

TRANSFER STATION - AD HOC COMMITTEE REPORT

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DRAFT

NH State Overview:

RSA 149-M outlines the state's policy regarding solid waste management, and specifies the responsibility and authority of municipalities in its execution. In accordance with RSA 149-M:17, "each town shall either provide a facility or assure access to another approved solid waste facility for its residents." If the preference is to share the costs of managing solid waste, RSA 149-M:19 provides towns, cities and counties the authority to enter into cooperative agreements for regional facilities. RSA 149-M:3 states "the general court supports integrated solid waste disposal solutions which are environmentally safe and economically sound, and outlines the order of preference for doing so as follows:

- Source reduction
- Recycling and reuse
- Composting
- Waste-to-energy technologies
- Incineration without resource recovery
- Landfilling"

Each year, approximately 1.5 million tons of solid waste is generated in NH. While the majority of the solid waste is incinerated or put into state landfills, 35 percent is recycled or composted. Given the order of preference cited above, it is clear that much more work can be done to manage solid waste more effectively. Though recycling rates have improved from six to 35 percent since 1990, there has been no overall increase since mid-decade and we are currently falling short of the statutory 40 percent goal. Given that up to 80 percent of solid waste is recyclable, the statutory goal of 40 percent is not overly ambitious. (Best Management Practices for NH Solid Waste Facilities, Waste Management Division, DES)

In looking towards the future, the state believes it will be necessary to change how we view and manage solid waste. "Considering it a sustainable material will enable us to find cost savings, conserve valuable natural resources, and realize other benefits. It is estimated that for every one percent increase in the recycling rates, we would save \$1 million state-wide, create new jobs, conserve valuable landfill capacity and natural resources, and protect environmental quality." (Best Management Practices for NH Solid Waste Facilities, Waste Management Division, DES)

Municipalities can lower the cost of solid waste disposal by encouraging source reduction, recycling or composting and considering less expensive collection and disposal options. There are various strategies for reducing waste and achieving recycling goals. *However, municipalities are most successful in their recycling programs when residents understand how recycling benefits them and believe that their efforts can make a difference.*

Sullivan County Overview:

As of 2007, Sullivan County municipalities recycled only 13 percent of the solid waste that they produce. Sullivan County residents pay some of the highest tipping fees in the state. Combined with the relatively

low median household income, Sullivan County residents pay a disproportionate share of their income for waste disposal.

In December 2005, the Steering Committee for the Waste Action Collaborative of Sullivan County (WACSC) adopted a resolution that Sullivan County should move toward achieving 50 percent recycling within five years or sooner. If the County had recycled 50 percent of its solid waste in 2005, residents could have reduced their disposal bills by more than \$1 million. As indicated at the state level, such a dramatic shift in how we manage solid waste will only occur if we view waste differently. To a certain degree, waste doesn't have to be a natural product of our society. Waste reduction and increased recycling can be accomplished if we view it as resource management rather than waste management. (Recycling-based Waste Management Action Plan for the Communities of Sullivan County, NH, Antioch New England Institute, Feb 2007)

Currently, the County does not have a regional facility. Each municipality's waste or resource management policy differs; however, some are more cost effective than others. Whether or not these efforts should be regionalized, should be based on public input and economic factors.

Claremont Overview:

At this time, it is unknown the total tonnage that Claremont produces in municipal solid waste (MSW). Tonnage for MSW and recyclables disposal during a calendar year at the transfer station do not represent city-wide figures as residents have the option of both private haulers and the Claremont Transfer Station. Recycling in Claremont is not mandatory. City policies pertaining to "waste management" focus primarily on the transfer station which is funded partially by user fees and the sale of metals, and partially subsidized by the taxpayer.

Transfer Station Overview:

City ordinances pertaining to the Claremont Transfer Station are outlined in Chapter 14 of the municipal code. The station is open 2 days a week (Tuesday and Saturday), and staffed by two full-time, salaried Department of Public Works (DPW) employees. The station is open to residents and residential property owners only. It does accept construction and demolition (C&D) material from commercial businesses, haulers and vehicles that have a gross vehicle weight less than 19,000 pounds. A punch ticket system is used to pay for disposal of MSW and bulk items.

