

# Risk Based Capital Management Update

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### **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



### Process, In General

**Assess** 

Asset
Condition
&
Criticality

Build

Relative Risk by Asset

BRA Asset Risk
Profile

**Prioritize** 

Asset
Renewal to
Lower Risk
Profile

Manage

Long-Term
Capital
Forecasting



### Identifying relative asset risk...

X

Likelihood of Failure

Consequence of Failure

X

Redundancy

**Risk Score** 

#### **Condition**

- Mortality
- Capacity
- Availability
- Obsolescence

Meeting Date: July 29, 2019

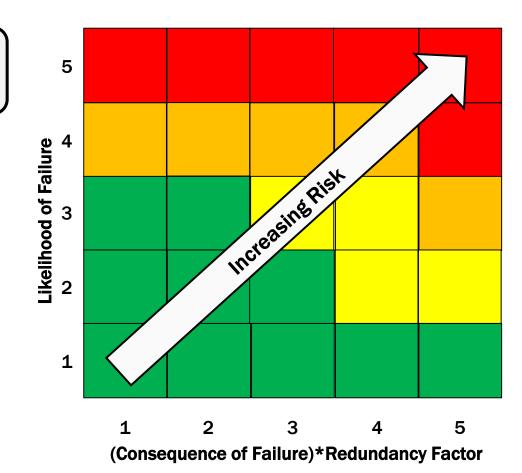
Level of Service

#### **Criticality**

- Economic Factors
- Regulatory
  Factors
- Organizational Factors

#### **Risk Control**

 No. of Units Required vs.
 No. of Units Provided



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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** Repair/Replace **Immediate** 1 - 5 Years Repair/Replace **Short-Term** 6 - 10 Years Repair/Replace **Mid-Term** 11 - 20 years Repair/Replace **Long-Term** >20 Years

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### **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

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### **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

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Provides Critical Inputs to Other Initiatives





