

CITY OF SPOKANE
ADMINISTRATIVE POLICY AND PROCEDURE

CITY OF SPOKANE ADMINISTRATIVE POLICY AND PROCEDURE	ADMIN 5200-26-07 LGL 2026-0023
PUBLIC WORKS DIVISION – UTILITY ASSET MANGEMENT POLICY FOR WATER AND WASTEWATER UTILITIES EFFECTIVE DATE: October 7, 2026 REVISION DATE: N/A	

1.0 GENERAL

1.1 PURPOSE

The purpose of this policy is to formalize the City of Spokane Public Works Division's commitment to developing, implementing, and continually improving a comprehensive Asset Management Program for the effective, sustainable, and transparent management of the City's water, wastewater, and stormwater utility infrastructure assets. This policy provides the guiding principles and framework for asset management activities and informs the standards, practices, and decision-making processes used to maintain, preserve, and enhance these assets over their lifecycle.

Asset management is the systematic approach taken to realize value from assets as they are developed, operated, and maintained. Asset management does not replace existing municipal processes such as budgeting and financial reporting, capital planning, information and technology systems, or strategic planning; rather, it integrates with and supports these processes to enable informed, risk-based decision-making aligned with organizational objectives.

This Asset Management Policy is intended to:

- Formalize the City's commitment to asset management practices that are aligned with organizational goals, service level expectations, and regulatory requirements;
- Provide transparency and accountability by establishing a consistent basis for decision-making that considers service levels, cost, risk, and performance;
- Communicate to stakeholders the asset management principles, governance, and approach endorsed by the City; and
- Establish a framework for the consistent and strategic implementation of asset management throughout the asset lifecycle.

Implementation of this policy supports reliable, safe, and cost-effective delivery of Public Works utility services through coordinated planning, management, and investment in infrastructure assets.

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2.0 DEPARTMENTS/DIVISIONS AFFECTED

Except as otherwise provided, this policy shall apply to the following departments in the Public Works Division:

- 2.1. Wastewater Management Department, including Sewer Collections, Riverside Park Water Reclamation Facility (RPWRF), and Stormwater Program;
- 2.2. Water and Hydroelectric Services Department, including Water Distribution, Water Production, and Hydroelectric Services at Upriver Dam.

This policy and procedure shall not apply to Public Works Solid Waste Department.

3.0 REFERENCES

- 3.1 References to related city-wide procedures, forms and resources
 - 3.1.1 Comprehensive Plan
 - 3.1.2. Capital Facilities Plan
 - 3.1.3. Water System Plan
 - 3.1.4. CSO Plan
 - 3.1.5. Stormwater Management Program Plan

3.1.6. RPWRF Facility Plan

3.2 References to related Council policies, bylaws, and administrative policies

3.2.1 Placeholder – no current references exist

3.3 Other references and resources

3.3.1 ISO 55000, 55001, 55002 Asset Management Standards

3.3.2 ISO 31000 Risk Management Standard

3.3.3 Institute of Asset Management

3.3.4 Water Environment Federation Asset Management Glossary

4.0 DEFINITIONS

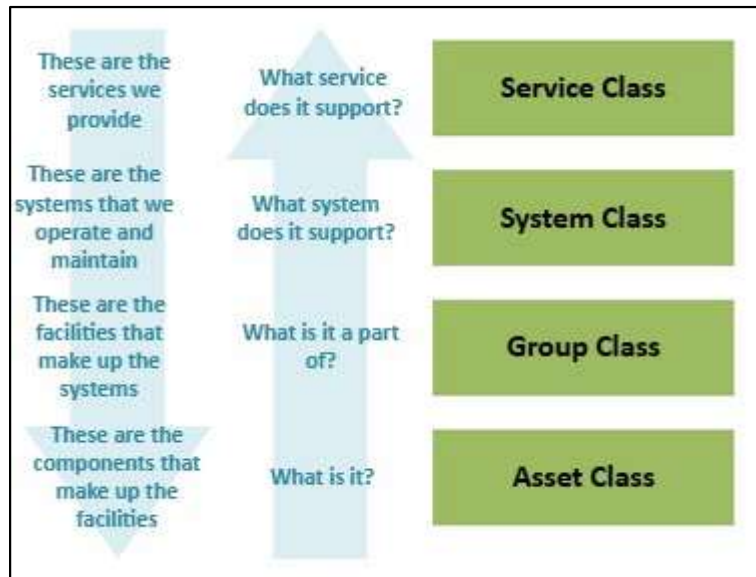
4.1 Asset – any physical component of a utility system that has value, provides service, and requires management over its lifecycle.

