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## Municipality of Cumberland Policy 06-10

### Policy Respecting Septage Disposal Fees

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#### General

1. This Policy is entitled "Policy Respecting Septage Disposal Fees."
2. The purpose of this Policy is to set out guidelines for the establishment of fees to be charged for the disposal of septage at the Little Forks Septage Receiving and Dewatering Facility as well as to establish reserve fund allocations and an accounting format for this Facility.

#### Calculation of Charges

3. The Municipality shall annually calculate the fees to be charged for the disposal of septage at the Little Forks Septage Receiving and Dewatering Facility.
4. Annually, the total annual budgeted costs for this Facility will be divided by the estimated annual flow to determine the rate for May 1<sup>st</sup> thru October 31<sup>st</sup>.
5. The rate for November 1<sup>st</sup> thru April 30<sup>th</sup> will be double the rate established for May 1<sup>st</sup> thru October 31<sup>st</sup>. This off-season rate is required due to limited storage capacity of the facility during the winter months. Any operating surplus developed as a result of this off season rate will be transferred to the capital reserve fund as approved by Council. This off-season rate is required due to limited storage capacity of the Facility during the winter months.
6. Council shall annually revise it's policy Schedule "A" – Septage Treatment Facility – Fees and Service Area, as discussed in the Septage Disposal Bylaw, to reflect the annual calculation.

#### GL Structure

7. The following GL accounts will be established for the facility:

**Revenues**

Septage Sales  
Licensing Fees  
License Reinstatement Fees  
Recovery - Other

**Expenditures**

Operations – Recovery Transfer  
Maintenance & Repairs  
Analytical Testing  
Communications  
Electricity  
Capital Reserve

8. Additional accounts maybe required for each licensed hauler for billing and accounting purposes.
9. All GL accounts will be numbered and developed as per current provincial regulations and accounting principals
10. Annually an operating budget will be prepared for Councils consideration. This budget will have an allocation for each of the above listed accounts which will distribute the annually budgeted expenditures for this Facility.

**Establishing a Reserve Allocation - Capital Reserve Fund Formula**

11. The capital reserve allocation will be established as follows:
  1. approximate quantities of major components (pumps, manholes, gravity pipe, drying beds, etc.) will be established;
  2. estimated life expectancy and current replacement costs will be established for each component;
  3. a 50% capital cost recovery from senior levels of government will be projected for all components with life expectancies of 50 years or greater (tankage, buildings, piping, etc.);
  4. the standard rate of return on investment will be projected at 1.5% net of inflation;
  5. the annual reserve allocation required for future replacement of each component shall be calculated using the Excel © spreadsheet function “Payment” where the Rate = 1.5% (rate of return on the investment net of inflation); Term = the component’s established life expectancy; Present Value = the current component replacement cost net of any projected funding; and the annual reserve allocation for this Facility will be the sum of the allocations for all of its components.

12. The capital reserve annual contribution for this Facility has been established at \$7000 (2006 dollars) based on the "Capital Reserve Fund Formula".

**Annual Reserve Allocation**

13. The annual capital reserve allocation shall be increased annually, starting the following fiscal year, by Nova Scotia's Annual Average Increase in the Consumer Price Index as developed by Statistics Canada.

**Capital Expenditures**

14. Unfunded portions of all capital projects required for upgrading, expanding or replacing this Facility which are beyond the scope of the approved operation and maintenance budget will be offset by the Septage Facility's capital reserve fund when approved by Council.

Clerk's Annotation For Official Policy Book

Date of Notice to Council Members  
of Intent to Consider [7 days minimum]: July 11, 2006

Date of Passage of Current Policy: July 19, 2006

I certify that this POLICY RESPECTING SEPTAGE DISPOSAL FEES was adopted by  
Council as indicated above.

\_\_\_\_\_  
Municipal Clerk

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Date