Residents are charged \$3 per bag for MSW. C&D, as well as bulk items can also be disposed of at the transfer station for a set fee. Fees for the transfer station have not changed since January 9, 2008. There is no charge to recycle.

Single-stream recycling is offered for paper, plastic and metal. Glass is separated and hauled to New London. The only recyclables sold are metals. Percentage rates for recycling at the transfer station are consistently in line and slightly above the state average, falling just short of the 40 percent statutory goal. (Figure 1)

The station operates at an annual loss. In 2015, the operating loss was slightly less than \$105,000. (Figure 2) However, if employee and administrative costs were deducted, the loss would be reduced to approximately \$31,000. (Appendix A)

Currently, the City of Claremont has a contract with Casella for the hauling and disposal of MSW, C&D and recyclables at the transfer station. The hauling rates for MSW and C&D are \$105 per load, while the hauling rate for recyclables is \$110 per load. The disposal costs for each category differs. C&D is the highest at \$84 per ton, MSW at \$79, and recyclables at \$45 per ton. In addition to hauling and disposal fees, the City rents an MSW compactor and the single stream recycling equipment at an annual cost of \$5760 (Figure 3).

Given the Claremont Transfer Station was operating at a loss and the contract with Casella was scheduled to end by Dec 31st of this year, the City Council appointed an Ad Hoc Committee to research the issue and make recommendations as to how it could be more cost efficient.

Figure 1 Tonnage (Tracked via Calendar Year)

2015 (thru Oct 8) MSW 255.51 C&D – 60.80 Recycling – 174.33 (36%)

2014 MSW 307.60 C&D – 83.97 Recycling – 238.70 (38%)

2013 MSW 293.06 C&D - 64.22 Recycling – 232.68 (39%)

Figure 2 Operational Cost

2015 Revenue = 64,273 Expense = 168,816 Net Loss = 104,543

2013/2014 (18- month cycle) Revenue = 66,603 Expense = 179,486 Net Loss = 112,883

Figure 3 Contracted Rates (thru Dec 31, 2015):

MSW - Hauling - \$105 per load
Disposal - \$79 per ton
Compactor Rental - \$185 per month (\$2220 per year)
Container Rental - No Charge

C&D – Hauling - \$105 per load
Disposal - \$84 per ton
Container Rental – No Charge

Recyclable Material – Hauling - \$110
Disposal/Processing - \$45 per ton
Rebate - NA
Equipment Rental - \$295 per month (\$3540 per year)

Ad Hoc Committee Overview:

The Ad Hoc Committee, chaired by Councilor Lovett, is currently comprised of three members. Besides the chair, Mr. Osgood and Mr. Picard serve on the five person committee. Two seats have been vacant since its inception. The committee has met at least bi-monthly and visited the Charlestown, Keene and Unity Transfer/Recycling Stations. Most meetings were televised, and attended by Claremont residents. Over the last 10 months, the committee has provided periodic updates to the Council along with recommendations focused on data collection and cost reduction in the short term. *Those recommendations and others that can be accomplished with minor adjustments to current operations are outlined below in red.*

If and how the Transfer Station operates in the future are questions that can only be answered after the City Council develops and adopts a resource management policy that clearly identifies goals and objectives. Site visits to transfer stations in the local area prove that operational costs can be reduced. Given that the current contract with Casella expires on December 31, 2015, city administration issued an RFP for a 3-year contract. The deadline cited in the RFP is October 29, 2015. *It is the recommendation of this committee that the Council advise the administration to enter into a one year contract while developing its resource management policy for the long term. This would enable the Council the flexibility to implement policy changes before entering into a long term contract.*

Ad Hoc Committee recommendations approved or to be considered in the *short term* for reducing costs:

1. *Decal system :*

Early in its research, the committee discovered that Newport was citing the Claremont Transfer Station as a disposal site option. Newport contracts with Casella which operates a recycling center, and doesn't own its own transfer station. Given that the use of the Claremont Transfer Station is limited to residents only; it was important to have a decal system in place to ensure the residency requirement was enforced and to collect usage data. This would ensure that Claremont taxpayers did not subsidize the cost of waste disposal for non-residents, and determine how many households in Claremont utilized the facility. The Ad Hoc Committee presented this recommendation to the Council along with best practices for implementation of the system. The City Administration implemented the decal system on August 1st. Approximately 3500 decals have been distributed to residents. However, it cannot be determined how many households are using the facility as the city administration did not limit the number of decals to two per household. *Moving forward, the committee recommends limiting the number of decals per household and quantifying how many households have the decals.*