4.2 Asset Condition- the current physical state of an asset, typically assessed through inspection, monitoring, or testing, and expressed using a standardized rating system.

4.3 Asset Hierarchy – a structured framework that organizes assets into classes to support consistent tracking, analysis, and decision-making. The classes recommended by this policy include:

- Service Class: the service being provided (i.e., Water, Wastewater, Stormwater)
- System Class: the systems that are operated and maintained to provide the service (e.g., for Water, System Classes include Water Production, Water Distribution, and Power Generation)
- Group Class: the facilities that make up the systems (e.g., Booster Stations is an example of a Group Class that is part of the Water Distribution System Class)
- Asset Class: the components that make up the facilities (e.g., Booster Pump is an example of an Asset Class within the Booster Station Group Class)

The asset hierarchy structure is summarized by Figure 1.



Note – asset hierarchy does not predicate a specific organizational structure to conduct operational and maintenance activities. It is intended to support data management and program governance needs only.

- 4.4 Asset Lifecycle - the full span of an asset's existence, including planning, design, acquisition, operation, maintenance, rehabilitation, and disposal.
- 4.5 Asset Management – a coordinated set of practices used to plan, acquire, operate, maintain, renew, and dispose of assets in a way that balances cost, risk, and level of service over the asset lifecycle.
- 4.6 Asset Management Implementation Plan – a tactical plan that defines the actions, resources, timelines, and responsibilities required to develop the asset management objectives identified in the SAMP and improve the asset management program.
- 4.7 Asset Management Objectives - specific, measurable goals that guide asset management activities and align with organizational priorities, regulatory requirements, and desired levels of service.
- 4.8 Asset Management Plan – a detailed plan for a specific asset system that outlines current condition, performance, risks, lifecycle strategies, and priority replacement recommendation for critical assets.

- 4.9 Asset Management Program - the integrated set of policies, processes, tools, data, and people used to implement asset management practices across the organization.
- 4.10 Asset Management Program Team – core program development group, comprised of Asset Management Program Manager as lead, with Utility Champions as collaborators. Updates and changes to existing business processes resulting from Program Team activities shall be reviewed and approved by Public Works Leadership prior to implementation.
- 4.10 Asset Management Program Manager – a new role established by this policy. The Asset Management Program Manager will be responsible for implementing this policy and establishing a formalized asset management program.
- 4.11 Capital Improvement Plan (CIP) - a multi-year planning document that identifies, prioritizes, and schedules capital investments required to maintain, upgrade, or expand infrastructure. At this time, the City's 6-Year CIP includes both Capital Projects and Maintenance Capital Projects; in the future, the Maintenance Capital Projects needs will be identified and prioritized through the asset management program.
- 4.12 Capital Projects – projects involving the construction, acquisition, or major rehabilitation of assets that extend useful life, increase capacity, or improve performance.
- 4.13 Critical Assets - assets whose failure would result in significant consequences to public health, safety, service delivery, regulatory compliance, or cost. Asset criticality is identified at the “Group Class” or “Asset Class” levels of the asset hierarchy.
- 4.14 Horizontal Asset – linear or networked infrastructure assets that convey services across a geographic area, typically distributed over large distances (e.g., water, wastewater, stormwater conveyance systems).
- 4.15 Key Performance Indicator (KPI)- a measurable value used to evaluate the effectiveness of asset management activities in achieving defined objectives and levels of service.

- 4.16 Level of Service (LOS)– defined performance targets that describe the quality, reliability, and responsiveness of services provided to customers.
- 4.17 Lifecycle Cost – the total cost of an asset over its lifecycle, including planning, design, construction, operation, maintenance, rehabilitation, and disposal.
- 4.18 Maintenance Capital Projects – Capital projects focused on renewing or rehabilitating existing assets to sustain or restore their intended level of service.
- 4.19 Performance – The measurable effectiveness of an asset or asset system in delivering its intended function, evaluated against defined levels of service, reliability, efficiency, and regulatory requirements.
- 4.20 Public Works Leadership – the Asset Management Program leadership steering committee, comprised of the following: Wastewater Management Director, Water Director, and Director of Strategic Initiatives.
- 4.21 Risk – the combination of a likelihood of asset failure and the consequence associated with that failure.
- 4.22 Standard Operating Procedure (SOP) – a documented set of step-by-step instructions that standardizes how routine tasks and processes are performed.
- 4.23 Strategic Asset Management Plan (SAMP)– a high-level document that establishes the utility department’s asset management vision, guiding principles, and alignment with strategic goals and service expectations. The SAMP identifies priority asset management objectives for each program planning cycle, including key performance indicators to measure progress towards reaching said objectives.
- 4.24 Utility Champions – dedicated person(s) within each System Class (e.g., Water Production, Water Distribution, Stormwater, Wastewater Conveyance, Wastewater Treatment, and Integrated Capital Management) who is responsible for working with the AM Program Manager to develop and implement the asset management program requirements.

