



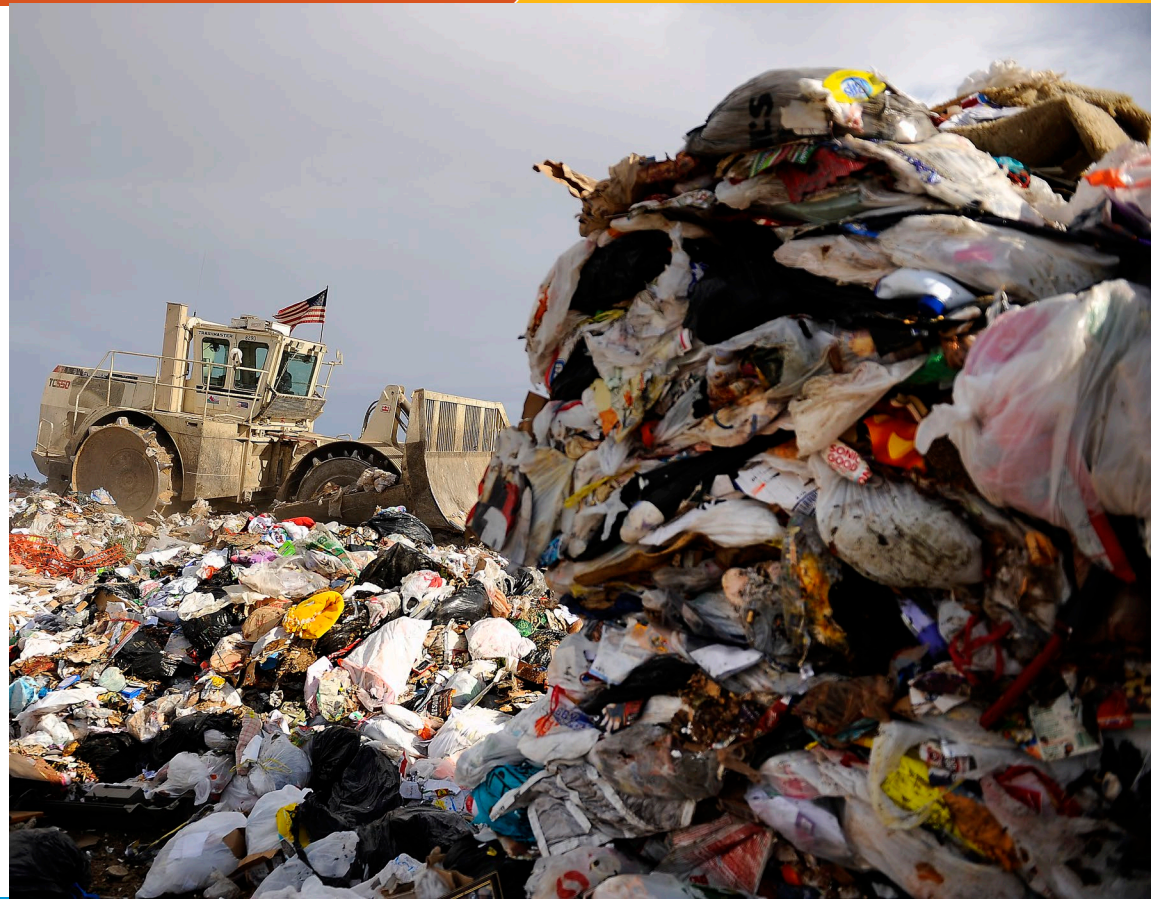
# Volume-Based Trash Pricing

*A joint effort by CASR, DOTI & DHS*

LUTI – April 26, 2022

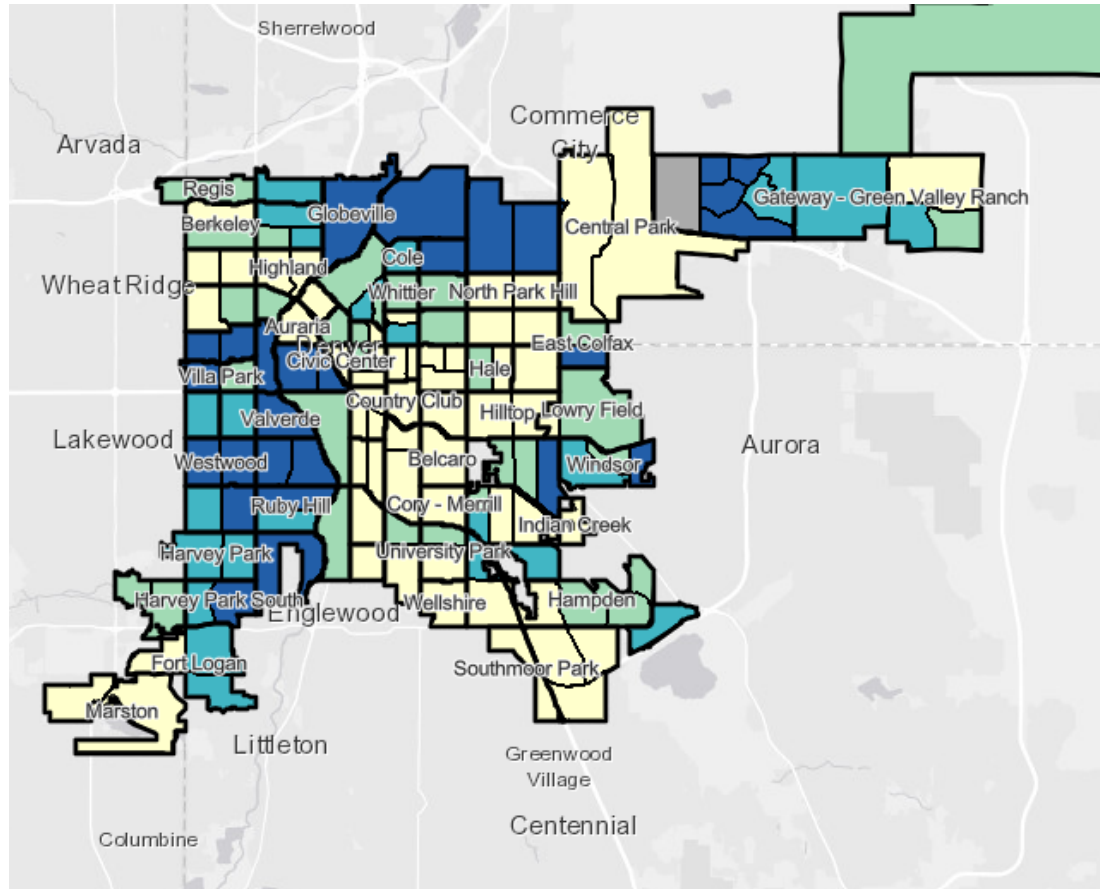
“After 20 years of consideration, Denver is ready for waste systems which reflect the constraints of our planet and help guide residents in reducing their waste stream.”

