

Road Maintenance Agreements (RMA)

SARM Divisional Meetings

June 2023

Background information - RMA

- RMAs are meant for heavy haul road users that may cause damage to the municipal road network beyond that of average ratepayers or have no property tax base in the municipality.
- RMAs are intended to address the incremental costs associated with heavy hauling and NOT the full cost of maintenance, construction and repair of municipal roads.

Rationale for Recent Amendments

- Provide clearer guidance to municipalities and better transparency for industry.
- Provide more consistent rates for industry to remove the need for municipalities to provide actual data to defend their rate decision and avoid a contentious issue for appeal and court challenge.
- Establish a more consistent and measurable formula.

Bulk Haul

- Bulk Haul means any single or repeated transportation of goods by, to or for a shipper, hauler or receiver, of divisible or non-divisible loads, over a defined route, that:
 - (i) amount to a payload in excess of 2 tonnes; and
 - (ii) in the opinion of council responsible for the defined route: (A) are significant in nature by haul type, weight, or frequency; and (B) may cause damage to streets or roads or cause road maintenance requirements that exceed that of other users of the roads.

Regional Rates Factors

- The annual transportation services expenditures are derived from RM audited financial statements.
- The Ministry of Highways determines the road damage by truck travel on municipal roads to be to be 90 per cent.
- The Ministry of Highways determines the annual truck vehicle-kilometres are based on rural municipal truck traffic counts for each rural municipality.
- The Ministry of Highways derived the average truck payload weight of 14.10 tonnes from the weight classification chart based on *The Vehicle Weight and Dimension Regulations, 2010*

RMA Regional Rate Calculation

- *Regional rate:* $\left(\frac{A \times B}{C}\right) \times D$
- RMA rates will be updated every two years.
- **A** is the sum of the audited total transportation services expenditures for a fiscal year of each municipality in the region averaged over two years;
- **B** is the percentage of road damage attributed to truck traffic on rural municipal roads as determined by the Ministry of Highways;
- **C** is the sum of annual truck vehicle-kilometres based on rural municipal truck traffic counts for each municipality in the region averaged over two years as determined by the Ministry of Highways; and
- **D** is the average truck payload in tonnes as determined by Ministry of Highways.

Compensation Formula

Compensation amount = regional rate × the estimated total quantity hauled × the distance hauled × the number of times that the bulk haul is carried out.

- Regional rate is constant and varies based on the transportation committees and was calculated based on municipal financial information, percentage of road damages by hauling, vehicles kilometers, and truck payload in tonnes.
- Haulers pay the full compensation amount to municipalities for summer yet make payment for compensation at a rate of one-half if hauling takes place during the winter haul period.
- Pay the compensation to the municipality within 60 days of the completion of the haul and in quarterly basis for bulk hauls.

RMAAs outside the Amendments

- If a municipality and a hauler decide to forgo the regulated rate, they can negotiate a separate agreement under subsection 22(1.2) of *The Municipalities Act* with a different schedule of charges or fees if:
 - The schedule of charges or fees is applied consistently within the municipality;
 - It includes provisions regarding dispute resolution; and
 - The parties to the agreement will no longer be eligible to apply to SMB for a decision on any dispute.

RMA Enforcements

- if the RMA follows the prescribed rates in *The Municipalities Regulations* or if it uses an alternate schedule of fees, the dispute resolution process set out in the RMA may assist in resolving the matter at hand.
- If the RMA is with the prescribed fees and dispute resolution is unsuccessful, either party may apply to the Saskatchewan Municipal Board (SMB) for a decision according to clause 22.1(2)(b) of *The Municipalities Act*.
 - *If a hauler refuses to sign an RMA, the council may apply to a judge of a court according to subsection 22(5.1) of The Municipalities Act or may prohibit the haulers from using their roads.*
- If the RMA is for an alternate schedule of fees and dispute resolution is unsuccessful, the council should follow the next step outlined in the RMA.

What can you do to stop them from hauling on the roads, if they do not have a road haul agreement and you have tried to contact them, stopped the drivers and still no answer?

1. Serve notice on the person that an RMA is required according to subsection 22(5) of the Act. Those that are served notice are prohibited from shipping, causing to be shipped, or receiving goods. They are also prohibited from operating vehicles, aside from those registered as class PV or LV, on any of the municipality's streets or roads when notice has been served.
2. Should hauling continue, the municipality may apply to a judge of a court according to subsection 22(5.1) of the Act. The judge may issue an order compelling the person to comply with the notice served by the RM. The judge may also order an injunction prohibiting the person from proceeding contrary to the notice served by the municipality.
3. Either party may also apply to the SMB to have a determination whether or not a proposed agreement is required. This may only be done when the municipality has served notice to the party that a road maintenance agreement is required.

Appeal Process Through SMB

- SMB hears RMA appeals on two things:
 - whether or not an agreement is required; or
 - any clauses within an existing agreement.
- Either party can submit a hearing application to the RMA committee through email or by mail.

An Example for Calculating Compensation for RMA – 1

- A trucking company has been contracted to haul helium from a facility in the RM on an ongoing basis throughout the year. The facility is located 4.7 km off of a provincial highway, to which they will continue with their haul out of the municipality. The trucking company will haul a total of 50 loads out from the facility per day, seven days a week, totaling 5 tonnes per load. The RMA will use the prescribed rates in the Regulations, as well as follow the prescribed winter haul period of November 15-March 15 and summer haul period of March 16-November 14. The RM is located in the South West Transportation Planning Council region.

An Example for Calculating Compensation for RMA – 2

The compensation formula prescribed in the Regulations is, where **C** is the amount of compensation:

$$C = R \times D \times T \times N$$

R is the regional rate per tonne per kilometre	\$0.0464 Regional Rate according to the 2022 Road Maintenance Agreement Rates
T is the tonnes transported	5 tonne
D is the distance hauled	4.7 km
N is the number of times the bulk haul is carried out Summer (Mar 16 – Nov 14) is 244 days Winter (Nov 15 – Mar 15) is 121 days	50 trucks per day all year* 50 x 244 = 12,200 trips in summer haul period 50 x 121 = 6,050 trips in winter haul period

An Example for Calculating Compensation for RMA – 2

Summer Compensation Calculation

$$\begin{array}{rcccccc} \mathbf{R} & & \mathbf{x} & \mathbf{D} & & \mathbf{x} & \mathbf{T} & & \mathbf{x} & \mathbf{N} & & \mathbf{=} & \mathbf{C} \\ \$0.0464 & & \mathbf{x} & 4.7\text{km} & & \mathbf{x} & 5 \text{ tonne} & & \mathbf{x} & 12,200 \text{ trips} & & \mathbf{=} & \mathbf{\$13,302.88} \end{array}$$

Winter Compensation Calculation

According to section 12.2 of the Regulations, the regional rate is adjusted to 50% for the winter haul period, therefore the calculation would be as follows:

$$\begin{array}{rcccccc} \mathbf{R} & & \mathbf{x} & \mathbf{D} & & \mathbf{x} & \mathbf{T} & & \mathbf{x} & \mathbf{N} & & \mathbf{=} & \mathbf{C} \\ \$0.0232 & & \mathbf{x} & 4.7\text{km} & & \mathbf{x} & 5 \text{ tonne} & & \mathbf{x} & 6,050 \text{ trips} & & \mathbf{=} & \mathbf{\$3,298.46} \end{array}$$

Additional Info/Contact

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