2. *Weighing MSW*

Currently, residents are paying a flat fee of \$3 per bag regardless of weight. Though the fee schedule states that this fee is for up to a 30lb bag, there is no accurate way to determine if a bag is over that threshold. A fairer user fee would be to charge by weight. This would better cover the actual costs of waste disposal, and incentivize people to reduce their MSW by recycling more. Weighing MSW would require the purchase of a small scale, modify how DPW personnel handle the flow of MSW at the station, and change the type of tickets sold for MSW disposal.

According to DES, DPW personnel don't have to be weigh master certified to operate this type of small scale. The cost of a small scale is approximately \$800, half of which could be covered by a NH the Beautiful grant as long as it was used for five years. In changing the ticket system to accommodate weighing MSW, the DPW Director suggested that residents purchase pre-paid cards of a certain value divided in increments. For example, a resident could purchase a \$50 card, divided into increments of 50 cents.

3. Maximizing compacting space

Reducing the number of hauls would reduce costs. Currently, the transfer station is not maximizing the storage capacity of its MSW compactor. A DPW concern is that if hauls do not happen after being open on Tuesday, there may not be enough space to accommodate disposal on Saturdays which is the busiest of the two days. Utilizing 12-14 ton compactor and reducing the number of hauls may be appropriate cost saving measures.

4. Charging for recyclables

Recycling is not free. Per the current contract with Casella, the cost to haul recyclables is \$110 each trip and \$45 per ton for disposal. When one considers charging for recycling, there is a fear that this will be a disincentive to recycling. However, if you charge by the pound at a lesser rate than MSW, there is still an incentive to recycle and the cost of doing so is not carried entirely by the taxpayer. This would require purchasing a scale for weighing recyclables, instituting a ticket system, and changing the flow of traffic. Some residents have commented during committee meetings that they would not mind paying to recycle. Weighing recyclables and charging a rate per pound is the most accurate method of cost recovery. However, this or any method can only be instituted after the Council decides whether or not to charge for recycling.

Ad Hoc Committee recommendations for *long term* planning:

At this point in time, the Ad Hoc Committee recommends that the Council move forward with developing a long term, comprehensive resource management policy. Additionally, the committee recommends that the Council review and update the city ordinances for the transfer station. Policy recommendations and improvement strategies are attached for Council's consideration.

Outlined below, are five options to be considered in these discussions. Some may not be viable given current economic factors.

Option 1 - Close the Transfer Station

According to 2015 revenue/expense figures, this would save the City approximately \$31,000 if DPW personnel were retained and utilized elsewhere within DPW. If DPW personnel were not retained, the savings would be nearly \$105,000.

Option 2 – City Collection

This option requires a large capital investment and competes with private haulers.

Option 3 – Privatize

Privatization can only be done if it is profitable. Given the current footprint and volume capacity, it is unlikely the Claremont Transfer Station would generate a profit. Several years ago the City of Keene tried privatization by contracting with Waste Management, but Waste Management declined to renew the contract. To learn more, go to www.ci.keene.nh.us/departments/pub and review the final results of its Ad Hoc Solid Waste Committee.

Option 4 – Flow Control

Flow control measures would have to be implemented in order to achieve the conditions necessary to increase revenue streams to cover operational costs. Keene accomplished this through various ordinances (i.e. mandatory recycling). It is important to note that when something becomes mandatory, there is an associated cost. If the goal were to make the transfer station cost neutral (like an Enterprise Fund), it would have to be relocated to accommodate the volume needed. To learn more about a cost neutral transfer station, review the CCTV video on the Keene Recycling Center or visit the site.

Option 5 – Tax Rate

This is the option currently being used. Any operating loss is subsidized by the taxpayer. However, there are some things that could be done to reduce the operating loss if the Council were to decide to continue with this option. **Committee recommendations are:**

- **Lease to buy equipment**
- **Reinstate multiple stream recycling**

Appendix A
Operational Cost – 2015

Note: Unless otherwise specified, the line items below were taken from the approved 2015 budget.

