Asset Management
The Five Core Components

- **What do you own?**
- **Where** are your assets?
- What is the **condition** of your assets?
- What is the **remaining life** of your assets?
- What is the **value** of your assets?

- Where will you get the **money for O&M**?
  - Where will you get the **money for asset replacement**?
  - Where will you get **money for increasing energy efficiency**?

- **What do your customers want?**
- What are your customers **willing to pay**?
- What are you **able to provide**?
- How will you **measure** your performance?

- **What is the life expectancy** of your assets?
- What are the **O&M costs**?
- What will it **cost to replace** them?
- **How do you know when to repair or rehabilitate and when to replace?**

- **What is the probability** of failure?
- What is the **consequence** of failure?
- Do you have **backup** equipment?
- Can you increase **energy efficiency**?

Southwest Environmental Finance Center