



# ***Risk Based Capital Management Update***

***Chuck Wolf  
Technical Services Manager***

# ***Risk Based Capital Management***

## **Objectives**

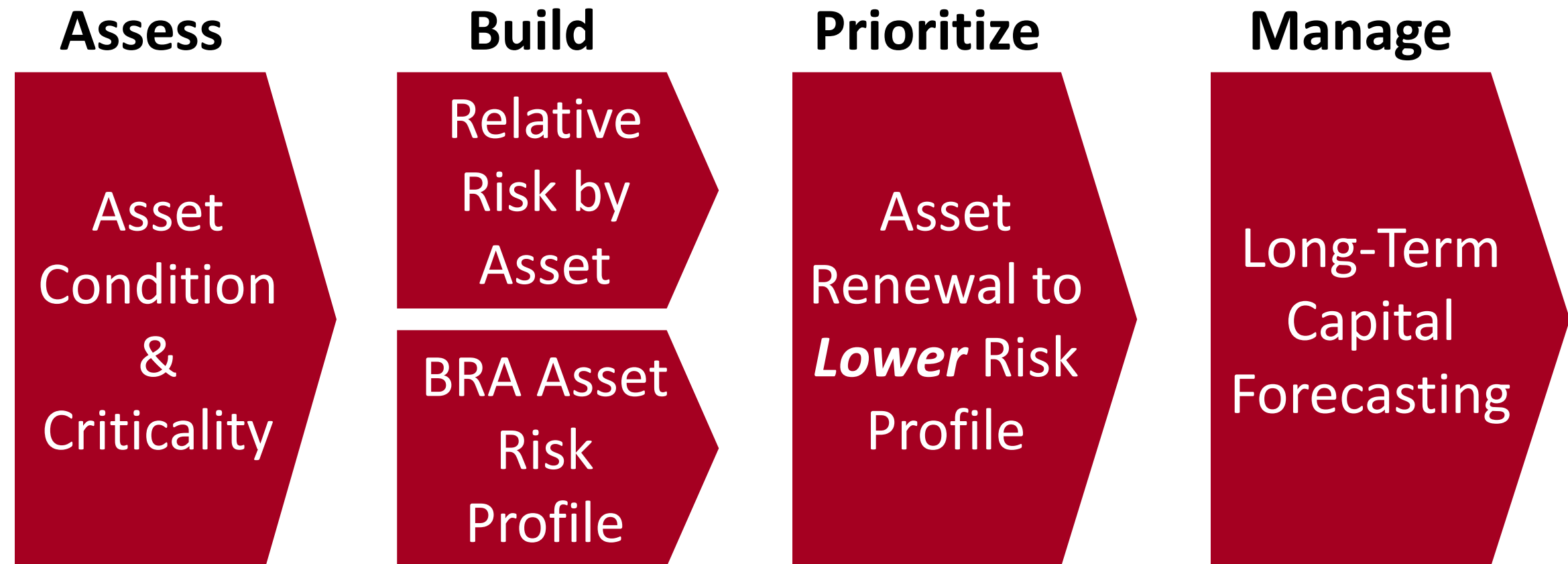
Improve decision making on asset renewal through improved prioritization of assets across BRA

Develop reliability centered maintenance program to maximize impact of available operational funds

