Pay-As-You-Throw: Benefits & Challenges

Jennifer Griffith
Northeast Waste Management Officials’ Association (NEWMOA)
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NH DES Workshop

What is NEWMOA?

- Non-profit, non-partisan interstate association
- Solid waste, hazardous waste, waste site cleanup, & pollution prevention programs
- CT, ME, MA, NH, NJ, NY, RI, & VT
- Formally recognized by EPA in 1986
- More information at: www.newmoa.org

NEWMOA is an equal opportunity provider & employer
**Project Promoting Pay-As-You-Throw (PAYT)**

**Vermont:**
- Northeast Kingdom Waste Management District
- Windham Solid Waste Management District
- Department of Environmental Conservation

**New Hampshire:**
- Upper Valley Lake Sunapee Regional Planning Commission
- Department of Environmental Services

**Project Promoting PAYT**

- Case studies of 11 communities
- "Fair Pricing Strategies" brochures
- Template Program Guide - resident handout
- Outreach fact sheet for general public
- 4 regional meetings with government officials
- Presentations to 3 regional solid waste conferences
- This workshop!

All materials posted: www.newmoa.org/solidwaste/projects/smart
Workshop Outline

► Part 1: PAYT Basics & Case Studies
► Part 2: Canterbury’s Experience
► Refreshment Break
► Part 3: Next Steps & Logistics
  ▪ Findings, Issues & Messaging
  ▪ Getting Started & Pricing Strategies
  ▪ New Resources
    ○ case studies, informational brochures, fact sheets
► Part 4: Group Discussion

PAYT Basics
Pay-As-You-Throw

- Residents pay according to the amount of trash they generate for disposal
  - generate less = pay less
  - generate more = pay more

- Pay for service like a utility (e.g. water or electricity)
- Flexible - towns can design their system
  - residents pay per bag, container, or weight

Pay-As-You-Throw Is...

- A system that saves $$ in town budgets
  - waste management typically 5th largest cost (after schools, police, fire, and public works)
  - reduces amount of trash managed
    - usually 40-50%
    - reduced hauling frequency & tipping costs = $$$
  - per-unit fees cover most/all of costs
  - NOT an added cost - just changes the way residents pay for waste services
Removes Costs From Town Budget

- How much depends on the rates the town decides on:
  - fees can cover all costs associated with trash & recycling, including operating the transfer station or curbside system
  - or just some of the costs, such as hauling & disposal

PAYT @ Transfer Stations

- Special bags (or stickers or punch-cards)
  - many communities have 2 or 3 sizes (for example, 15, 32 & “contractor”) & fees
  - financial control issues
  - requires convenient sale locations
  - some administrative costs to manage
  - can apply to private haulers too
  - possible to implement without using them
PAYT & Curbside Pickup

▶ Special bags (or stickers)  
  OR  
▶ Containers

KEY: Trash collectors **must** leave all improper trash at the curb (or have a way to bill for it)

PAYT & Curbside Pickup

▶ Special bags (or stickers) - easiest option
  ▪ many communities have 2 or 3 sizes (for example, 15, 32 & “contractor”) & fees
  ▪ financial control issues
  ▪ requires convenient sale locations
  ▪ some administrative costs to manage
  ▪ can put bags in containers if problems with animals
PAYT & Curbside Pickup

- Containers
  - different fees for different sizes
    - 32 gallon base size (or smaller) - 2X base fee for larger size
  - administrative costs to bill monthly/quarterly & collect
  - requires trash collectors to keep track of extra trash so additional fee can be charged
  - OR require special bags/stickers for “extra” trash

What is NOT Pay-As-You-Throw?

- Transfer station sticker on vehicle
- Punch-card that is canceled per-trip
- Fixed monthly fee for any amount of trash pickup

Bottom line: the amount paid must vary with the amount thrown away
Contacted 14 small communities with PAYT

Most have transfer stations:
- 1990’s: Concord, Dover, Piermont & Wilmington ($2.50), Readsboro ($1), Waterford ($3)
- 2000’s: Unity ($2), Orford ($3) & Northfield ($1.50)
- recent: Newark ($3) & Canaan ($1.70)

Some have curbside:
- 1990’s: Plainfield & Hinsdale ($2)
- recent: Vernon ($3)
Curbside: Vernon, VT

