



Risk Based Capital Management Update

***Chuck Wolf
Technical Services Manager***

Risk Based Capital Management

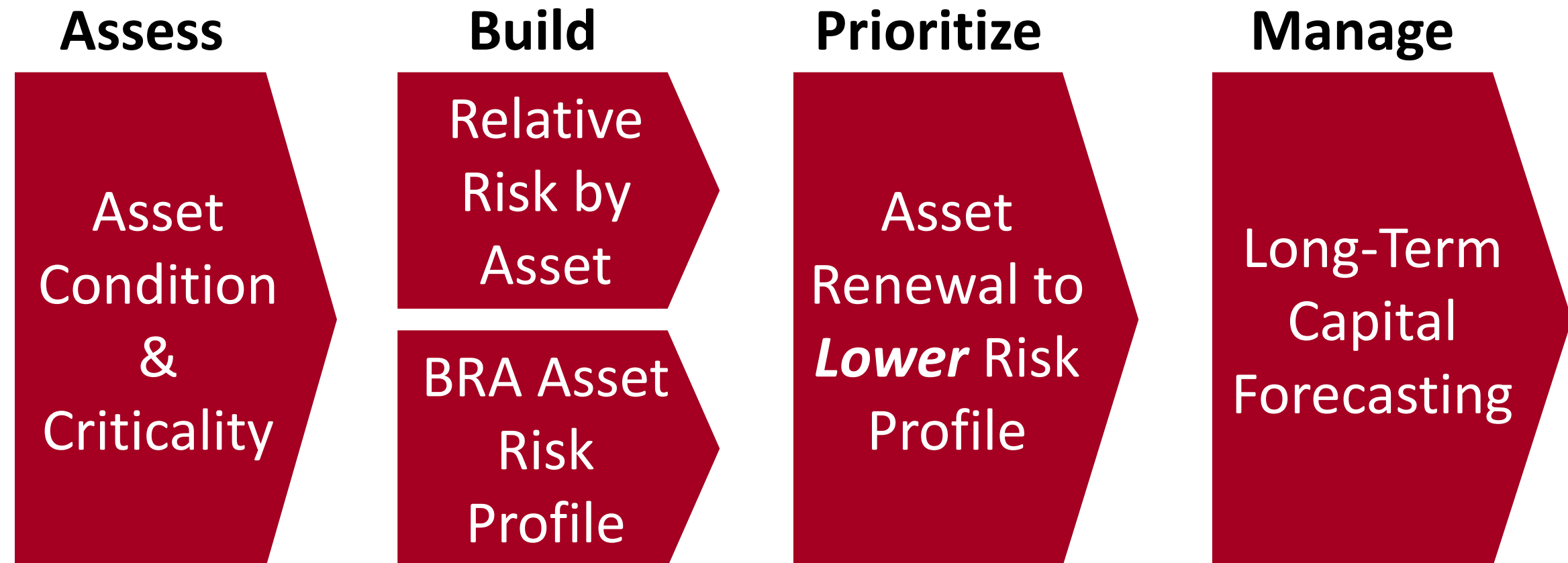
Objectives

Improve decision making on asset renewal through improved prioritization of assets across BRA

Improve long-term capital forecasting through improved assessment of renewal needs

