



Did you know?

An Asset Management Plan is a Living Document

An asset management plan is a living document that must be updated on a regular basis. However, throughout the life of an asset management plan a municipality will face many challenges which include:

1. New technologies and techniques may impact the timing of repair/rehabilitation/replacement strategies included in the plan;
2. A need to overcome resistance to increasing taxes to pay the cost for repair/rehabilitation/replacement of infrastructure assets;
3. Responding to changing customer expectations and/or increased demands for services; and
4. Changing regulatory requirements from senior levels of government.

To address these challenges municipalities must be willing to ask of themselves a number of questions and be willing to follow up on these questions.

Question 5 – What is the best long term funding strategy?

Sound financial decisions and developing an effective long-term funding strategy are critical to the implementation of an asset management program. Knowing the full economic costs and revenues generated by your water system will enable you to determine your system's financial forecast. Your system's financial forecast can then help you decide what changes need to be made to your system's long-term funding strategy.

You should ask:

- Do we have enough funding to maintain our assets for our required level of service?
- Is the current strategy sustainable for our assets long-term needs?

Some strategies to consider:

- Revising the current funding model.
- Funding a dedicated reserve from current revenues.
- Setting up a winter maintenance reserve, funded from current revenues.
- Financing asset rehabilitation, repair, and replacement through borrowing or other financial assistance.