– **Sustainability  
Advisory Council**

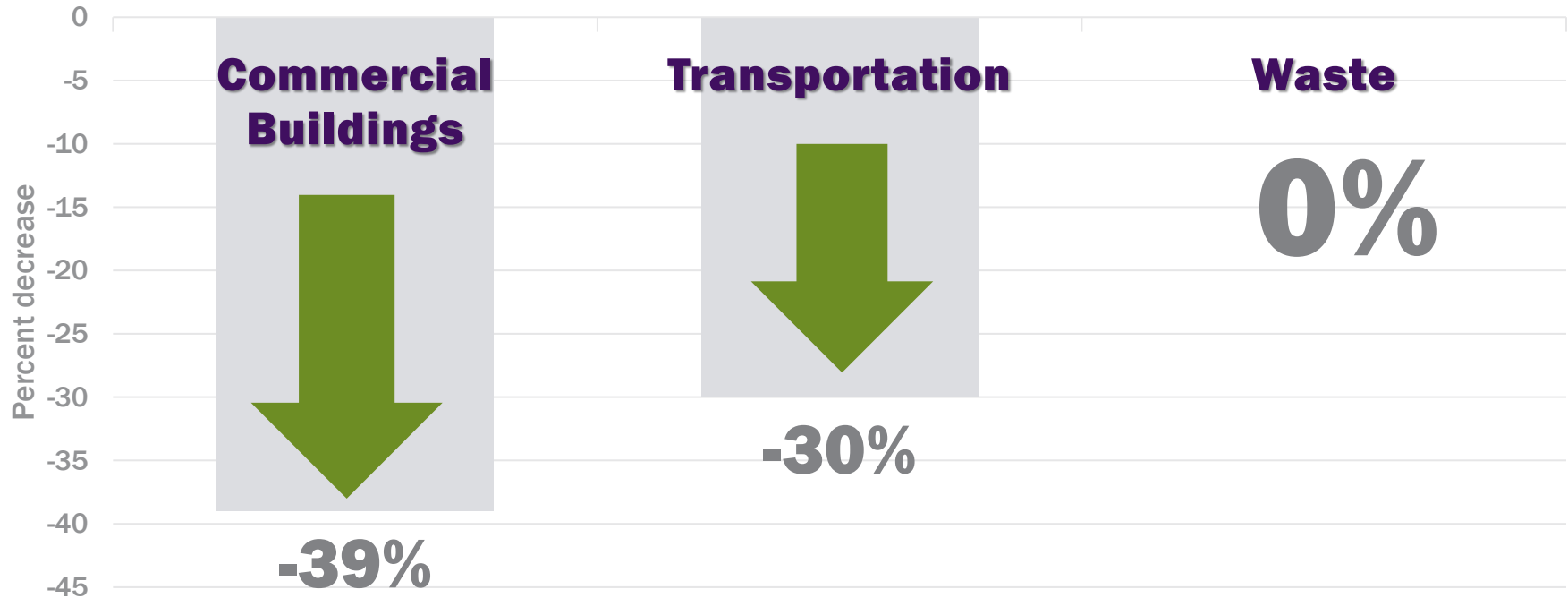


# Equity and Climate Change

- Increased vulnerability to extreme heat and weather.
- Lower access to health care.
- Lower access to healthy food and parks.
- Higher poverty.



