

PAY AS YOU THROW



PAY AS YOU THROW is a trash rate strategy that charges households a higher bill for putting out more trash for collection. Sounds fair — fee for service, just as households are charged a higher bill for using more water, electricity, etc. More than 7,000 (25 percent) of communities nationwide agree and use some form of PAYT.

The U.S. Environmental Protection Agency Region 8 hopes to help more Colorado cities and towns adopt PAYT with a new program, offering free workshops, a dedicated Web site (www.paytwest.org) and free consulting for interested communities.

PAYT (also called variable rates, volume-based rates and other names) provide a different way to bill for garbage service. Instead of paying a fixed bill for unlimited collection, these systems require households to pay more if they

put out more garbage — usually measured either by the can or bag of garbage. Paying by volume (like paying for electricity, water, groceries, etc.) provides households with an incentive to recycle more and reduce disposal.

Communities have been implementing PAYT trash rate incentives in earnest since the late 1980s. The programs can provide a cost-effective method of reducing landfill disposal, increasing recycling and improving equity, among other effects.

Experience in these 7,000 communities — including some right here in Colorado — shows that these systems work very well in a variety of situations:

- Private haulers (Lafayette), multiple haulers (Fort Collins) or city systems (Loveland);

- Manual or automated collection trucks;
- Wheelie or other types of containers;
- Urban (Boulder), suburban (Lafayette) and small/rural areas (Aspen, Boulder County); and
- Set up by ordinance (Boulder County, Fort Collins), by contract (Lafayette) or city-run (Loveland).

How PAYT works

The most common types of PAYT systems are:

- Variable can or subscribed can programs ask households to sign up for a specific number of containers (or size of wheelie container) as their usual garbage service and get a bill that is higher for bigger disposal volumes. This is common in areas with those fully-automated trucks using lifting arms. Wheelie

HOW TO INCREASE RECYCLING AND DECREASE GREENHOUSE GAS – QUICKLY, FAIRLY AND COST EFFECTIVELY

containers are also common in Colorado due to wildlife.

- Bag or sticker/tag programs require households to buy specially-marked bags for trash; the bag price includes the cost of collection and disposal. Bags are usually sold at convenience and grocery stores in addition to municipal outlets. Other programs require households to buy special tags or stickers to place on bags or cans; pricing is similar to the bag option.
- A hybrid program uses the basic system — households keep paying the bill they've always paid — but, instead of covering the cost of “all” or unlimited amounts of trash, it only covers 30 or 60 gallons (one or two metal-type cans). To get more service, more bags or stickers must be purchased (as above). This system combines existing programs and new incentives, and minimizes billing and collection changes. Again, wheelies can be used for the base service, addressing Colorado's animal issues.
- Some rural communities have drop-off programs, where customers pay by the bag or weight at transfer stations using fees, bags, stickers or pre-paid punch cards. Some haulers also offer PAYT as an option, or customers may choose unlimited collection for a fixed fee.

Although Colorado lags behind the rest of the nation in statewide recycling rates (only 12.5 percent) and the number of towns using PAYT, there are some highlights in the state showing the



potential for residents to make a positive change. The following is a short description of a few of the successful PAYT programs in Colorado:

- The City of Fort Collins passed an ordinance in 1995 that set conditions for hauler licenses that allow haulers to set their own rates as long as they provide recycling at no extra cost and have variable rates for variable sizes of container. The city now diverts 27 percent of its residential waste and is aiming for 50 percent diversion by 2010.
- The City of Loveland, not private haulers, collects residential waste and recycling from 95 percent of its 65,000 residents. In 1993, Loveland was one of the first cities in the western mountain region to implement PAYT rates. Recycling is not embedded in the trash rates — all residents must pay for recycling service at \$6.25 per month, whether they use the service or not. With the combined incentive of PAYT and mandatory recycling, the city has reached a greater than 50 percent diversion rate as residents see that recycling will save them money. The city is also one of the only places in the state that collects residential curbside yard waste.

- Boulder's PAYT program is similar to the one in Fort Collins. The City worked with residents and haulers to create an ordinance that ensures “free” or embedded unlimited recycling and variable rates for trash service. Boulder implemented their ordinance in 2001, and saw an increase in recycling rates from 17 percent prior to 2001 to close to 50 percent in 2007.
- Aspen takes the environment seriously, as its economy depends on natural splendor. PAYT and recycling was identified as an integral part of reducing the city's environmental impact. Aspen's PAYT ordinance was modeled after those in Boulder and Fort Collins, but takes it a step further: not only does PAYT apply to all single family residential units but also to commercial properties and multi-family units, making recycling mandatory for the entire city.