- Population: 2,206
- Adopted PAYT July 1, 2014
  - added curbside recycling
- Fees cover all costs
- Require special bags
  - $2.00 / 15 gallon
  - $3.00 / 30 gallon

Curbside: Vernon, VT

PAYT Results:

- Disposal ↓
  - ~195 tons 3rd Q 2013 to 86 tons 3rd Q 2014
- Recycling ↑
  - ~28 tons 3rd Q 2013 to 57 tons 3rd Q 2014
Transfer Station: Piermont, NH

- Population: 709
- PAYT since 2001
- Fees usually cover all costs
- Require special bags
  - $2.50 / 33 gallon
  - sold at Town offices & local general store

Transfer Station: Piermont, NH

PAYT Results:

- Disposal ↓
  - ~220 tons/yr. before to 99 tons in 2013
- Recycling ↑
  - ~50 tons/yr. before to 98 tons in 2013
Transfer Station: Northfield, MA

- Population 3,032
- PAYT since 2005
- Fees cover hauling/disposal
- Require special bags
  - $1.50 / 33 gal. bag
  - $0.75 / 15 gal. bag

Transfer Station: Northfield, MA

PAYT Results:

- Trash cut by 40%
  - 795 tons in 2004 » 460 tons in 2006
- Hauling/disposal costs cut by 40%
  - $30K » $18.5K (6 month period)
Transfer Station: Newark, VT

- Population: 581
- PAYT since 2013
- Do not require special bags
- Contractor operates - paid by fees only
  - $2 / 15 gallon
  - $3 / 30 gallon
  - $4 / “contractor”

Transfer Station: Newark, VT

PAYT Results:

- Removed all costs from Town budget
- Disposal ↓
  - 33.39 tons to 14.4 tons
    
    (4th Q 2012 vs 4th Q 2013)
Transfer Station: Canaan, VT

- Population: 972
- PAYT since 2008
- 50/50 split: fees & Town budget
- Require special bags
  - $1.70 / 30 gallon
  - sold in packs of 10 at town offices & local stores
Transfer Station: Canaan, VT

PAYT Results:

► Costs ↓
  $114,000/yr. to $57,000/yr.
  (of which 40% covered by bag sales & bulky waste fees)

► Disposal ↓
  535 tons/yr. to 258 tons/yr. (households & businesses (H&B))

► Hauling ↓
  9.5 tons/week (H&B) to 12.5 tons/month (H)

So Where is the Trash Going?

► Out-of-town trash no longer smuggled in
► Smarter purchasing
► New/increased
  ▪ organics composting
  ▪ recycling
  ▪ donation for reuse
► Alternative disposal
  ▪ commercial dumpsters
  ▪ work, friends/relatives in other towns
  ▪ hire private hauler (typically minimal due to higher cost)
Canterbury’s Experience

Adrienne Hutchinson
Canterbury Transfer Station Manager

Findings, Issues, and Messaging
Findings: PAYT @ Transfer Stations

- Reduced amount of trash managed
  - usually 40-55%
  - reduced hauling frequency & tipping costs = $$$

- Can implement without bag/sticker/punch-card
  - residents use their own bag or container & operator collects $
    - computerized cash register with receipts - helps accounting
  - OR contract out operation: collected fees only payment
    - Orford, New Hampshire & Newark, Vermont

PAYT Implementation Findings

- Towns vary on extent fees cover all costs to operate transfer station (e.g. staff & recycling)
  - fee that covers most/all costs: $3 per 32 gallons
  - if want to cover all costs - set fees to save for future capital expenses

- Try to avoid collection of cash by transfer station attendant

- Set fees similar/higher than surrounding towns

- PAYT transfer stations charge fees for bulky items
PAYT Messaging

- Fair for Residents
  - pay only for what you use
  - those producing less trash aren’t subsidizing those that produce more
  - can choose to lower your cost by:
    - smart purchasing choices (i.e., buy products in less packaging)
    - recycling / reusing
    - composting - kitchen scraps & leaf/yard

Messaging: Addressing Issues

- Low-Income Residents
  - everyone has opportunities to reduce waste & their costs
  - senior citizens tend to generate small quantities
  - it might be a new cost for renters
  - consider a subsidy - but not unlimited
    - 1 reduced price bag/sticker each week
Messaging: Addressing Issues

Illegal Dumping NOT a Problem

- NONE of the 14 towns reported increased problems
  - lots of other studies show the same thing
  - problems existed before PAYT - mostly bulky
  - if problem - quick enforcement at program start

Messaging: Addressing Issues

It’s NOT a New Tax

- educate on current cost of waste management in tax rate
- lower tax rate by amount that PAYT will remove from budget
- OR clearly explain how “freed up” tax money will be spent
  - could be eliminating/reducing the need to raise taxes to pay for something else
Other Concerns/Views Expressed...