- 4.25 Utility Leadership – managers within each System Class who are responsible to implement the Asset Management Program objectives and standards that are set by the Asset Management Program Team within the operational and regulatory context of the Utility.
- 4.26 Vertical Asset – discrete, facility-based assets that are typically housed within a defined footprint and support treatment, storage, operations, or administration (e.g., treatment plants, pump stations, buildings, and storage structures).

5.0 POLICY

5.1 Policy Statement

The City of Spokane Public Works Division adopts this Asset Management Policy to ensure utility assets are planned, managed, and invested in using a consistent, transparent, and risk-informed approach that supports service delivery, regulatory compliance, and long-term sustainability. Asset management principles and procedures defined herein shall be integrated into existing planning, budgeting, and operational processes for impacted departments/divisions.

5.2 Asset Management Program Principles

The City of Spokane will uphold the following principles (i.e., core beliefs that serve as a foundation for the system to guide decision-making and efficient actions) in its asset management activities:

- 5.2.1. *Sustainable Responsibility*: Public Works shall manage its infrastructure assets in a sustainable and responsible manner by considering environmental, human, and economic impacts, as well as lifecycle costs, and by maintaining accountability for asset inventory, condition, performance, and use.
- 5.2.2. *Risk Reduction*: Public Works shall manage assets using a risk-based approach that prioritizes public safety, service reliability, and resilience by considering asset criticality, minimizing lifecycle costs, and reducing the likelihood and consequences of asset failure.
- 5.2.3. *Decision-Making Transparency*: Public Works shall make asset management decisions using documented, consistent, and transparent processes that integrate financial, technical, regulatory, legal, safety, and operational considerations and clearly articulate trade-offs and decision rationale.

5.2.4. *Benchmarking and Performance Measures:* Public Works shall measure and monitor asset and program performance using defined key performance indicators and shall benchmark practices and outcomes against industry standards to inform planning, investment, and accountability.

5.2.5. *Continuous Improvement:* Public Works shall regularly review and improve its Asset Management Program by evaluating performance, incorporating lessons learned, and adapting to changing service needs, risks, regulations, and best practices.

5.3 Asset Management Program Objectives

The City of Spokane intends to meet the following objectives (i.e., the specific goals to be achieved by the policy, providing a clear direction for action) through its asset management program:

5.3.1. Reduce risk to current and future ratepayers by ensuring Public Works assets are planned, funded, operated, and maintained in a proactive, sustainable, and risk-based manner.

5.3.2. Ensure asset planning, procurement, and maintenance activities are coordinated across City departments, specifically ICM and Streets departments, and aligned with broader Citywide strategic goals and priorities.

5.3.3. Minimize service disruptions and unplanned outages by maintaining, renewing, and replacing assets at appropriate levels based on condition, criticality, and risk, including consideration of system redundancy where necessary.

5.3.4. Identify, document, and track the full lifecycle costs of critical assets to support informed financial planning and long-term sustainability.

5.3.5. Track asset-related operating costs to monitor asset performance, evaluate investment effectiveness, and support continuous improvement of the Asset Management Program.

5.3.6. Provide transparent and consistent reporting in accordance with Procedures identified in Section 6.0 to support accountability, continuous improvement, and data-informed decision-making.

6.0 PROCEDURE

6.1 Program Implementation Requirements

As a result of this policy, each Department, with support from the Asset Management Program Manager, shall be responsible for developing and implementing the following program documents. These resources are intended to be updated every program planning cycle.

