

F. FINANCING OF PRIMARY SOLID WASTE SYSTEM COMPONENTS

The Lamar County Solid Waste Department picks up all the residential waste within Lamar County excluding the towns of Purvis, Sumrall, Lumberton and that portion of Lamar County which is incorporated in Hattiesburg. This department operates on an annual budget of \$1,820,830 which is funded via property taxes. Of the \$1,820,830, approximately \$123,000 per year is dedicated to retiring debt associated with three of the seven garbage trucks the county owns and operates. One of these garbage truck notes will be paid off in late 2010. Lamar County intends to purchase a new truck every year, holding the budgeted amount for debt associated with garbage trucks at the current funding level. For the 15,000 households that the Lamar County Solid Waste Department serves, the annual budget of \$1,820,830 results in a monthly cost of roughly \$10 per house.

Purvis is contracted with a commercial waste collection and hauling company for the collection of its residential waste. This company in turn pays a third party tipping fees for the ultimate disposal of the waste and passes this cost along to Purvis. The Town of Purvis bills its residents \$13.85 per month for garbage handling.

Sumrall is contracted with a commercial waste collection and hauling company for the collection of its residential waste. This company in turn pays a third party tipping fees for the ultimate disposal of the waste and passes this cost along to Sumrall. The Town of Sumrall bills its residents \$14.00 per month for garbage handling.

Lumberton collects residential waste within the city limits utilizing its own trucks and manpower and pays a third party tipping fees for the ultimate disposal of the waste. Lumberton bills its residents \$13.25 per month for garbage handling. Lumberton's annual budget (2010) for solid waste includes revenues of \$234,205.19 and expenditures of \$173,789.73 resulting in an annual cash accrual of \$60,415.46. Lumberton does not currently have any debt associated with the operation of the solid

waste department. When the time comes to replace the existing garbage trucks, there is adequate excess income to cover the notes associated with the new truck(s).

None of the waste generated in Lamar County is disposed of in publicly owned facilities and neither the County nor any of the municipalities therein have any debt related to the past operation of such facilities.

Illegal dumping clean up is performed on an as needed basis by the Lamar County Road Department when reported and is part of their normal day to day duties.

Lamar County receives MDEQ grants of approximately \$12,000 and \$20,000 each year to handle white goods and waste tires, respectively.

Based on the cost information presented herein and the residential solid waste quantity information presented in Part C of this plan, the unit costs of residential solid waste handling are calculated as follows:

Lamar County:

$$(\$1,800,000/\text{yr}) / (14,089 \text{ tons/yr}) = \$128/\text{ton}$$

Lumberton:

$$(900 \text{ customers}) (\$13.25/\text{month}) (12 \text{ mo/yr}) / (840 \text{ tons/yr}) = \$170/\text{ton}$$

Purvis:

$$(752 \text{ customers}) (\$13.50/\text{month}) (12 \text{ mo/yr}) / (633 \text{ tons/yr}) = \$192/\text{ton}$$

Sumrall:

$$(644 \text{ customers}) (\$14.00/\text{month}) (12 \text{ mo/yr}) / (354 \text{ tons/yr}) = \$306/\text{ton}$$

Examining the above, at first glance it would appear that Sumrall is paying too much for its waste handling. However, Sumrall's cost to the end user, the resident, is only slightly higher than that being paid by residents of Purvis and Lumberton. Because Sumrall's waste generation rate per resident is lower than that of Purvis and Lumberton, its unit cost is skewed higher.

Currently, there is no need to develop alternative or additional methods of financing the solid waste management systems in Lamar County.