Pay-As-You-Throw: Experience in Rural Communities

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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
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
  - 3 location-specific
  - 1 “generic” for use by everyone everywhere
- Regional meetings with government officials
  - 4 held & 3 more planned
- Developing template for a residential handout
- All materials posted: www.newmoa.org/solidwaste/projects/smart
Pay-As-You-Throw

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

- Flexible - towns can design their system
  - residents pay per bag, container, or weight

Pay-As-You-Throw Is...

- A system that saves $$$ in town budgets
  - reduces amount of trash managed
    - usually 40-50%
    - reduced hauling frequency & tipping costs = $$$
  - 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

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
Case Studies

Community Summary

- 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
- 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
- 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
- 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
- Removed all costs from Town budget
- Contractor operates - paid by fees only
  - $2 / 15 gallon
  - $3 / 30 gallon
  - $4 / “contractor”
- 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
- Costs: $114,000/yr. to $57,000/yr. (of which 50% covered by bag sales & bulky waste drop-off 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)
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

Unfair For 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 Will Be 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 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
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
- Other?

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

PAYT Resources

- [www.newmoa.org/solidwaste/projects/smart](http://www.newmoa.org/solidwaste/projects/smart)
  - case studies of 11 communities
  - “Fair Pricing Strategies” brochures
    - 3 location-specific
    - 1 “generic” for use by everyone everywhere
  - workshop & meeting presentations
  - SMART Toolkit for Rural Communities
Questions?

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