

Sections	Speaker	Content		Script
Introduction (2-3mins)	Brandy	Pre-recorded introduction of the project Highlight overall project purpose, initiatives, and desired outcomes Incorporate WaterWolf Branding Introduce Webinar specific topics		
Setting Context Understanding Risk	Clayton	Describe key components of asset management Describe competency areas of asset management Introduce Understanding Risk	High level intro on asset management and reminder of the relationship between risk, service and costs and funding (trade-offs) Introduce the topic of understanding risk, one of the more challenging topics of	

			municipalities to clarify, everyone perceives risk differently.	
Understanding Risk	Clayton	Defining Risk & Types of Risk	<p>Definition: "Risk(s) are events or occurrences that will have undesired impacts on services." - Speak to examples in RM/UM context</p> <p>Strategic Risk - Risk of an event occurring that impacts your ability to achieve your organizational goals. Provide examples in RM/UM context. Whether a strategic risk is a high or low risk depends on: Age of the community, Materials and methods of construction, Organizational structure and culture, Decisions and actions taken in the past, Geographic</p>	<p>To ensure we are all on the same page when we talk about risk, there are a few terms to get familiar with in an asset management context.</p> <p>Risk is the relationship between the likelihood of an event happening and the consequences of that event.</p> <p>Asset risk refers to the specific risk of an asset failing to perform the way you need it to. For example, a pipe bursting, roadway washing out, or a lagoon reaching capacity are all asset risks.</p> <p>Strategic risk refers to the risk of a change occurring that impedes your ability to achieve your overarching strategic goals. A strategic risk might occur if a key staff member retires without a transition plan in place, or if there is a declining revenue base, or changing regulations impacting service.</p> <p>Climate change is an example of both an asset and strategic risk because changes to temperature and weather patterns may impact the ability of infrastructure to perform as intended. Climate change may also change the assumptions under which services are delivered, drawing resources away from other goals to address new challenges.</p>

			<p>factors, Land use factors</p> <p>Asset Risk - Risk of an asset failing to perform the way you need it to.</p>	
Understanding Risk	Clayton	Assessing Risk	<p>Risk = Impact * Likelihood</p> <p>Event Description and Root Cause – describe the risk event including detail on the root cause of the event itself – consider both asset and strategic risks</p> <p>Likelihood – consider the likelihood of the risk event occurrence – how probable is it that this will happen?; if the likelihood is considered to be 'low' assess a score of 1, 'medium' should be assessed a score of 2, and 'high' should be assessed a score of 3</p> <p>Impact – consider the impact of the risk event</p>	<p>Risk can be expressed in a simple calculation that sounds something like this:</p> <p>Risk equals the impact how severe will the negative consequences be) times likelihood (how probable it is these negative consequences will happen)</p> <p>This matrix is used to plot the level of risk that might be associated with a particular action or event.</p> <div data-bbox="982 727 1906 1393"> </div>

			<p>occurrence – how severe is the consequence?; if the impact is considered to be ‘low’ assess a score of 1, ‘medium’ should be assessed a score of 2, and ‘high’ should be assessed a score of 3</p> <p>Overall Risk Rating – simply the cross product of the Likelihood score multiplied by the Impact score (e.g., 3 x 3 equals a score of 9 for an overall risk rating).</p>	
Understanding Risk	Clayton	Risk Tolerance	<p>Not all risks can be eliminated.</p> <p>Mitigating risks can be expensive</p> <p>Risk tolerance means the capacity to accept a level of risk, dependent on the likelihood and severity of consequences, and the existence of other priorities that require more</p>	<p>Risk tolerance means the capacity to accept a level of risk, dependent on the likelihood and severity of consequences, and the existence of other priorities that need immediate investment. Risk tolerance will be informed not just by the magnitude of the risk (the consequence and likelihood it has of happening), how the risk will change over time without intervention, and the cost and level of effort required to manage the risk.</p> <p>Every community and asset have differing levels of risk tolerance. In most cases, a community can mitigate risks but not eliminate them completely. For example, a community could face drought conditions each summer and enact water conservation measures, but they may not be able to prevent the need to enforce the water restrictions.</p>