- 6.1.1. Strategic Asset Management Plan (SAMP): This defines and details the Departments' strategic approach to implementing the approved Asset Management Policy. The SAMP translates organizational objectives into Utility specific Asset Management objectives as well as defines the physical performance targets to which assets will be maintained to achieve defined levels of service (LOS).
- 6.1.2. Asset Management Implementation Plan (AMIP): This document provides a roadmap of Department specific tasks to be taken to work towards achieving the Asset Management objectives identified in the SAMP. This tactical document focuses on the immediate steps which can be taken by the Asset Management Program Team and utility staff in the short term to steadily advance toward the long-term desired state of asset management envisioned by this policy.
- 6.1.3. Asset Management Plan (AMP): This document provides a summary of how assets are being managed through their lifecycle in support of the delivery of services. The AMP reports the current and projected state of the full asset inventory over the next 20 years, as understood by the end of the program planning cycle. Key elements of the Asset Management Plan include:
 - Asset Portfolio Overview, including asset hierarchy and inventory with quantities, types, and locations.
 - Asset Condition Assessment, including current condition ratings for critical assets and reporting on asset failure rates and trends.
 - Risk Management Assessment, including criticality ratings and high-risk asset identification, and identification of risk mitigation strategies for high-risk assets.
 - Lifecycle Management Strategy, including identification of maintenance approach (i.e., reactive, preventative, predictive), renewal/replacement criteria, and rehabilitation vs. replacement decisions for asset classes.
 - Funding Plan, including operating and maintenance expenditure projections based on asset condition and lifecycle management information.
 - Performance Monitoring and Review, including reporting on key performance indicators identified in SAMP.

6.2 Program Decision Making

Condition-driven projects, or Maintenance Capital Projects as defined herein, are developed to maintain existing infrastructure and are reviewed annually. These projects are based on a defined set of planned activities and maintenance tasks that reflect the most probable funding and execution scenarios.

Maintenance Capital Projects will be generated by Utility Leadership to build and maintain the asset project portfolio. The Asset Management Program Team will apply a risk-based approach to provide a recommendation of projects to be included in Public Works and City budgeting processes.

This review will occur annually prior to 6-Year CIP budget update process for the upcoming year and will include evaluation of the following:

- Current asset conditions
- Risk assessments used to prioritize projects
- Funding plan review
- Performance monitoring of existing assets
- Forecasted future conditions

6.3 Program Planning Schedule Requirements

This policy establishes a 5-year asset management program planning cycle, wherein every cycle, the following activities are intended to be completed.

Year 1 – Conduct program maturity rating (utilizing Institute of Asset Management framework) and update SAMP with asset management objectives that reflect most urgent program maturity gaps. Develop AMIP to define specific actions by Asset Management Program Team and utility staff to advance identified asset management objectives.

Year 2 through 4 – Implement AMIP to advance priority asset management objectives.

Year 5 – Prepare/update AMP to reflect current state of assets and program data collected throughout the program planning cycle.

Note – data management activities initiated because of asset management objectives are ongoing once started; data management does not pause during reporting updates required in Year 1 and Year 5.

6.4 Data and Reporting Requirements

The Asset Management Program established by this policy shall work toward utilizing a centralized data management system to support consistent program-level reporting.

All data generated by the Asset Management Program shall be subject to the following data management protocols:

- 1) Acquisition: Collecting asset-related data from critical assets that provide data needed to inform decision-making
- 2) Storing: Organizing and retaining data in secure, structured systems where it can be accessed and maintained consistently
- 3) Processing: Cleaning, standardizing, and transforming raw data into usable formats that support analysis and reporting
- 4) Analyzing: Evaluating processed data to identify trends, risks, performance insights, and opportunities for improvement.
- 5) Reporting: Communicating key findings through dashboards, summaries, and KPIs to support informed decision making.

Utility Leadership will be primarily responsible for the acquisition, storing, and processing of asset program data, while the Asset Management Program Manager will be primarily responsible for the analyzing and reporting of data. Primary responsibility for data processing shall be determined on a case-by-case basis, dependent on data type and reporting needs. Regardless of the primary responsible party, the data management protocols shall be collaborative and transparent for all data management contributors during all steps of the process to ensure program objectives are being met.

