") position on sound management of physical assets.

### 2.0 SCOPE

This policy applies to the management of all physical assets of the Company including, but not limited to: production/plant facilities; transmission and distribution assets (including meters, hydrants, valves, water mains, service lines and other related items); pumping and storage facilities; buildings and grounds; fleet; equipment; information technology assets; and real property.

### 3.0 DEFINITION

Asset Management is a strategic business approach for planning, designing, constructing, maintaining, and documenting physical assets and infrastructure in a manner that maximizes effectiveness and efficiency, while minimizing risk. It provides a framework for both short and long-range planning and seeks to deliver safe and reliable levels of service by combining engineering principles and sound business practices, with due consideration given to social, environmental and economic factors.

### 4.0 RESPONSIBILITIES

- 4.1 **The Enterprise Asset Management (EAM) Leadership Team** is responsible for developing and updating this policy and setting expectations for the policy implementation.
- 4.2 The **President** and the **Executive Leadership Team** are responsible for ensuring that ample resources are allocated to ensure the efficacy of this policy.
- 4.3 **Management** is responsible for promoting and implementing procedures and programs that are considered the best industry practices for asset management, as well as those best fitting Louisville Water objectives.
- 4.4 **Employees** are responsible for planning, designing, acquiring, deploying, recording, maintaining and retiring assets under their charge in accordance with this policy, and all procedures and work instructions developed hereunder.

### 5.0 POLICY

- 5.1 Assets of the Company will be proactively managed using an Enterprise Asset Management (EAM) methodology. EAM is a coordinated, Company-wide approach that will employ elements of planning, design and construction, operations and maintenance, procurement of goods and services, records management, and finance.



## Asset Management Policy

Document No: PO - 2001

Document Designation:  
Level One

Revision 2.0 – 8/16/2019

**Relates To:** PR-2001.01 (Low Flow Hydrant Management Procedure); PR-2001.02 (Life Cycle Asset Management Procedure)

- 5.2 Louisville Water will maintain an internal organizational and governance structure, along with appropriate procedures to provide effective EAM implementation, lead the development of EAM tools and practices, and oversee their application across the organization.
- 5.3 Louisville Water will develop and maintain a functional inventory of assets and asset classes within suitable systems of record, accompanied by appropriate condition assessment, evaluation and financial valuation to facilitate maximizing the practical lives of assets while minimizing life cycle costs.
- 5.4 Louisville Water will integrate EAM Strategies into business operations in support of the Louisville Water Strategic Business Plan to:
- 5.4.1 Develop asset management documentation, knowledge and competencies aligned with recognized best practices.
  - 5.4.2 Define levels of service that balance customer expectations with risk and affordability.
  - 5.4.3 Adopt risk-based and/or financial viability decision-making processes where practicable, that consider the likelihood of asset failure and the consequence of a failure with regards to impacts on safety and levels of service.
  - 5.4.4 Apply life cycle cost, cost-benefit analysis, and system viability where possible when evaluating competing Company asset investment needs.
  - 5.4.5 Monitor the performance of specified assets and track the effectiveness of EAM practices with a vision for continuous improvement.

**Legal Approval:** /s/ Michael Tigue

**Date:** 8/16/2019

**BOWW Approval:** /s/ Creighton Mershon, Chair

**Date:** 8/16/2019

Revision No.	Issue Date	Reason for Revision
	4/12/2011	New Issue
1.0	8/16//2016	Restructure to bring policy in line with Enterprise Asset Management Program strategies and procedures.
2.0	8/16/2019	Reviewed and updated by ELT during 2018

**POLICY UPDATE:** Louisville Water Company reserves the right to review and update its policies and procedures, as deemed necessary, at any time.