

PUBLIC POLICY PRIORITIES 2020

Asset Management and Natural Assets

BACKGROUND AND RATIONALE

CPWA Priorities:

- Encourage infrastructure investment strategies that recognize the value, and include the management and sustainability, of natural assets
- Fund training and technical support for communities that are challenged to develop asset management programs that integrate natural asset into plans and operations

Natural assets have rarely been viewed as providing core municipal services, so their value rarely appears on local government balance sheets. Wetlands that improve water quality and provide protection from storm surges or vegetated spaces and forests that stabilize soil, absorb stormwater and replenish aquifers are not typically factored into municipal infrastructure capital and operations plans. When they fail or disappear, they are typically replaced with more expensive – and often unbudgeted – engineered solutions.

Integrating natural assets into infrastructure management policy has the potential for significant benefits. All engineered assets have a defined lifespan, after which they must be repaired or replaced. Natural assets, when recognized for their value and protected, may provide services in perpetuity. They may also become more valuable as the climate changes.

In 2014, the Town of Gibsons, British Columbia, building on work to understand the value of its most important natural asset, the Gibsons Aquifer, established a municipal asset management policy that:

- Defines and recognizes natural assets as an asset class
- Creates specific obligations (well-defined asset management strategies and financial resources) to operate, maintain and replace natural assets alongside traditional capital assets

In one illustration of this approach, the town determined that its woodlands, creeks and ponds provide the vital service of conveying and treating rainwater run-off but that a one-time fee of \$45,000 to assess and model these natural services, as well as \$15,000 for general maintenance and pond dredging every three years, was required to maintain these services. In contrast, providing the same stormwater management services through engineered assets would cost an estimated \$3.5 - 4 million. **We recommend infrastructure investment strategies that recognize the value, and include the management and sustainability, of natural assets.**

Implementing this approach requires local governments to rethink how they manage assets and plan for and deliver services. Many communities are already challenged in adopting asset management programs; including natural assets adds a layer of complexity. In addition to inventorying both engineered and natural assets, communities must define the services they provide, assign a monetary value to these services, and model how they perform under various development and climate change scenarios. **We recommend training and technical support for communities to develop asset management programs that integrate natural asset into plans and operations.**