In general, the following best practices shall be followed regarding data management:

- 1) *Standardize asset data structures*: develop a system and process for a common asset hierarchy, naming conventions, and classification system within each Utility
- 2) *Integrate data across systems*: Enable interoperability between CMMS/EAM, GIS, finance, procurement, and risk systems
- 3) *Promote transparency and accessibility*: Provide appropriate access to shared dashboards, reports, and asset information
- 4) *Ensure lifecycle traceability*: for critical assets, maintain complete asset histories from acquisition to disposal to support lifecycle planning
- 5) *Embed continuous improvement*: Require regular reviews of data quality, reporting processes, and KPI relevance
- 6) *Define minimum required data fields*: Specify mandatory data elements for each asset type to ensure consistency and completeness

- 7) *Establish data quality expectations:* Set standards for accuracy, completeness, timeliness, consistency, and validation
- 8) *Implement clear data governance standards:* Define roles and responsibilities for data owners, collectors, stewards, system admins, and oversight groups
- 9) *Standardize reporting requirements:* Use consistent KPIs, calculation methods, definitions, and reporting cadences across the organization
- 10) *Standardize and document procedures:* Utilizing SOPs, ensure standard documents and procedures are utilized throughout the program to provide the data necessary for effective asset management reporting.
- 11) *Provide decision ready reporting:* Ensure reports are actionable, insight driven, and tailored to leadership and operational needs

6.4 Policy Review Requirements

This policy shall be reviewed and updated at least every five (5) years, consistent with the program planning cycle. Each Department—with support from the Asset Management Program Manager—shall also review and update the supporting documentation required by this policy during each planning cycle.

7.0 RESPONSIBILITIES

Effective asset management requires coordinated participation across the organization. Roles and responsibilities to support the Asset Management Program are defined as follows:

Section	Role	Responsibilities
7.1	Public Works Leadership	Public Works leadership (i.e., Utility Directors) is responsible for providing organizational commitment, direction, and oversight for the Asset Management Program. This includes endorsing the Asset Management Policy, ensuring alignment with Citywide goals, allocating appropriate resources, and promoting a culture of continuous improvement and accountability. Public Works leadership is ultimately responsible for the enforcement of increased staff accountability as a result of increased standards set by this Policy.

7.2	Asset Management Program Manager	The Asset Management Program Manager is responsible for developing implementing a centralized Asset Management Program as defined by this policy. Key responsibilities include: • Developing and maintaining asset management policies, standards, guidance, and tools; • Establishing common data, reporting, and performance measurement requirements; • Coordinating asset management planning and reporting across utilities; • Supporting risk-based decision-making and lifecycle management practices; and • Monitoring program performance and identify opportunities for continuous improvement. The Program Manager will lead the Asset Management Program Team. In absence of an Asset Management Program Manager, the Asset Management Program Team will rely on an Asset Management Committee structure to drive the development of the program. Utilizing the Committee Structure for program development is an interim staffing solution, and not a viable long-term solution.
	Asset Management Utility Champion	Existing Utility staff, one person within each Service Class, who is responsible for working with the AM Program Manager to develop and implement the asset management program requirements. Utility Champions are contributors and core members of the Asset Management Program Team.

7.3	Utility Leadership	Each Service Class is responsible for implementing asset management practices within its operational and regulatory context, consistent with this policy framework. Responsibilities include: • Maintaining accurate and reliable asset data in accordance with Asset Management Program guidance; • Work closely with Asset Management Program Team to implement the program objectives. • Collaborate with the Asset Management Program Team and ICM on program decision making requirements (Section 6.2) to inform operational, maintenance, and capital decisions.
7.4	Asset Management Committees	This is an interim program governance structure in absence of having a dedicated Asset Management Program Manager. The committee structure provides a collaborative forum for Public Works Leadership and Utility Leadership to develop and maintain the asset management program as outlined by this Policy, in lieu of a Program Manager. However, having a dedicated Program Manager will be critical to long-term success of the implementation of the program. The function of the existing committee structure will be re-evaluated once a Program Manager is established. Any committee structure changes must be endorsed by Public Works Leadership. The Committee Charters for the two established committees, i.e., Asset Management Program Development

		and SOP Documentation, are provided as an Appendix.
7.5	All Employees	All Public Works employees are responsible for supporting asset management objectives within their respective roles by following established standards, developing and maintaining quality program data, and applying asset management principles in day-to-day decision-making.

8.0 APPENDICES

- 8.1 SOP Template (Placeholder – Future)
- 8.2 SAMP Template (Placeholder - Future)
- 8.3 AMIP Template (Placeholder - Future)
- 8.4 AMP Template (Placeholder - Future)

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ADMIN 5200-26-07 Asset Management Administrative Policy and Procedure

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