

## Garbage Collection

As many of you recall, Coast Water Works use to collect our garbage fees as part of the water/sewer services. They collected our garbage fees and charged a "Processing Fee" for services rendered. The Board and the Declarant decided to put the contract out to bid and start collecting all related fees in an attempt to accomplish the following goals:

- 1.) Ink a contract to avoid any unexpected increases (ie: fuel, labor, etc...)
- 2.) Have another avenue to assist in collecting past due homeowners dues
- 3.) Keep construction site debris under control
- 4.) Hold all contractors accountable for their construction sites
- 5.) Reduce overall cost of previous garbage contract per household
- 6.) Have a more efficient and organized collection of garbage

Both Coastal Waste & SDT were given the opportunity to bid on our garbage contract and SDT was the winning bidder. All the six (6) goals mentioned above were achieved! The CEMHOA signed a contract which expires December 31, 2010 for all household debris, portable potties and construction dumpsters.

The management of this contract is being jointly handled by one of the Declarant's companies as well as the CEMHOA with a nominal amount of money being equally split between both parties for the management of this service. Under the new contract as of the 3<sup>rd</sup> quarter 2008, the CEMHOA has billed its residents for construction and waste debris \$85,000+ with both of the above mentioned companies equally splitting management fees of \$8200, which totals approximately \$455 per month being paid to each entity for the management of the garbage contract. The management fee is scheduled to be reduced at the end of 2008 with the anticipation of the majority of the work being "front loaded" because of the initial problems being worked out as it relates to the new vendor as well as a majority of the residents having their new garbage cans in place.

Please refer to the financial statements for verification of all fees paid/received. The 2007 budget estimate, which was mailed to each resident, for garbage fees was based on the amount we were paying Coastal Waste Services for just under 200 homes. Due to all residents returning from Katrina and several new homes being built, we are currently billing 260+ homes which obviously have increased our overall cost. **Please remember that we are paying less per home than we were paying with our previous garbage collector!**

Due to the proprietary nature of this contract, we will refrain from posting the actual contract on the homeowner's website; however please feel free to make an appointment and we will be happy to show any resident a copy of the executed contract and any related document they deem pertinent.