

An Idea for Managing Waste Management Costs

PAY-AS-YOU-THROW

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Traditional model of waste collection

- Municipality bids & contracts for waste/recycling management services
- Waste company manages waste/recycling
- Waste company bills municipality for service
- Rate is consistent for all users
- Municipality charges residents
 - Rolled into tax levy

Benefits of this method...

- Easy because system is established
 - Costs of system all ready borne
- Tax levy or special assessment
 - Once per year billing
- Residents are accustomed to the system
- AND...
 - Who has time for changing the system!?

Shortcomings of this model...

- Gives the appearance that waste management is a “free” service provided by the municipality
- No incentive to reduce waste
- Unfair to those who produce less waste
 - All pay the same price
- And in these times...
- Reducing costs is important!



What is Pay-As-You-Throw

- Very similar to a utility system where...
 - ...residents are charged for the collection of municipal solid waste—ordinary household trash—based on the amount they throw away (USEPA)

Benefits of this system...

- Equity
 - Fair to all users of the system
 - Residents can control their trash bills by reducing waste
- Environmental sustainability
 - PAYT communities report “significant” increases in recycling & in waste reduction efforts
- Economic sustainability
 - Provides cost-reduction options for cash-strapped local government
 - Can build in “reserve” costs for future needs/programs

Shortcomings of this model...

- Cost shifting
- Costs to establish and run new system
- Need to get hauler to agree to this type of system
- Get “buy-in” from residents
- Legal framework/authority to:
 - Set variable prices & charge residents
 - Require use of program
 - Enforce
 - Spend any reserve funds for other SW/recycling services

Pricing examples...

- Proportional pricing
 - Bag/tag style system
- Variable rate pricing
 - Different rates for different sized carts
- Multi-tiered pricing
 - First tier is the base service
 - Second tier is for the amount of waste

Wisconsin Examples...

- Eau Claire County
 - Residents chose from 4 different haulers
 - Residents chose cart size
 - Established in the mid 1990s
 - Realized a reduction in waste
 - Costs
 - Urban areas= \$135 to \$206 per year
 - Rural areas= \$190 to \$295 per year

Wisconsin Examples...

- Fitchburg
 - Use both carts & stickers
 - Base rates of \$135/yr includes recycling & 35 gal refuse cart
 - Also includes yard materials and brush
 - Larger cart cost
 - \$25/yr extra for 65 gal cart
 - \$50/yr extra for 95 gal cart
 - Waste outside of cart must have a tag
 - \$3 per bag
 - PAYT responsible for:
 - Doubling of waste diversion rate
 - Recycling rate of 25-30%
 - Reduce landfill costs

Resources...

- <http://dnr.wi.gov/org/aw/wm/recycle/payt>
- <http://www.epa.gov/osw/consERVE/tools/payt.index.htm>