



BREAKING THROUGH: OVERCOMING THE WATER FUNDING CHALLENGE

ASSET MANAGEMENT

December 7, 2018

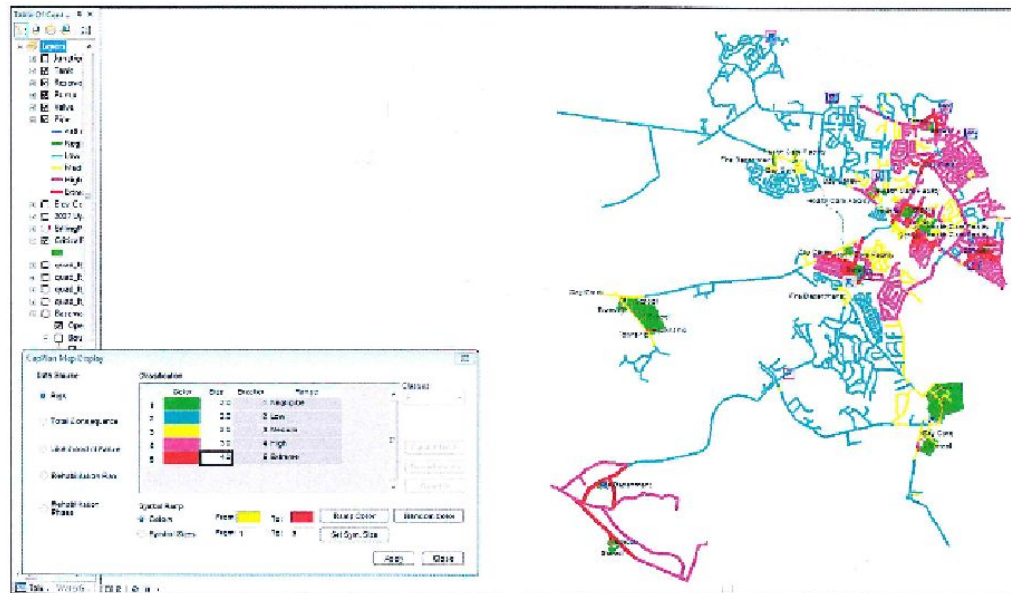
WHAT IS ASSET MANAGEMENT?

ASSET MANAGEMENT IS A PROCESS TO ENSURE THAT THERE IS SUFFICIENT INVESTMENT IN AND PLANNED MAINTENANCE, REPAIR AND REPLACEMENT OF WATER AND WASTEWATER INFRASTRUCTURE. ELEMENTS INCLUDE:

- Asset Inventory and Condition Assessment;
- Defining Level of Service Goals;
- Determining Criticality of Assets;
- Establishing Life Cycle Costs; and
- Developing Long-Term Funding Strategy.

