

**UVDS  
Summary of Adjustments  
As of 6/9/17**

Cost Component	Rate Change						
<b>REQUESTED INCREASE</b>	<b>3.32%</b>						
<b>UVA – Adjustment to Projected Cost:</b>							
<p><u>Wages and Benefits</u></p> <ul style="list-style-type: none"> <li>• The Time Study performed by UVDS demonstrated that 67% of the General Manager’s time is allocated to UVDS versus the amount requested at 66%.</li> <li>• The formulas were adjusted to cap taxes at their limits for the General Manager</li> <li>• Health insurance for the General Manager and Officers was increased to reflect amounts closer to actuals.</li> <li>• The proposed profit sharing contribution was reduced to zero based on no payment being rendered in 2016 and no payments rendered in 2017 as of May 31, 2017</li> </ul> <p>Actual and projections were adjusted for the allocation.</p> <table style="width: 100%; border-collapse: collapse;"> <tr> <td style="width: 60%;">Proposed</td> <td style="text-align: right;">\$ 4,424,226</td> </tr> <tr> <td>Recommended</td> <td style="text-align: right;"><u>4,282,791</u></td> </tr> <tr> <td>Net Decrease</td> <td style="text-align: right;"><u>\$ ( 141,435)</u></td> </tr> </table>	Proposed	\$ 4,424,226	Recommended	<u>4,282,791</u>	Net Decrease	<u>\$ ( 141,435)</u>	
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Net Decrease	<u>\$ ( 141,435)</u>						
<p><u>2017 – Fixed Asset/Depreciation</u> – UVDS submitted a request to purchase \$1,247,000 in fixed assets during the rate period of 2017/2018. On two of the items the depreciation proposed was based on the 100% use by UVDS; however, further discussion indicated that the assets would be shared with Upper Valley Recycling, an affiliate. Adjustments were made to change the value of the assets to represent the portion applicable to UVDS. Other minor adjustments were made for shared assets and life of the assets. The analysis resulted in the following adjustment:</p> <table style="width: 100%; border-collapse: collapse;"> <tr> <td style="width: 60%;">Proposed Depreciation</td> <td style="text-align: right;">\$ 836,441</td> </tr> <tr> <td>Recommended Deprec.</td> <td style="text-align: right;"><u>790,515</u></td> </tr> <tr> <td>Net Decrease</td> <td style="text-align: right;"><u>\$ ( 45,926)</u></td> </tr> </table>	Proposed Depreciation	\$ 836,441	Recommended Deprec.	<u>790,515</u>	Net Decrease	<u>\$ ( 45,926)</u>	
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<p><u>New Programs</u> – UVDS requested the addition of a Storm Water employee and Residential Foodwaste employee and the corresponding Operating Expenses for the two Programs.</p> <ul style="list-style-type: none"> <li>• Upon further review and discussions it was determined by UVDS that the Foodwaste Program would not begin during the upcoming Operating Period and the Storm Water employee would be hired mid-year.</li> <li>• Operating costs were reviewed and reduced to from \$50,000 for the year to an estimated \$12,480</li> </ul> <table data-bbox="284 636 868 751"> <tr> <td>Proposed Cost</td> <td>\$</td> <td>150,000</td> </tr> <tr> <td>Recommended Cost.</td> <td></td> <td><u>24,845</u></td> </tr> <tr> <td>Net Decrease</td> <td>\$</td> <td><u>( 125,155)</u></td> </tr> </table>	Proposed Cost	\$	150,000	Recommended Cost.		<u>24,845</u>	Net Decrease	\$	<u>( 125,155)</u>				
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Net Decrease	\$	<u>( 125,155)</u>											
<p>Construction and Demolition</p> <ul style="list-style-type: none"> <li>• Wage and Benefits was reduced for the Profit Sharing Expense (see Wages and Benefits section above)</li> <li>• Depreciation was adjusted for assets that had been disposed of or had reached the end of their useful life.</li> </ul> <table data-bbox="284 1031 1128 1182"> <thead> <tr> <th></th> <th><u>Wages</u></th> <th><u>Depreciation</u></th> </tr> </thead> <tbody> <tr> <td>Proposed Cost</td> <td>\$ 651,959</td> <td>\$ 97,517</td> </tr> <tr> <td>Recommended Cost.</td> <td><u>650,634</u></td> <td><u>95,454</u></td> </tr> <tr> <td>Net Decrease</td> <td>\$ <u>( 1,325)</u></td> <td>\$ <u>( 2,063)</u></td> </tr> </tbody> </table>		<u>Wages</u>	<u>Depreciation</u>	Proposed Cost	\$ 651,959	\$ 97,517	Recommended Cost.	<u>650,634</u>	<u>95,454</u>	Net Decrease	\$ <u>( 1,325)</u>	\$ <u>( 2,063)</u>	
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<p><u>Debt/Interest</u> – Interest expense was increased as a result of an adjustment for the prior year projected interest:</p> <table data-bbox="284 1304 868 1419"> <tr> <td>Proposed</td> <td>\$</td> <td>52,559</td> </tr> <tr> <td>Recommended</td> <td></td> <td><u>54,976</u></td> </tr> <tr> <td>Net Increase</td> <td>\$</td> <td><u>2,417</u></td> </tr> </table>	Proposed	\$	52,559	Recommended		<u>54,976</u>	Net Increase	\$	<u>2,417</u>				
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<p><u>Revenue</u> – Actual Revenue collected in 2016 was reduced for miscellaneous revenue earned in 2015 and for intentionally over collected revenues in 2016:</p> <table data-bbox="284 1577 868 1692"> <tr> <td>Proposed Amount</td> <td>\$</td> <td>11,332,139</td> </tr> <tr> <td>Recommended</td> <td></td> <td><u>11,279,230</u></td> </tr> <tr> <td>Net Increase</td> <td>\$</td> <td><u>52,909</u></td> </tr> </table>	Proposed Amount	\$	11,332,139	Recommended		<u>11,279,230</u>	Net Increase	\$	<u>52,909</u>				
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<p><b>Net Change to recommend Increase AS OF 6/9/17</b></p>	<p><b>-2.66%</b></p>												
<p><b>RECOMMENDED INCREASE BEFORE IOCR</b></p>	<p><b>.66%</b></p>												
<p><b>Request for Intentional Over Collected Revenue (IOCR)</b></p>	<p><b>.34%</b></p>												
<p><b>RECOMMENDED INCREASE</b></p>	<p><b>1.00%</b></p>												