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

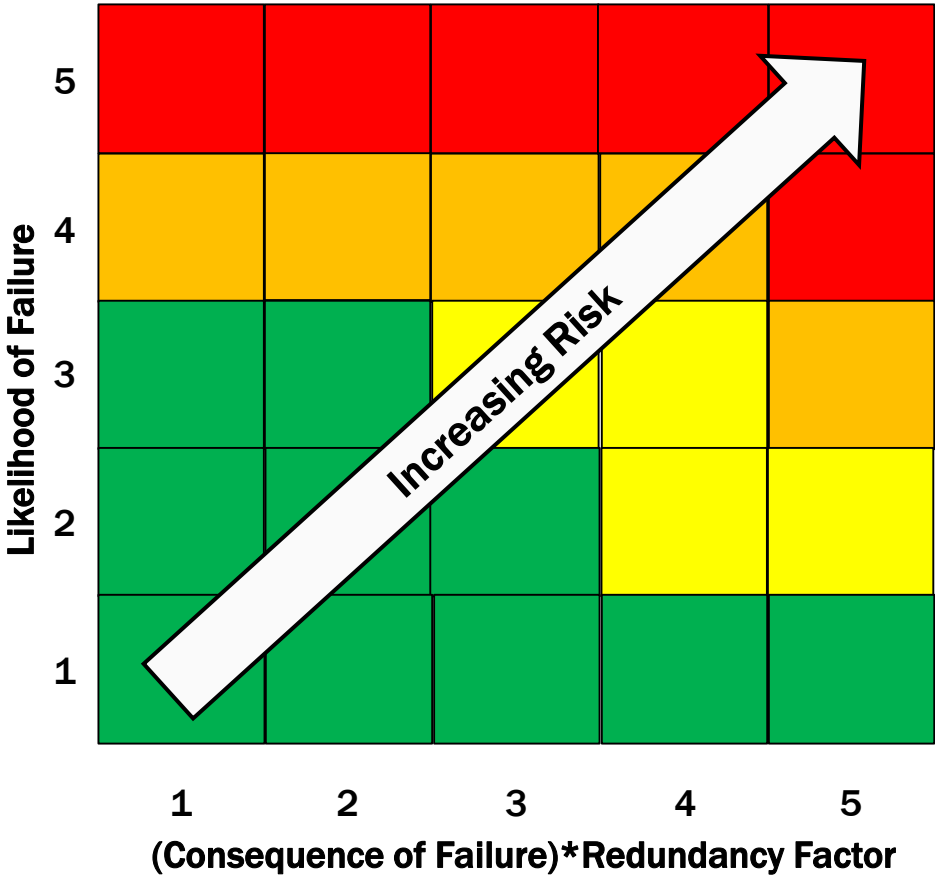
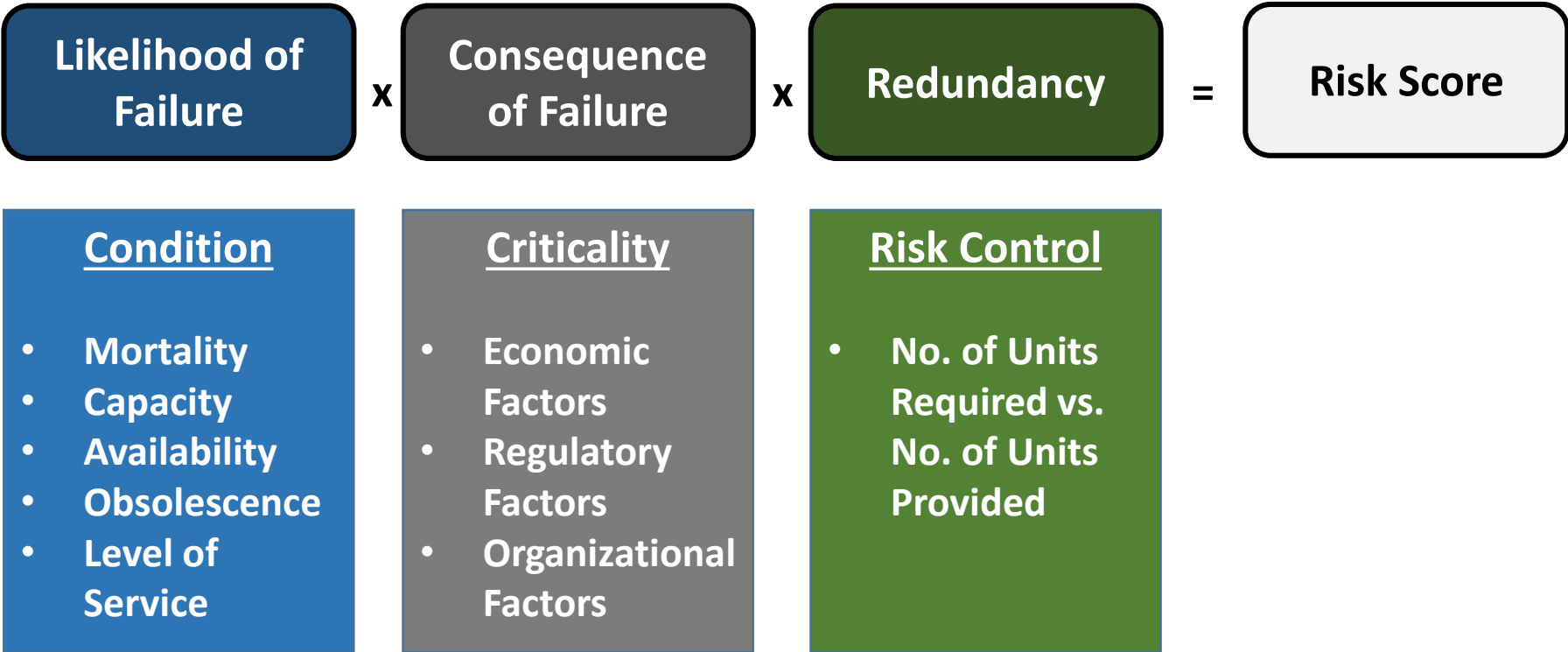
# ***Risk Based Capital Management***

## **Process, In General**



# Risk Based Capital Management

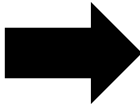
## Identifying relative asset risk...