# Change in Emissions Since 2005

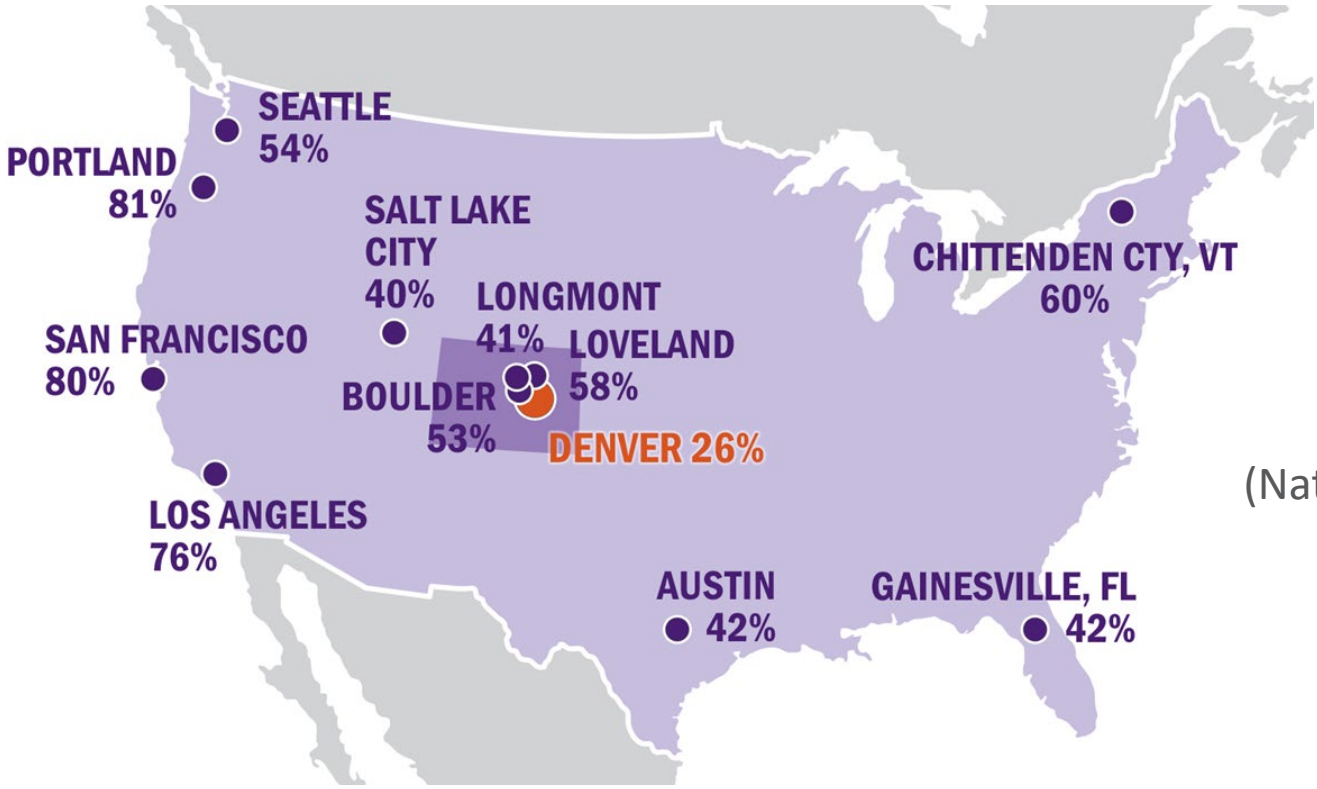


# Long History of Discussions



- 3-bin recycling pilot begins.
- 2-bin system offered to all customers.
- Recycling subscription service starts, 40% participation.
- Single stream recycling begins.
- Compost pilot begins 2008.
- Compost service launches 2010.
- 2010 Solid Waste Master Plan published.
- Mayor prioritizes fee for waste service.
- Sustainable Food Policy Council recommends fee.
- DOTI feasibility study begins.
- Climate Action Task Force recommends fee.