			<p>immediate investment. You may decide that some risks should just be tolerated Tolerating risks is perfectly acceptable Everyone involved should be informed of the decision (organization and community)</p>	<p>Other risks may be manageable, but a municipality may choose to tolerate the risk because other priorities are more urgent. For example, a side road in poor condition may be a problem for the small population that uses it. However, the investment in repairing the road may need to be delayed in order to pay for the cost of repairing a burst pipe.</p>
Understanding Risk	Clayton	Risk Management	<p>Identifying and assessing risks, identifying and evaluating actions to reduce risk, implementing appropriate actions Risk management is an iterative process (include graphic to illustrate)</p>	<p>Risk management refers to the process of identifying and assessing risks, identifying and evaluating actions that can be taken to reduce risk, and implementing the appropriate actions. Risk management is an iterative process meaning that the desired result is achieved through repeated efforts, rather than through a single action.</p> <p>Typically municipal staff will identify risks and implement actions to reduce or manage risks. Council should be informed of significant asset and strategic risks and how they will be managed. Council also should provide guidance on the level of risk that is acceptable to the municipality.</p>
	BRANDY	Assessing Risks	<p>Story that relates to Administrator/Public Works creation/communi</p>	<p>Lift station – recent upgrade or replacement. Ladder was a safety risk. 2015/16 high water levels running into the sewer system and we had problem (“Municipal Utilities” hired to assess the station in 2015/16 – suggested that there were greater issues/risks with the lift station beyond the</p>

			<p>cation of asset and strategic risks. Perhaps include story about lift station – iterative process (the community addressed cheaper repairs early on to maintain service levels and/or extend useful life), explain other risks that were just too expensive up front and needed to be tolerated.</p>	<p>ladder. (why they were hired, what they found, what it would cost how did you make a decision. Muni Utilities – holding tank to be cleaned out in 2015 (would not go down then), pump trouble after the flood took place (two new motors required) Taxpayer considerations on level of service (keep them happy) water come in and sewer goes out.</p> <p>Ladder was repaired. Shut off valve installed outside the building to enable future maintenance and repairs. Then new pumps and valves, then new stainless steel lines, then electrical issues (new panel and wiring from power source). Span of three years – reason being they became aware of new issues over time. List developed after ladder was fixed (longer list).</p> <p>LIFT STATION – setting context on the facility and service area that it provides, parallel asset management planning for the Village and more focused conversation around replacing existing assets, the specific issues for the list station including high water level, ladder,</p> <p>INFORMATION – gathering information (collaboration with Municipal Utilities, others?) to better understand the risks facing the Village (safety, operating, maintenance) and the associated costs to mitigate those risks with consideration of levels of service needs in the community.</p> <p>NEED FOR MORE INFORMATION – one fix leading to another over a period of three years.</p> <p>TRADE OFFS – communication to Council around the options and the information they needed to consider in order to make a decision – connect your statements with risk mitigation and tolerance.</p> <p>PICTURES FROM BRANDY</p>
	GRANT	Assessing Risks	Story that relates to risk assessment process from	CONTEXT - Infrastructure was old – higher risk and more vulnerable assets.

			<p>Council's perspective.</p>	<p>LEVEL OF SERVICE - Taxpayer considerations on level of service and keeping them happy, water come in and sewer goes out. Process of prioritizing available funds toward the areas of greatest need.</p> <p>FINANCIAL RISK □ 2015 afterwards – started to charge an infrastructure fee for utilities – and building capital reserve.</p> <p>GRANT FUNDING □ gas tax funding was used.</p> <p>OTHER LEVEL OF SERVICE/FINANCIAL NEEDS □ upgrades to the water treatment plant – we had to do this as well. What caused the Village to look at this – a major issue at the WTP was the catalyst (Brandy to confirm).</p>
Understanding Risk	CLAYTON	Benefits of Understanding Risk	<p>Develops a consistent language across the organization</p> <p>Through consensus building, it identifies the top priorities for your community</p> <p>Better allocation of limited financial and human resources</p> <p>Helps the organization agree on an acceptable level of risk and mitigation activities</p>	
Understanding Risk	CLAYTON	Roles in Risk Management	<p>Sets the tone for risk management.</p> <p>Provide leadership that prioritizes risk</p>	<p>Council plays an important role in setting the tone for risk management. It is crucial that Council prioritizes risk management within all asset management processes. They do this through policy, but also through day-to-day conversations by asking for information</p>

