2020 Tipping Fees and Rebates

The Ramsey/Washington Recycling & Energy Board has made two recent decisions regarding pricing at the Recycling & Energy Center (R&E Center):

- The hauler rebate will be set at $0 beginning in 2020
- The tipping fee will be set at $82 per ton in 2020 and $84 per ton in 2021

This fact sheet provides information on these changes.

Background
Managing trash is a necessary public service. Under Minnesota law, counties are responsible to meet state goals for the handling of trash and recycling. Ramsey and Washington counties have worked together since the 1980s to make sure trash in the East Metro is handled to protect human health and the environment. Today, the two counties work together through a joint board of commissioners, the Ramsey/Washington Recycling & Energy Board (R&E Board). The R&E Board owns and operates the R&E Center and is continually expanding its efforts to minimize waste through programs to reduce, reuse and recycle, and to get value from trash that arrives at the R&E Center.

What is the Recycling & Energy Center (R&E Center)?
All trash produced in homes and businesses in Ramsey and Washington counties is required by law to be delivered to the R&E Center in Newport. This plant processes waste to recover recyclables and to make fuel used to generate electricity at power plants owned and operated by Xcel Energy. When trash arrives at the R&E Center, it is tipped on a floor the size of a football field. Conveyor belts carry the material through a system that pulls recyclable metals from the waste stream and processes the remaining material into a fuel source. The R&E Center managed over 450,000 tons of material in 2018, recovering over 14,000 tons of metal for recycling and producing enough fuel to power 40,000 homes for a year. At the R&E Center, plans are underway to add technology and equipment to recover more recyclables from trash, collect residential organic waste, and work with the private sector to produce biofuels and other products from refuse-derived fuel. For more information, see the web page Investing in the Future (morevaluelesstrash.com/investing-in-the-future).

What is the hauler rebate?
Prior to 2016, when the R&E Center was privately owned, the counties provided a hauler rebate (subsidy) to waste haulers to encourage them to bring waste to the R&E Center instead of to landfills. Now under public ownership, the counties require trash be delivered to the R&E Center by law, and the hauler subsidy is no longer needed. The hauler rebate will be discontinued in 2020.

Why is Ramsey/Washington Recycling & Energy (R&E) discontinuing the hauler rebate?
Hauler rebates subsidize the real cost of responsibly managing trash. This subsidy is costing Ramsey and Washington counties about $4.6 million in 2019. When hauler rebates end, the cost of managing trash will no longer be subsidized, and haulers, residents, and businesses will pay the full cost of trash disposal.
What will be done with funds previously used for hauler rebates?
The funds will be used in both counties to increase waste reduction, reuse and recycling, which will support healthy communities and help meet the state goal of a 75% recycling rate. For example, some of these funds will be used to increase services in both counties through R&E programs such as BizRecycling, which provides free consultation and grants to businesses that want to invest more in recycling (see BizRecycling.com for more information). In addition, each county has targeted waste plan initiatives. Washington County will direct these funds towards household hazardous waste and yard waste services to better serve residents county-wide. Ramsey County will expand work with R&E to increase business recycling and recycling in apartment buildings, and to reduce food waste by strengthening food banks.

What are tipping fees?
Tipping fees are fees paid by waste haulers to deliver (or tip) trash at the R&E Center. The revenue from tipping fees pays the cost of operating the R&E Center. The 2019 tipping fee is $79.00 per ton of trash. Before 2016, when the R&E Center was privately owned, the tipping fee was $86.22 per ton. Waste haulers have received a rebate, or subsidy, to reduce their overall cost for tipping trash. Beginning in 2020, waste haulers will not receive a rebate, and will pay the full cost of the tipping fee.

Why is R&E increasing tipping fees?
The tipping fee pays for the operation of the R&E Center. The tipping fee is increasing 3.8%, from $79 per ton in 2019 to $82 per ton in 2020, to cover increased R&E Center operating expenses such as labor and transportation of materials. Beginning in 2020, waste haulers will not receive a hauler rebate (subsidy) as they had in the past. This change will appear as an additional increase to the annual change in the tipping fee, and haulers may pass this cost on to customers.

What impact will these changes have on a trash bill?
The disposal cost (the fee haulers pay to deliver trash to the R&E Center) is approximately 1/3 of the total cost of garbage service (other costs include insurance, labor, fuel, trucks, etc.). The elimination of the hauler rebate and the annual tipping fee increase could result in a garbage bill increase of about $1.00-$1.25 per month per household in 2020.*

In cities and townships with organized, or contracted, trash collection, this change will be addressed in the municipalities’ contracts with haulers. In cities and townships where residents select their own haulers, haulers may or may not pass these price changes on to customers.

For more information, visit the R&E website at http://morevaluelesstrash.com/tipfees-rebates.

* Generally, a household produces about one ton (2,000 pounds) of trash each year. At a 2019 tipping fee of $79 per ton, with a rebate resulting in a net tipping fee of $69, the monthly disposal cost is estimated at $5.75 for an average household. With the 2020 tipping fee set at $82 per ton with no rebate, the monthly disposal cost would be $6.83, an increase of $1.08 per month for the average household.