- Some communities with a lot of second homes like trash service in their tax base so it’s subsidized by “out-of-staters”

- Composting will attract bears and other animals

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Getting Started and Pricing Strategies
Next Steps for Communities

- Establish Solid Waste Committee
  - understand current costs: labor, hauling, disposal, recycling & capital expenses
    - separate out costs in tax bills & town budget
  - initiate ongoing public education/input process
  - determine how much town wants fees to cover
    - all trash & recycling costs, most costs, just hauling & disposal, disposal only, capital expenses?
  - determine type of system (bags vs containers, 1 size or multiple sizes)

Logistic Considerations

- Usual options:
  - special bags
  - stickers - affix to bag provided by resident
  - punch-cards - one space per bag/container
- Requires convenient sale locations
- Small administrative costs for town:
  - purchase bags/stickers/punch-cards
  - sell - directly and/or to local merchants
  - keep track of inventory
  - manage $
More Next Steps

- Determine fee structure
  - estimate post-PAYT trash & recycling quantities & costs (include PAYT administration)
  - determine PAYT rate(s) and modify if necessary
- Plan for logistics
  - where will bags/stickers be sold?
  - how will fees be collected & managed?
- Educate, educate, educate
- Obtain plan approval
- Publicize new system to residents

Determining the Fee

- Fees usually cover at least cost of hauling & disposing all the trash
- Per ton costs - example:
  - tipping fee ≈ $100/ton
  - hauling ≈ $20/ton
- 1 ton ≈ 80 bags
  - 32 gallon bag ≈ 25 pounds
- $1.50 per 32 gallons to pay for hauling & disposal only
- Assumes everyone pays fee for every bag
How About Allowing Free Bags?

- Limited free service or reduced fees appropriate for those in need
- But... offering free service or reduced fees to a lot of households means others need to pay a higher fee in order for collected fees to cover the desired costs

Cover More Than Haul & Dispose

- Decide what to add & convert to per ton trash
  - labor costs?
  - town’s administrative costs?
  - capital expenses?
- Calculate based on 1/2 current trash tonnage
- Convert to per volume: 1 ton ≈ 80 bags (32 gal)
- Many communities have 2 or 3 sizes
  - (15 gallons, 32 gallons & “contractor”)
- Typical fee for all costs ≈ $3 per 32 gallons
  - if everyone pays for all their trash!
Vermont’s The Place to Watch

- Act 148 requires PAYT for all residential trash starting July 1, 2015
- Applies to municipal and private service
- Must provide recycling with no visible fee
- Trash fees must cover at least hauling & disposal
  - except allows municipalities an “hybrid” approach
    - base level of service paid by town
    - maximum one 32 gallon bag/container per week
- Enforcement challenges

New Resources

- [www.newmoa.org/solidwaste/projects/smart](http://www.newmoa.org/solidwaste/projects/smart)
  - case studies of 11 communities
  - fact sheets
    - template “Program Guide” for towns with PAYT
    - handout for the public to generate interest in PAYT
  - “Fair Pricing Strategies” brochures
    - 3 location-specific
    - 1 “generic” for use by everyone everywhere
- SMART Toolkit for Rural Communities
Questions?

Jennifer Griffith, Project Manager
NEWMOA
129 Portland Street, 6th Floor
Boston, MA 02114
(617) 367-8558, ext. 303
jgriffith@newmoa.org

Group Discussion
• Towns that already have PAYT:
  o How did it come about?
  o What are the logistics?
  o How’s it working?
  o Any advice for others?

• Towns without PAYT:
  o Was PAYT proposed in the past and turned down?
    ▪ If yes - why did it not succeed? Could it be proposed again? What might help get it through?
    ▪ If no - are you interested in pursuing PAYT now? What do you think the barriers might be? What might help overcome them?