**R653. Natural Resources, Water Resources.**

**R653-14. Capital Asset Management Plans.**

**R653-14-1. Purpose and Authority.**

(1) As a condition to receiving federal or state financial assistance for improvement to capital assets related to water infrastructure, Section 73-10g-502 requires water conservancy districts with an annual operating budget of $5,000,000 or less to commit to adopt a capital asset management plan.

(2) The purpose of this rule is to identify and describe the elements of a capital asset management plan, as directed in Section 73-10g-502.

(3) Water conservancy districts with an annual operating budget over $5,000,000 are not subject to this rule and shall instead comply with Section 17B-2a-1010.

**R653-14-2. Definitions.**

As used in this rule:

(1) "Capital asset" means an asset that:

(a) is a significant investment or an essential component necessary to provide water service, including:

(i) a facility;

(ii) infrastructure, whether above or below ground level;

(iii) equipment; or

(iv) a communications network; and

(b) is owned by a water conservancy district.

(2) "Capital asset management plan" or "plan" means a capital asset assessment, maintenance, and replacement program described and required in Section R653-12-3.

(3) "Division" means the Division of Water Resources.

(4) "Water conservancy district" means an entity formed under Title 17B, Chapter 2a, Part 10, Water Conservancy District Act, with an annual operating budget of $5,000,000 or less.

**R653-14-3. Capital Asset Management Plan.**

(1) As a condition to receiving federal or state financing or grants for improvement to capital assets related to water infrastructure, a water conservancy district must commit to adopt a capital asset management plan consistent with Section 73-10g-502 and this rule.

(2) The capital asset management plan shall require the water conservancy district to:

(a) complete an inventory of each capital asset, including the following information for each inventoried asset:

(i) a technical description;

(ii) location;

(iii) physical condition;

(iv) documentation of the asset's standard features;

(v) warranties;

(vi) maintenance history;

(vii) replacement costs;

(viii) estimated value;

(ix) estimated original useful life; and

(x) estimated remaining useful life; and

(b) assess the physical condition of the capital asset in accordance with a method established under Subsection (3)(a)(i) at least every five years.

(3)(a) The plan shall establish:

(i) a method to assess the physical condition of each capital asset;

(ii) performance and condition standards for each capital asset;

(iii) a program for monitoring and reporting the water conservancy district's application of and compliance with the plan, including a comparison of each capital asset's current status and targeted standards for that capital asset as set forth in the plan;

(iv) a process to evaluate existing capital assets for efficiency and expected service delivery; and

(v) objective criteria for ranking capital asset criticality and prioritizing maintenance and replacement.

(b) A performance and condition standard described in Subsection (3)(a)(ii) may be:

(i) a mandated safety standard;

(ii) a standard condition of receiving federal, state, or local funding; or

(iii) an applicable engineering or other professional standard.

(4) The plan shall include:

(a) a multiyear financial component that includes:

(i) criteria and guidelines for saving and allocating sufficient funds in the water conservancy district's annual operating budget for assessing, maintaining, repairing, and replacing capital assets; and

(ii) guidelines for dedicating revenue to priority capital assets identified under Subsection (3)(a)(v); and

(b) the water conservancy district's assurance it will:

(i) implement the capital asset management plan and seek to comply with its terms; and

(ii) adopt annual operating budgets that include ongoing funding for capital asset

maintenance, repair, and replacement.

**R653-14-4. Capital Asset Management Plan Review.**

(1)(a) A water conservancy district shall submit a copy of its completed capital asset management plan to the division within two years of seeking a federal or state loan or grant for improvement to its water infrastructure capital assets.

(2) Upon receipt of a plan submitted by a water conservancy district, the division shall review it for completeness and compliance with Section 73-10g-502 and this rule.

(a) If the plan is found deficient, the division will notify the water conservancy district of the deficiencies and provide an opportunity to revise them as necessary.

(b) If the plan is found complete and consistent with this rule, the division will issue a letter to the water conservancy district indicating compliance.

**KEY: capital asset management plan**

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