

Municipal Solid Waste Unit-based Pricing (UBP)¹ Case Study

Canaan, Vermont²

Population: 972

Prepared by: The Northeast Waste Management Officials' Association (NEWMOA)³

The Town of Canaan is a rural community located in the northeast corner of Vermont, bordered by both New Hampshire and Quebec, Canada. In 2008, the Town switched from a tax-payer supported curbside pick-up system to a transfer station-based “Pay-as-you-throw” (PAYT) system – a major change. Before 2008, the Town funded waste disposal and recycling for both businesses and households. For years the cost of trash and recycling management kept increasing, but was hidden because it was funded by income from property taxes. In 2006, the Town formed a Solid Waste Review Committee to study waste management issues and make recommendations. The Committee involved a range of stakeholders, including town officials, the curbside hauler for trash and the curbside hauler for recycling, local businesses, homeowners and the school principal. One of their first actions was to break out waste management as a separate tax rate so residents could see the portion of their tax bill that paid for it. They also visited nine towns with transfer stations in Vermont and New Hampshire to assess their waste management services and costs. The Committee found that towns with a PAYT system had the lowest overall costs.

The Committee made a presentation to Town Meeting in 2007 on their findings and recommendations, and funds to construct a transfer station and the plan to adopt a PAYT system were approved. The transfer station includes a compactor and closed-top container for trash, open top containers for C&D/bulky waste and metal, a trailer for e-waste and tires, and a building for collecting recyclables. The recycling building has containers for aluminum and tin cans, glass, plastics, newspaper, low grade paper, cardboard, used motor oil, cooking oil, and light bulbs. Many residents had reservations about the new system when it was approved. Before the transfer station opened in the summer of 2008, the Town held an open house so residents could see how things should work. When touring the recycling collection center with all the different bins, some residents found out about additional materials they can recycle to lower their costs.

All households use the transfer station and recycling drop-off is free. Local businesses can bring their recyclables to the transfer station, but must contract on their own with a town-approved hauler for their non-recyclable wastes. Initially, the Town planned to set the PAYT fees to cover all of the costs, but after the first few years the Town could see that this could become unaffordable to some residents. The Town decided that bag fees should be set to cover at least half the costs (when combined with other waste management income, such as C&D/bulky waste drop-off fees and direct metal sales) with the property tax covering the rest. Fees are evaluated each year and the current fee is \$1.70 per 30 gallon bag. Residents must use specific bags with the Canaan logo that can be purchased in sleeves of 10 at the town offices, Towles Mini Mart, and Laperles IGA, the local grocery store. Towles and Laperles buy the bags from the town and then sell them at cost as a community service. Residents are required to pay a separate fee when

¹ Also known as: Save Money and Reduce Trash (SMART), variable rate pricing, and pay-as-you-throw (PAYT).

² This case study is based on correspondence with Noreen Labrecque, Canaan Town Clerk and Gregory Noyes, Canaan Selectman.

³ NEWMOA is a non-profit, non-partisan interstate association whose membership is composed of the state environmental agency directors of the hazardous waste, solid waste, waste site cleanup, and pollution prevention programs in Connecticut, Maine, Massachusetts, New Hampshire, New Jersey, New York, Rhode Island, and Vermont. Visit www.newmoa.org.

they drop off C&D or bulky wastes. The transfer station is open Wednesday and Saturday mornings and Friday afternoons. The transfer station operator is available to answer questions and help residents increase recycling, an important improvement over the old system.

“We went to a PAYT because it includes everyone and everyone has an interest in increasing recycling and reducing waste management costs. This is the only system that rewards individuals for their efforts to reduce their costs by recycling and composting.”⁴

Results:

- Town-wide (household and business) trash disposal was cut in half from an average of 535 tons/year to an average of 258 tons/year (tonnages do not include C&D/bulky wastes).
- Under the old system the hauler was transporting approximately 9.5 tons of trash from households and businesses to the landfill every week. Now approximately 12.5 tons of household trash is hauled just once a month.
- Average waste management costs in the Town budget decreased from approximately \$114,000/year to approximately \$57,000/year under the transfer station/PAYT system, half of which is offset by bag sales and other income. Current costs also include two expenses that were not in the old system:
 - Adding a paid attendant to monitor the stump dump (in another location) for the one day a week when it is open, and
 - A \$2,000/year contribution into a capitol reserve fund to purchase a new equipment when necessary.
- Recycling is now protected from the weather so the Town realizes all the revenue it can. Under the curbside system, when it rained or snowed, recyclables lost their value and became a waste that the Town had to pay to dispose of.
- A family that used to put out three 36 gallon bags of trash a week under the old curbside system found they could easily recycle much of what they buy and now only bring 1 bag of trash a week to the transfer station.
- Now that businesses are paying directly for their waste disposal costs, most have increased recycling and are careful to prevent illegal use of their dumpsters.
- The Town has gained control over their waste management costs, and all residents have the incentive to reduce disposal and increase recycling.
- The Town has not seen an increase in illegal dumping.
- Town officials believe their PAYT system works well and recommend that all towns form a Solid Waste Review Committee to gain an understanding of their costs and options.

“When you compare our last budget with the old system and our current budget it is clear as night and day PAYT is the way to go. Every town can adopt a PAYT System that fits their town. We had to make adjustments along the way. We would never go back to the old system.”⁵

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⁴ Gregory Noyes, Canaan Selectman.

⁵ Ibid.