1.0 Authority

All sodium chloride storage sheds located on county property, financed by the department, shall upon installation become and remain the property of the county. (The department shall agree with the county annually to reserve its square footage of any shed for storage of state salt.) The county will insure and maintain these facilities. The county shall be responsible for communicating with the vendor concerns about warranty items related to the facilities.

The department shall pay a portion of the costs of maintenance, repairs, regulatory fees, and depreciation of storage facilities for sodium chloride. The payment calculation is dependent upon who funded the construction of the facility. The 2020 reimbursement will be paid in January based on the 2018 costs.

2.0 Definition of Cost

1. For all sodium chloride storage facilities located on county property, the maintenance and repair costs shall be shared using the ratio of department sodium chloride purchased (in tons) to the total of all sodium chloride purchased by the department and county based on the average of the prior calendar years, 2018 and 2017.

2. The department shall share in the depreciation costs for facilities when the department's sodium chloride purchases for the year exceed the department-financed capacity in the county. The share is determined by multiplying depreciation costs by the ratio of department purchases (in tons) exceeding department-financed capacity to total purchases less department financed capacity.

3.0 Replacement of State Financed Winter Maintenance Equipment

Once the state financed equipment is taken out of service, if the county chooses to purchase replacement equipment, the acquisition and O & M costs of the replacement equipment will be initially paid for by the county and then reimbursed by the state through the normal equipment rate formula.

In those instances where a unit of State financed equipment is past the end of its originally projected service life, the department will recognize the substantive refurbishment of the existing unit of state financed equipment by the county as an equipment replacement. A substantive refurbishment means major repairs and maintenance. It is further defined as repairs costing in excess of the equipment's remaining residual value or typically 15% of the original purchase price of the equipment.

The county will finance the substantive refurbishment and will recover its investment by charging the state or another county a mutually agreed upon rate for the use of this equipment. This non-standard equipment rate will be determined jointly by the department and the county and is subject to normal equipment rate review by the Machinery Management Committee.