

Upper Valley Disposal Service
Rate Package for Operating Period FY 09/10

Rate Model Calculation - Comparison between Submitted to Agency Recommended

	UVDS Submitted FY 12/09	Agency Recommended FY 12/09	Difference	Notes
Operating Ratio	88.5%	88.5%	88.5%	
Major Allowable Expenses				
(a) Wages & related benefits	3,514,692	3,452,045	(62,647)	1
(b) Depreciation on Contractor owned assets	939,055	937,837	(1,218)	2
(c) New programs / modifications	-	18,000	18,000	3
Other Allowable Non-Fuel Expenses				
(a) Other Allowable Non-Fuel Exp	1,206,357	1,206,357	-	
(b) Landfill Expense	1,248,328	1,248,328	-	
Fuel	313,615	313,615	-	
Construction & Demolition Program (CDP)				
Major Allowable (75% of CDP costs)				
(a) Wages & related benefits	220,833	265,470	44,637	4
(b) Depreciation on Assets Not pre-funded by Rate Payers	96,895	100,652	3,757	5
(c) New programs / modifications	-	-	-	
Other Allowable Non-Fuel Expenses	310,582	310,582	-	
Fuel	34,372	34,372	-	
Sub-total CDP	662,682	711,076	48,394	
TOTAL ALLOWABLE EXPENSES	7,884,729	7,887,258	2,529	
Major Recoverable Expenses				
(a) Landfill Expense	498,553	498,553	-	
(b) Interest on debt service	200,603	187,374	(13,229)	6
(c) New programs / modifications	-	-	-	
Construction & Demolition Program (CDP)				
(a) Interest on debt service for Assets Not Pre-funded by Rate Payers	8,597	4,707	(3,890)	7
Other Recoverable Expenses	203,882	203,882	-	
Development Expenses	-	25,000	25,000	8
TOTAL RECOVERABLE EXPENSES	911,635	919,516	7,881	
TOTAL EXPENSES	8,796,364	8,806,774	10,410	
ACTUAL REVENUE COLLECTED				
(a) All Sources Except IOCR and CDP	9,241,298	9,629,036	387,738	9
(b) CDP (Other than CFL Reimb)	100,282	9,595	(90,687)	10
Total Actual Revenue Collected	9,341,580	9,638,631	297,051	
Actual Net Revenue	545,216	831,857	286,641	
Required Net Revenue				
(a) For projected costs & operating ratio	1,024,569	1,024,898	329	
(b) IOCR as Set by Board for next rate cycle	-	-	-	
Total Required Net Revenue	1,024,569	1,024,898	329	
Revenue Increase (Decrease) Required	479,353	193,041	(286,312)	
Percentage Increase (Decrease) Required	5.13%	2.00%	-3.13%	
Basic Residential Unit Cost - S.H.	<u>Current</u> \$ 21.29	<u>Proposed</u> \$ 22.38	<u>Proposed</u> \$ 21.72	<u>Increase</u> \$ 0.43
	a		b	b-a
Index Calculation				
CPI - SF-Oaklnad-SJ All Urban Consumers	1.16%			
February Index - 93% of CPI	1.08%			
OPIS - Fuel only (February)	-43.31%			

Notes

1	* Proposed Increase in Wages was reduced from 3% to 1.2%. CPI is 1.2% for the prior period - CPI has average from less than 1% to a little over 3%.	(45,561)
	* Payroll Tax projection decreased due to reduction of proposed wage increase	(3,341)
	* Worker's Compensation - calculation was revised to be consistent to prior rate package Clerical staff were added; resulted in a percentage change from 119.12% to 109.75%	(6,963)
	* Profit Sharing projection decreased UVDS projected an expense of \$188,170 in 2008 that was not incurred.	(3,572)
	* Projection of Health costs reduced due change in premium increase	(3,211)
	Rounding	1
	Total change for Wages, Payroll Taxes and Benefits for Hauling	(62,647)
2	* Increase for projected 2009 depreciation for amortization as of 12/31/08	15,001
	* Amount of asset is under UVDS's capital limit of \$2,000 - removed depreciation	(1,252)
	* Revisions were made to the "Depreciation Adjustment" for asset proposed in the Rate package for FY 08/09, but not purchased or purchased and pertaining to CDP (projected twice)	(14,967)
	Total change for Hauling Depreciation	(1,218)
3	Increase of \$18,000 for Pilot Program for Food Waste to be added to the unspent New Program funds from FY 08-09 rate package of \$36,635	18,000
4	* Adjusted Wage base to agree with 75% of audited financial statements Adjusted projection to gross up wage base to full year and to adjust by CPI at 1.2%	55,099
	* Adjusted Payroll Taxes to agree with 75% of audited financial statements Adusted projection to gross up audited base to full year and to adjust by same percent established for the Hauling Wages	(29,489)
	* Adjusted Workers Compensation to agree with 75% of audited financial statements Adusted projection to gross up audited base to full year and to adjust by same percent established for the Hauling Wages	12,310
	* Adjusted Group Health to agree with 75% of audited financial statements Adusted projection to gross up audited base to full year and to adjust by same percent established for the Hauling Wages	6,717
	Total change for CDP Wages	44,637
5	* Applied IOCR to 75% of actual depreciation	9,882
	* Removed double entry on final payment for Keestrack Screening Plant	(6,125)
	Total change for CDP Depreciation	3,757
6	* Revisions were made to the "Depreciation Adjustment" for asset proposed in the Rate package for FY 08/09, but not purchased or purchased and pertaining to CDP (projected twice)	(13,229)
	Total change for Interest on Debt Service	(13,229)
7	* Cost of assets funded by IOCR adjusted, causing a decrease in the percentage funded by debt percentage decreased from 5.9% to 4.3%	(3,890)
8	* Recoverable Development Fee not included by UVDS	25,000
9	* Actual IOCR collected adjusted to reflect the amount collected for one year versus cumulative	387,737
10	* CDP revenue reduced to reflect amount in audited financial statements @ 75%	(90,687)