- DOTI feasibility study completed.
- Technology build out for fee management.
- Sustainability Advisory Council recommends fee.
- Listening sessions with Council members.

# Denver's waste diversion rates are well behind equivalent cities



(National Average = 34%)

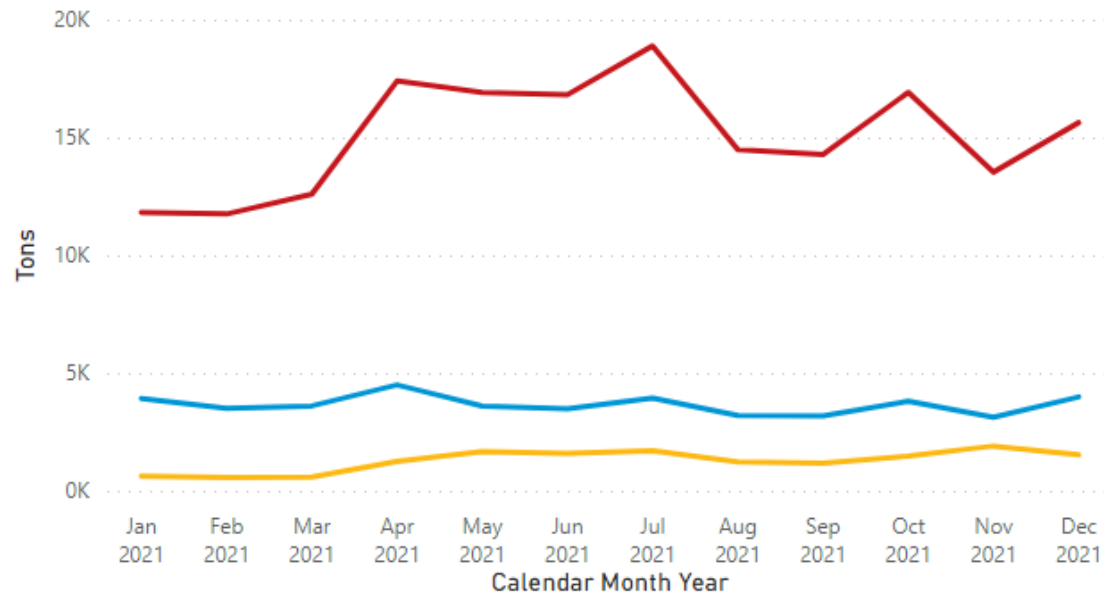


# Our Waste Fees Don't Match our Values

Landfill Tons, Recycling Tons, Compost Tons

BY CALENDAR MONTH YEAR

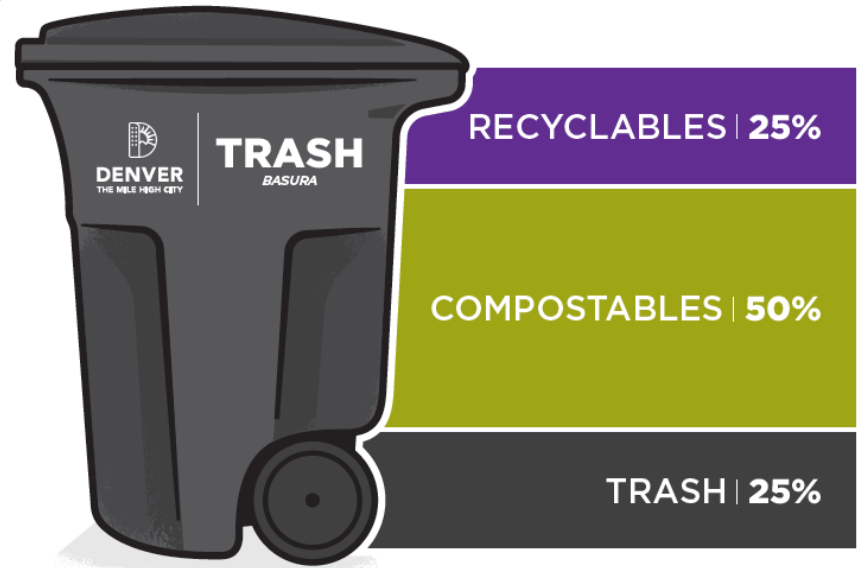
● Landfill Tons ● Recycling Tons ● Compost Tons



