Moving Beyond Security to Risk Management

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Risk: What it Means to Me
Risk: Water and Wastewater

- Bioterrorism Act of 2002
  - Vulnerability Assessments
  - Emergency Response Plans
  - Security Enhancements
  - 17 Critical Infrastructure Sectors established
Risk: Water and Wastewater

• 2005 – Record Hurricane Season
  - Hurricane Katrina
  - Hurricane Irene
Risk: What it Means to Others
Risk: Legal

• Exposure
Risk: Legal

- Exposure
- Assess,
  Accept,
  Reduce or
  Offset
Risk: Safety

- Personal safety
- Personnel safety
- Job safety
Risk: Financial

- Return on Investment
- Downside risk
Risk: What it Means to You
Risk: All of these… and more

- Legal:
  - Support to the community during disasters
  - Legacy contamination and its appearance off base
  - Conveyance of real property to Local Redevelopment Authorities.
- Financial: Market whims
  - Fuels
  - Materials
- Safety: Aviation, ground, traffic, hazmat, personnel, etc.
- Political
The New Normal

Costs

Resources
Sound RISK MANAGEMENT practices enable you to invest in the RIGHT THINGS at the RIGHT TIME.
Effective Risk Management

- Life Cycle Costs
- Internal Performance
- Regulatory Compliance
- Prioritize Spending
- External Impacts
Risk = Probability * Consequence
Risk Management Framework

- Aging Infrastructure
- Regulatory Compliance
- Business Risk
- Natural Disasters
- Malevolent Attack

Characterize Risks

Gather Data

Analyze Data & Quantify Risk

Develop Risk Management Strategy

Mitigation Life Cycle Assessment Cost - Benefit Analysis

Capital Investment Planning Financing

Monitoring & Control

Implementation Plan
Large Energy Company

- Several facilities distributed across large area
- Wide ranging activities invoke several regulations
- Inadequate record keeping and compliance tracking
Key Activities

- Gather Data
- Characterize Risks
- Develop Risk Management Strategy
- Implementation Plan

- Inventoried and Prioritized Compliance Areas
- Evaluated Overall Risk to Compliance Management Goals
- Enhanced Business Process
- Compliance Management System Procurement, Configuration, & Go Live
Risk = Probability * Consequence
The New Normal

[Graph showing the relationship between Costs and Resources]
Sound RISK MANAGEMENT practices enable you to invest in the RIGHT THINGS at the RIGHT TIME.
Imagine the result

QUESTIONS???

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