Fair Pricing Strategies for Trash
PAYT Experience in Rural Areas & New Resources

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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

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

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Project Promoting PAYT

Partners:

- **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
- 5 regional meetings with government officials
- Presentations to 3 regional solid waste conferences
- This webinar!
- All materials posted: www.newmoa.org/solidwaste/projects/smart

Webinar Outline

- PAYT Basics
- Case Studies
- Findings, Issues & Messaging
- Next Steps for Communities
- New Resources
  - case studies, informational brochures, fact sheets
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
- Key - residents can recycle “for free”
Pay-As-You-Throw Is...

- A system that saves $$ in town budgets
  - waste management typically 5th largest cost (after schools, police, fire, and public works)
  - reduces amount of trash managed
    - usually 40-55%
    - reduced hauling frequency & tipping costs = $$$
  - 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

- Usual options:
  - special bags
  - stickers - affix to bag provided by resident
  - punch-cards - one space per bag/container
  - possible to implement without bag/sticker/punch-card

- Many communities have 2 or 3 sizes (for example, 15, 32 & "contractor") & fees

- Small administrative costs for town:
  - purchase bags/stickers/punch-cards
  - sell - directly and/or to local merchants
  - keep track of inventory
  - manage $

PAYT & Town Curbside Pickup

- Special bags (or stickers) - easiest option
  - requires convenient sale locations & some administrative costs
  - can put bags in containers if problems with animals

- 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

- Trash collectors must leave all improper trash at the curb
Case Studies

Community Summary

- Contacted 14 small communities with PAYT
- Most have transfer stations ($ per 32 gal bag in 2014):
  - 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 3\textsuperscript{rd} Q 2013 to 86 tons 3\textsuperscript{rd} Q 2014
- Recycling ↑ ~28 tons 3\textsuperscript{rd} Q 2013 to 57 tons 3\textsuperscript{rd} 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)
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)

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:
    o smart purchasing choices (i.e., buy products in less packaging)
    o recycling / reusing
    o 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
    o 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

Next Steps for Communities
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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)

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

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

Zero Waste Connection
A Professional Social Network

Mission & Goals

- Promote sustainable consumption and pollution prevention as the preferred methods of achieving zero waste
- Provide forums for zero waste professionals to share information on program development and implementation
- Foster innovation in zero waste programs through the exchange of ideas in real time
- Increase the adoption of zero waste practices among practitioners
- [www.zerowasteconnection.org](http://www.zerowasteconnection.org)
Questions?

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