Revenues:

1. Ticket Sales – \$60,000
2. Recycling of Metals – \$4,273 (not in 2015 budget, but annual average per Finance Director)

Subtotal: \$64,273

Expenses

1. Personnel (except for overtime, 2/3rd of line items 01-434-101-0000 thru 01-434-150-0000) – \$73,926

Note: Personnel costs in the Sanitation (Transfer) Budget are for two men three days a week plus overhead for Public Works office administration. Two days are spent at the Transfer Station, and the 3rd day is for city-wide trash pick-up. Since the Transfer Station is only open 2 days, only 2/3rds of the personnel costs are allocated to the Transfer Station.

2. Overtime – \$5,500
3. Print Publish & Advertise (Announcements) - \$500
4. Training and Employee Development (Certification) – \$400
5. Electricity (Compactors/Office) – \$1,800
6. Telephone (Landline) – \$550
7. Gasoline/Diesel (Snow Removal during winter months) – \$540
8. Membership & Dues – \$750
9. Hazardous Waste Removal (Tires, Batteries) – \$4,500
10. Building/Facilities M&R – \$1,500
11. Equipment M&R – \$3,500
12. Vehicle M&R – \$500
13. Municipal Solid Waste – \$33,750
14. Recycling – \$29,800
15. Construction and Demolition – \$9,500
16. Chemical Toilets – \$1,800

Subtotal – 168,816

Total: **-104,543** (38% cost recovery rate)

Note: Cost of MSW, Recycling, C & D, Hazardous Waste disposal, including equipment rental and trucking – \$77,550 minus \$64,273 (ticket sales/recycling metals) leaves a difference of **-\$13,277**.

Note: If you were to close the Transfer Station and keep DPW personnel, you would not save the entire amount of \$104,543. You would only save \$30,617 (\$104,543 – \$73,926), but you would gain 32 man hours (16 x 2) per week for other DPW related work. What cannot be calculated at this time would be the environmental costs of not having a Transfer Station.

Waste Management Improvement Strategies (UVLSRPC Regional Plan 2014)

1. Educate the public about banned landfill items, universal waste collection programs, household hazardous waste collection programs, and unwanted medicine disposal and collection programs.
2. Provide technical assistance to municipal leaders and transfer station workers about proper waste management and available funding programs to assist in providing opportunities for responsible waste management.
3. Increase participation on Household Hazardous Waste Collections by expanding rural satellite collections.
4. Continue to develop the Healthy Home: Clean Safe and Save Program to promote non-toxic household cleaning alternatives.
5. Install additional unwanted medicine drop boxes at police stations around the region.
6. Partner with waste haulers to provide adequate recycling and composting opportunities to increase participation rates.
7. Create a culture of waste reduction and hazardous waste reduction by increasing communication between the public and municipal waste management programs.
8. Work with NH DES to amend the food waste composting regulations. This might require pilot food waste composting programs.
9. Encourage schools to increase their recycling programs and develop food waste composting programs.
10. Encourage cooperation between municipalities to share resources and combine marketing efforts.

Antioch New England Institute (ANEI) Policy Recommendations:

1. Local governments should declare waste reduction and recycling as waste management priorities.
2. Make recycling convenient by instituting curbside recycling collection.
3. Provide economic incentives (i.e. pay-as-you-throw) for residents and businesses to recycle.
4. Develop the necessary infrastructure.
5. Undertake wide scale public education efforts.

6. Eliminate economic disincentives. (Towns should not be financially penalized for reducing their waste through recycling. Any new waste disposal contracts should not contain guaranteed annual tonnage or GAT provisions.)
7. Work in partnership with the private sector.
8. Consider job creation impacts of recycling.
9. Explore range of options to pay for the system. (While recycling can save businesses and residences money, it also costs money. In terms of capital requirements for any new facilities, towns will need to evaluate a range of options for raising capital, including bonding, state appropriations, and private sector financing.)
10. Establish new organizational structure for addressing solid waste. (Sullivan County communities can benefit by coordinating their efforts to achieve economies of scale and realize cost-effective options for managing waste.)
11. Consider issue of flow control and associated risks for municipal investments in solid waste. (Any new infrastructure investments could potentially be operating in a market economy wherein private haulers would be free to decide where they are going to take their materials. Any proposal to publicly fund a new recycling facility should take this risk into consideration.)