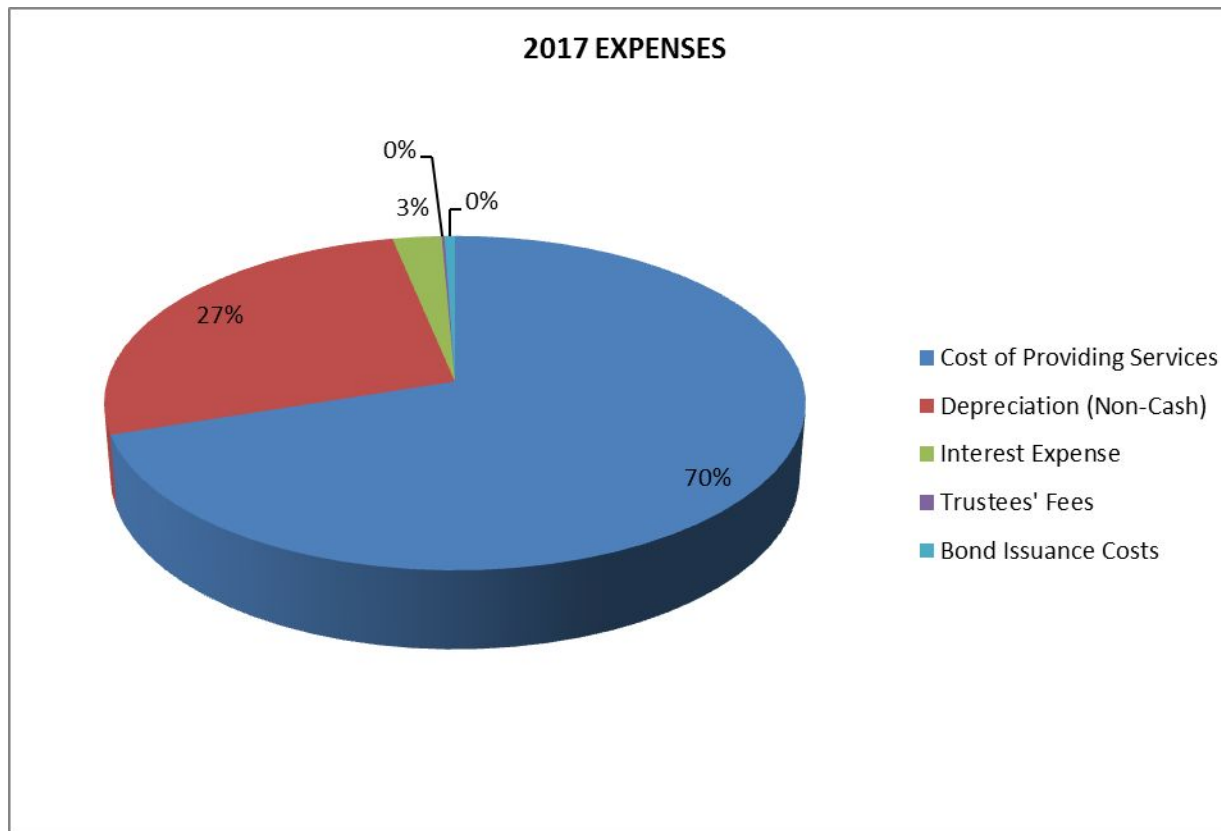
JACKSON TOWNSHIP MUA'S WATER DISTRIBUTION SYSTEM

PLEASE NOTE: HIGH AND EXTREME RATINGS ARE FOR ASBESTOS-CEMENT MAINS



FULL COST PRICING

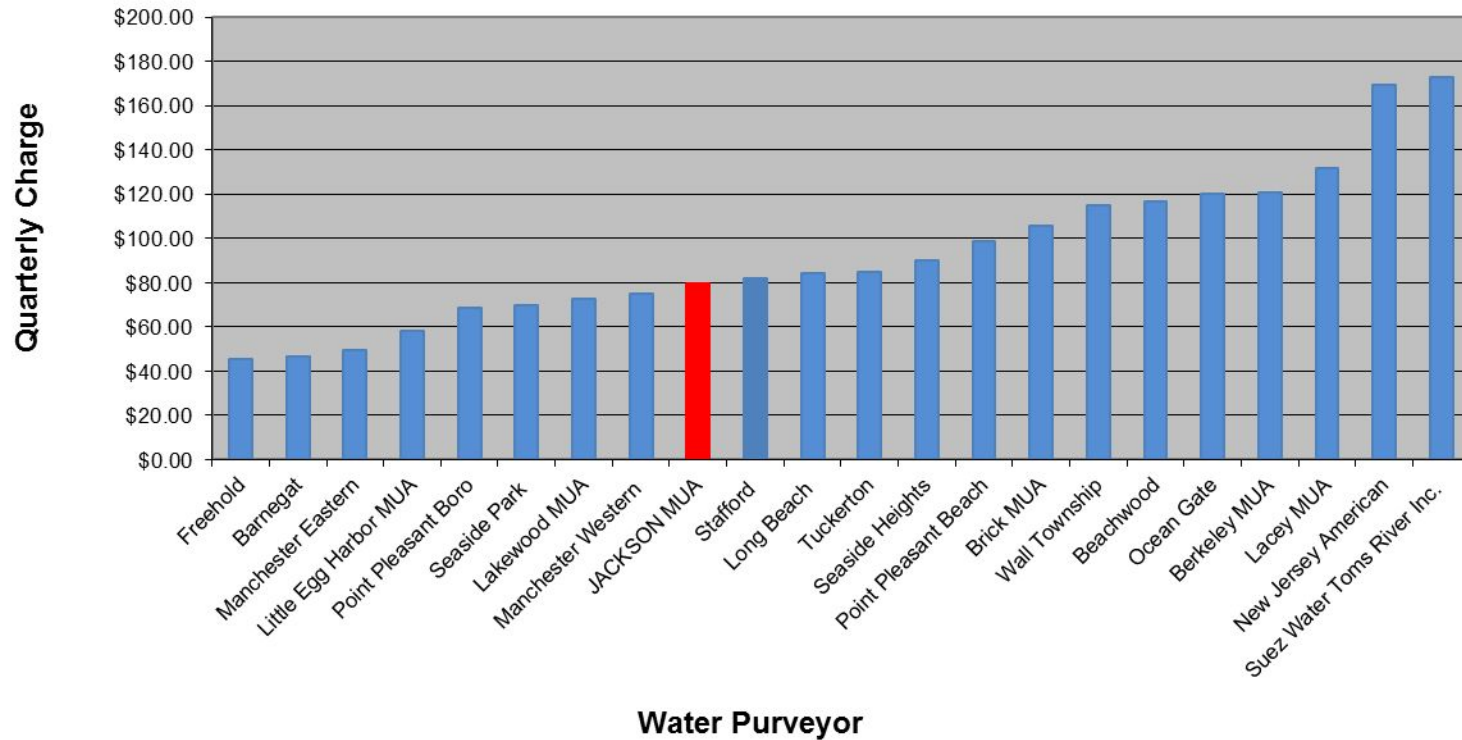
- Depreciation is a Non-Cash Expense that Accounts for 27% of Jackson MUA's Budget
- Depreciation Should be Funded so that all Capital Improvements do not have to be Bonded



WATER RATES VARY SIGNIFICANTLY

2017 POTABLE WATER RATE COMPARISON

Current JTMUA Rates 15.0%
Below Ocean/Monmouth Average



KEY POINTS

- Asset Management is a Risk Based Approach to Infrastructure Investment
- One of the Primary Benefits is Linking Financial and Capital Planning
- Asset Management is Necessary To Implement Full Cost Pricing
- Condition Assessment of Linear Assets, such as Water Mains, is Challenging

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