



RMA Rural Municipal Infrastructure Deficit Project

Rural municipalities play a critical role in supporting Alberta's economy. Without the massive road, bridge, and infrastructure network maintained by rural municipalities, industries such as oil and gas, agriculture, forestry, and renewable energy would face significant challenges in accessing natural resources and markets.

Alberta's rural municipalities maintain one of Canada's largest municipal infrastructure inventories with a limited set of revenue-generating tools and inadequate funding support from other levels of government. As a result of these funding limitations, rural municipal infrastructure is gradually degrading, posing risks to both rural communities and Alberta resource industry sectors. While this is well-known among municipal decision-makers, the extent of the rural municipal infrastructure deficit is less clear. The RMA's Rural Municipal Infrastructure Deficit Project seeks to change this by putting a dollar value on the underfunding of rural municipal infrastructure to support provincial and federal decision-makers in making informed funding decisions.

How will the project roll out?

The project will consist of four reports released between mid-August and the RMA convention in early November. The first three reports will examine the infrastructure deficit of three asset types, while the fourth will compile the results of the first three reports to present a total rural municipal infrastructure deficit and a series of recommendations to support a sustainable municipal infrastructure network. The reports are as follows:

- ◆ Report 1: Rural bridges
- ◆ Report 2: Rural roads
- ◆ Report 3: Rural utilities infrastructure
- ◆ Report 4: Overall rural municipal infrastructure deficit and policy recommendations

Each report will be accompanied by a short summary outlining key methodology and findings. All documents will be shared with members and posted on the RMA's website.

What is an "Infrastructure Deficit"?

An infrastructure deficit is the difference between the current condition of a collection of assets and the target level of condition, expressed as the one-time investment cost required to move the portfolio to its target state.

How does the project measure "Infrastructure Deficit"?

The project relies on a combination of provincial data and municipal data to determine the current infrastructure condition as a condition percentage on an asset deterioration curve. The project sets an ideal condition state at 94% (as opposed to 100%) as this is the most efficient point on the curve in terms of minimizing annual maintenance costs to keep the assets in good condition. The project uses the reported data on actual asset condition to determine their point on the deterioration curve, and from that determines the annual holding cost (amount required to keep them steady on

the curve), one-time investment to return the asset portfolio to the ideal 94% condition, annual holding cost at 94% condition, and projected future deterioration and cost/value impacts based on current provincial funding levels. Due to how data is collected and structured, different data sets and levels of detail are used for each asset type.

Looking for questions or more information?

Contact the RMA's General Manager of Policy & Advocacy Wyatt Skovron at wyatt@RMAAlberta.com.