

# 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](http://www.newmoa.org)



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## 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



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## 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](http://www.newmoa.org/solidwaste/projects/smart)



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## 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



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## 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)



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## 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 3<sup>rd</sup> Q 2013 to 86 tons 3<sup>rd</sup> Q 2014
- ▶ Recycling ↑ ~28 tons 3<sup>rd</sup> Q 2013 to 57 tons 3<sup>rd</sup> Q 2014<sup>11</sup>



## 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



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## 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)



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## 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  
(4<sup>th</sup> Q 2012 vs 4<sup>th</sup> Q 2013)



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## 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



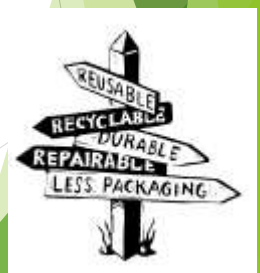
## PAYT Implementation Findings

- ▶ 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?



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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  $\approx$  80 bags (32 gal)
- ▶ Many communities have 2 or 3 sizes
  - (15 gallons, 32 gallons & "contractor")
- ▶ Typical fee for all costs  $\approx$  \$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



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## 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



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# Questions?

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