# Risk Based Capital Management

## 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

# ***Risk Based Capital Management***

## **Updates from January**

- **Selected David Jones to serve as Capital Improvements Planning Administrator**
- **Established Initial Asset Hierarchies for:**
  - **Dams**
  - **WWTP**
  - **WTP**
- **Met with Peers to Review Asset Management Program Deployments**

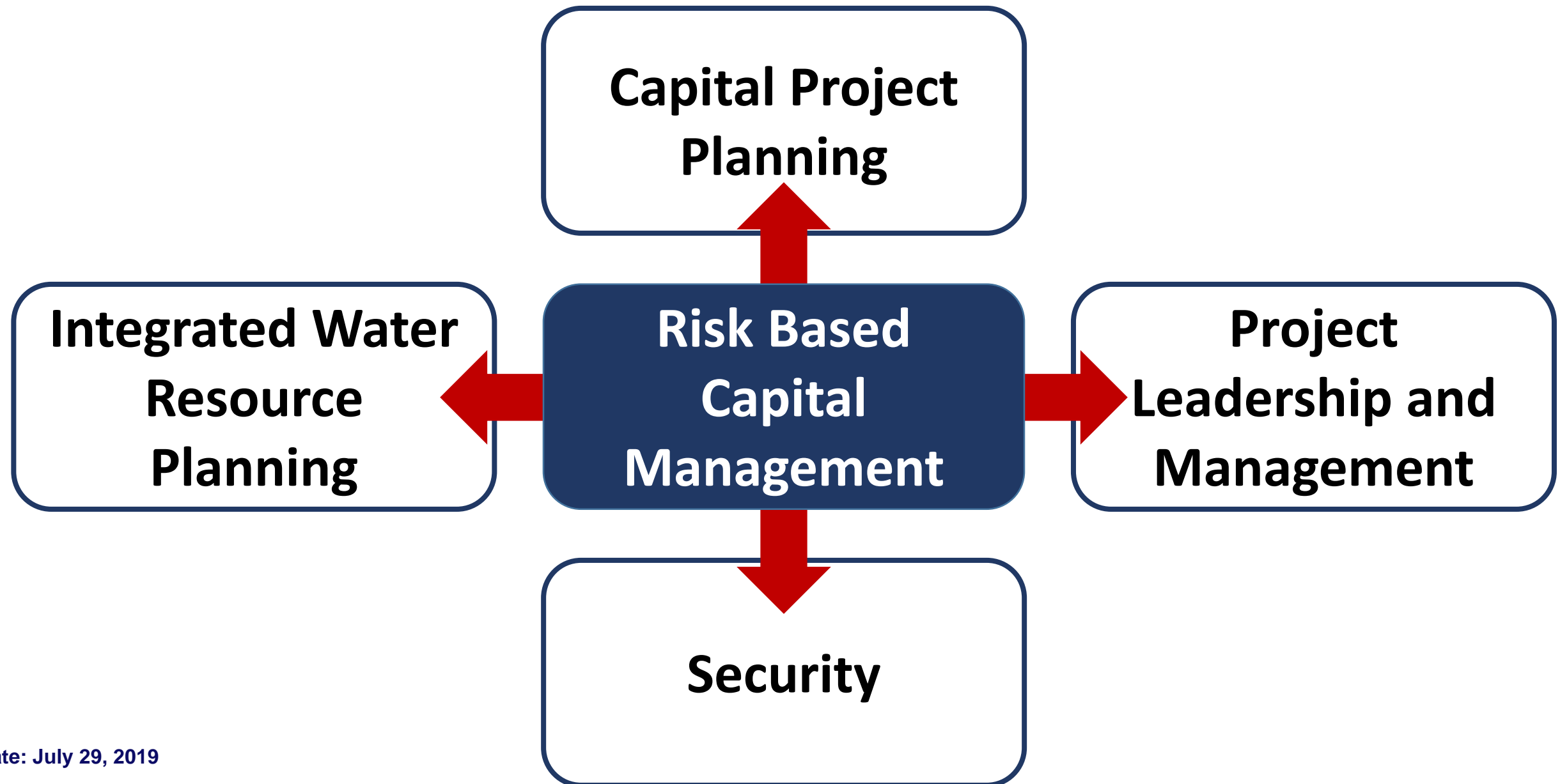
# ***Risk Based Capital Management***

## **Next Steps**

- **Develop and Deploy Program**
  - **Finalize Asset List for Inclusion in Program**
  - **Develop Condition Assessment Criteria**
  - **Develop Level of Service and Criticality Guidelines**
  - **Develop Business Rules for Prioritization of Projects**
  - **Pilot at DeCordova Bend Dam and East Williamson County Regional Water System**
- **Support Asset Management Integration into Infor**

# ***Risk Based Capital Management***

## ***Provides Critical Inputs to Other Initiatives***







# Brazos

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RIVER AUTHORITY