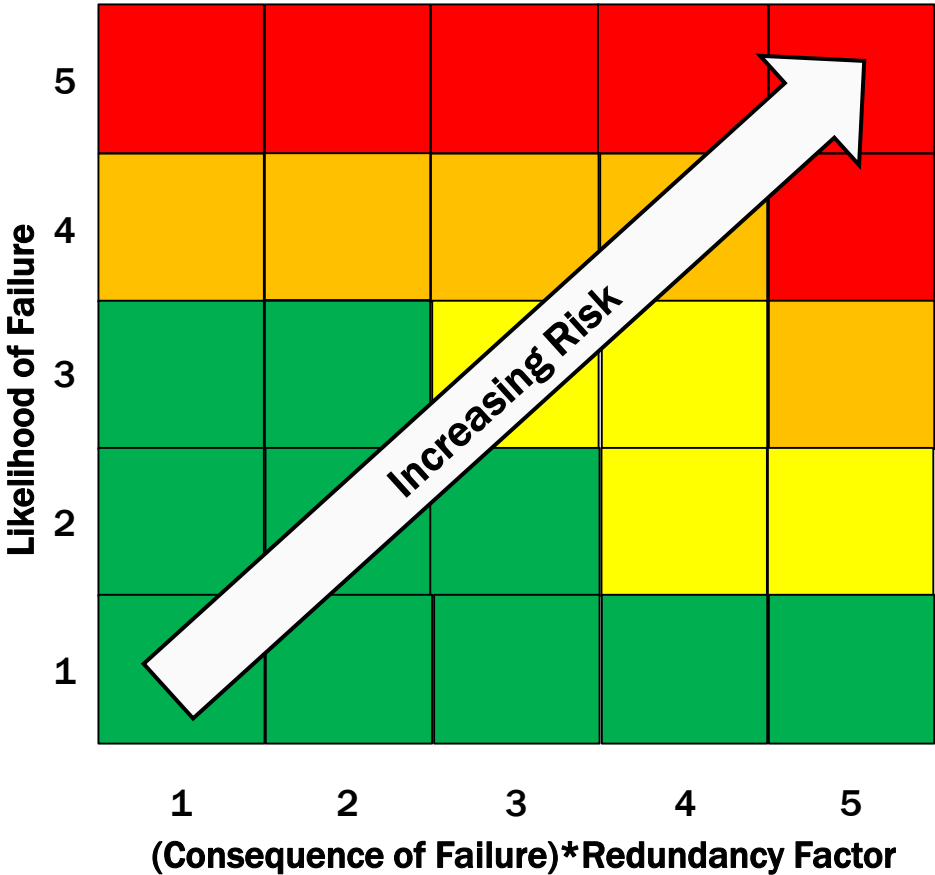
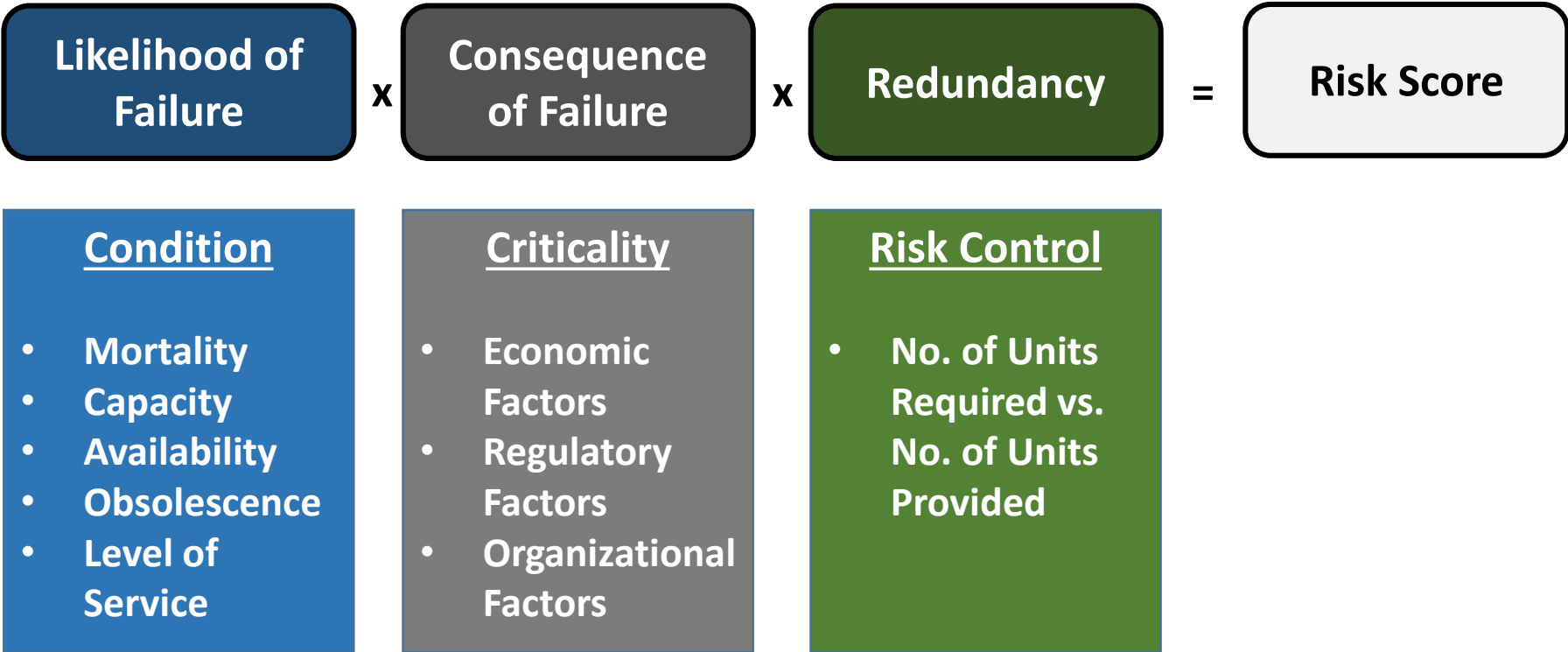
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Process, In General



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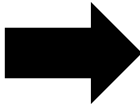
Identifying relative asset risk...



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Prioritize Assets to Reduce Risk Profile...

- Business Rule #1: Risk Score
- Business Rule #2: Condition Score
- Business Rule #3: Remaining Useful Life (RUL)



| CIP Group | Definition |
|------------|---------------------------------|
| Immediate | Repair/Replace 1 – 5 Years |
| Short-Term | Repair/Replace 6 – 10 Years |
| Mid-Term | Repair/Replace 11 – 20 years |
| Long-Term | Repair/Replace >20 Years |



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Updates from January

- **Selected David Jones to serve as Capital Improvements Planning Administrator**
- **Reviewed Asset Hierarchies for:**
 - **Dams**
 - **Temple-Belton WWTP**
 - **East Williamson County WTP**

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Next Steps

- **FY19 Efforts**
 - **Map hierarchy to Infor financial database**
 - **Initial assignment of criticality information to groups of assets**
 - **Perform gap analysis on asset database**

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Next Steps

- **FY20 Efforts**
 - **Develop condition assessment data for all assets**
 - **Finalize criticality data for all assets**
 - **Use prioritization to frame FY21 CIP planning decisions**
 - **Develop initial estimates of replacement cost and timing for all assets**



Brazos

RIVER AUTHORITY