		<p>management within asset management; through policy, and, through day-to-day discussions.</p> <p>Staff identify risks and implements actions to reduce or manage risk. Council should be informed of significant asset and strategic risks and how these are managed over time. Council provides guidance on the level of risk that is acceptable to the municipality.</p> <p>Be aware of what the significant risks to municipal service delivery are and how they are managed. Be aware of the overall risk management process and how it informs decision-making during capital planning and budgeting.</p>	<p>about risk when making decisions. Council's primary role is making decisions on what level of strategic and asset risk is acceptable. Meanwhile, staff provide council members with information to help determine risk tolerance.</p>
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<p>Understanding Risk</p>	<p>BRANDY</p>	<p>Benefits of Understanding Risk</p>	<p>Story that relates to Administrator/Public Works creation/communication of asset and strategic risks. Perhaps leading to prioritization of projects/budget \$\$\$. Or perhaps tolerating a risk. Both? This story need to be different that the example shared earlier; however, it can build off of it to make a different point about the benefits of understanding risks.</p>	<p>NEW COUNCIL – the asset management plan creates continuity of decision making and more specifically the asset and strategic risks that are facing the community. Providing focus for the organization on a multi-year basis. This facilitates Administrator's onboarding of new councillors and launching into their role.</p> <p>SUPPORT BUDGET PROCESS - Documenting existing risks and ensuring that this information is considered through annual budget deliberations.</p> <p>BUY-IN - Keep these risks up to date including the risk rating with council. Leveraging the asset management tplan to first understand your risks and then prioritize actions to mitigate or manage them.</p> <p>TRADE-OFFS AND RISK TOLERANCE – Convey financial trade-offs and living within the Community's means (financially speaking). Removing houses and fixing main street both needed to be deferred and example of RISK TOLERANCE</p>
	<p>GRANT</p>	<p>Benefits of Understanding Risk</p>	<p>Story that relates to Council participation/interaction with asset and strategic risks. Perhaps leading to prioritization of projects/budget \$\$\$. Or perhaps tolerating a risk. Both? This story need to be different that the example shared earlier; however, it</p>	<p>HOLLISTIC PLANNING – The process of looking at all of our assets and our areas of greatest risk, including the cost to replace or renew those assets to mitigate the risks - this got my attention. We are stewards of a multi-million dollar organization. Through the planning process, there was a realization that we need to do something to prepare for our financial future. Hand forced (in a good way) to start taking steps to plan for improvements to our critical infrastructure.</p> <p>TRADE-OFFS and LEVEL OF SERVICE – This process of examining risks and making decisions caused you to think more critically about other projects (e.g., like paving roads and whether or not that really was a priority for the community).</p>

			<p>can build off of it to make a different point about the benefits of understanding risks.</p>	<p>TAXPAYER PERSPECTIVE – in my role as councillor, helping them understand the relative importance of projects that the Village can complete in a given year, while being mindful to not raise taxes or alter the budget in a different way. Perhaps cite the SaskWater project and how taxpayers have been contributing to that for over 4-5 years. Sensitive to raise taxes for other projects or priorities.</p> <p>MOMENTUM - We are now building momentum as a community to gather better information regarding our assets and specifically the risks to service delivery. Following the lift station and water treatment plan experience, we are now planning to inspect our sewer lines with video. Proactive planning is our way forward.</p>
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