PAYT increases recycling and decreases tonnage going to the landfill, extending the life of the landfill and saving real dollars being set aside for landfill closure. Studies of hundreds of communities with PAYT shows that residential trash going to the landfill decreases by 16 to 17 percent and that recycling increases by 50 to 100 percent. Yard waste composting also increases.

Two-thirds of communities putting PAYT in place state that their near-term costs and workloads stayed the same or decreased; all expected long-term savings.

After these programs are in place, more than 90 percent of households say they prefer the new, fairer system to paying the same as people who overstuffed multiple cans. The option for cheaper service is very well received by those on fixed or low incomes. Large disposers pay more, but have the same options to recycle more and reduce their bill.

Many communities are establishing greenhouse gas and sustainability goals. Municipalities are finding that putting in PAYT and recycling is cheaper and faster to implement than many strategies in energy and transportation.

There are some concerns, however, including illegal dumping, equity and cost. Increases in illegal dumping have only resulted in about 20 percent of communities implementing PAYT, but the problem usually lasts only about three months. Most communities use fines and visible enforcement as well as special options for bulky wastes (big bundles, appliances, sofas, etc.) for a removal fee or on schedule.

As long as the new situation creates a “level playing field”, whether by ordinance requiring PAYT by all operators or (less preferred by haulers)

widely-dispersed RFP process, the equity concern is met. PAYT systems can operate with one hauler, multiple haulers or other organizations.

The majority of communities see no cost increase from these programs; however, there may be a short-term increase in calls to municipal staff. There can also be implementation considerations, like barriers in finding funds to purchase containers. As stated earlier, the majority of communities see no long-term increase and some, even long-term savings.

The programs work best when the city or haulers increase the recycling options available, possibly offering a combination of services: expanded drop sites, curbside recycling (with the cost of the program embedded in the PAYT program costs for all residents), composting training, information on reducing junk mail and other diversion information. Working with the residents is better than challenging them to reduce trash but not providing reasonable and visible options.

The most important aspects to getting a PAYT program in place are two-fold and relatively simple.

- Education is critical. Residents need to understand why you are adopting the program and how they can make it work for them. Information for new residents will be needed over time.
- By far, the most important element is political will, not any kind of technical problem associated with PAYT. Other issues can be resolved quite easily. Getting PAYT passed is the hard part; households resoundingly prefer the system after the fact according to all available research.

Whether or not PAYT ends up being the answer for your community, either via ordinance, city service, contract or other method, the evidence indicates it is probably worth discussion by a citizen advisory committee, staff or other committees. Given EPA’s free assistance, now may be the opportune time.

For more free PAYT information, tools, fact sheets, talking points, information about upcoming workshops and other materials for the EPA Region 8 project, visit www.paytwest.org or contact Lisa A. Skumatz, SERA, 303-494-1178 or skumatz@serainc.com.

LEGAL SIDEBAR

TRASH BILLING STATUTE, A USEFUL TOOL

In seeking to realize the wishes of residents and the community as a whole concerning trash collection, numerous municipalities have found the authority in the municipal solid waste “billing statute,” useful. The billing statute is located, curiously, amongst the county statutes, at §30-15-401(7) and (7.5), C.R.S.

While the statutes prohibit a municipality from granting “exclusive territory” to any particular trash hauler, and further prohibit municipalities from regulating rates for collection and transportation of waste, many municipalities have used the authority under the billing statute to reduce truck traffic in residential neighborhoods and to negotiate with trash haulers for favorable rates on behalf of citizens.

The billing statute permits a municipality to bill residents of single-family homes, and multi-family units containing eight or fewer units, for trash service. As most municipalities are uninterested in the expense or bother of staffing and running their own fleet of garbage trucks, the municipality instead awards a valuable contract to provide this service to a private trash hauler, through a bid process. By aggregating municipal residential customers, the municipality is in a position to bargain for lower rates, as well as additional desirable services, such as curbside recycling, on behalf of residents.

Furthermore, while the municipality is prohibited from barring any hauler from providing service in residential areas of the municipality (since “exclusive” territory cannot be awarded to any hauler), use of the billing statute dramatically reduces trash truck traffic on residential streets, a goal of many municipalities. When a municipality bills its residents for trash service, those residents are unlikely to contract separately with another private hauler. Why pay twice?

The result is that only the trucks of the city’s contract hauler appear on residential streets in municipal neighborhoods.

Because use of the “billing statute” effectively results in award of the residential sector of the municipality to one hauler, the statute contains various procedures to assure that haulers already operating in the area have notice and an opportunity to bid on the municipal residential trash collection contract.