*“Climate action is a necessary part of building a better Denver”*  
– Denver Climate Action Task Force

# Why Volume-Based Pricing?

1. **74% of Denver's waste currently goes to the landfill:**
  - 26% diversion rate (recycling + compost).
  - 50% of trash is compostable.
  - Adding service to ~150k new homes
2. Need to increase level of service, while general **cost of service is rising.**





COMPOSTABLES & RECYCLABLES

75%

TRASH  
25%



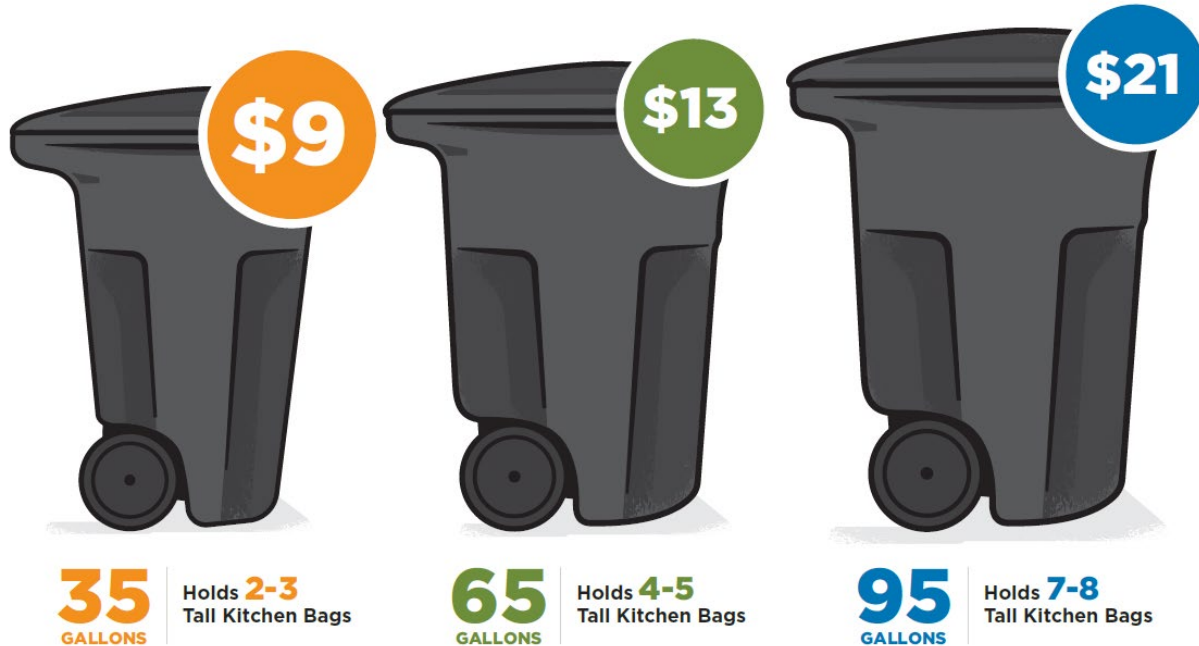
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# Draft Ordinance Highlights

1. Chapter 48 amended to remove compost service fee and replace with “Volume-based pricing service fee for collections” (Sec. 48-42.5).
2. Establishes fee for Solid Waste Management services and limits uses of resulting revenue to program costs only (Sec. 48-42.5).
3. Adds language requiring DOTI to create an affordability program (instant rebate) through rules & regulations (Sec. 48-45).
4. Adds language regarding compliance (Sec. 48-47).
  - Contamination fines
  - Liens for non-payment

# Trash Cart Sizes & Proposed Monthly Rates



*Recycle and compost carts included at no additional cost.*

# Services Included:

- **Weekly recycling!**
  - **Weekly composting for all customers!**
  - Equipment Operators
  - Inspectors
  - Trucks
  - Carts
  - Education and Outreach
  - Billing System
  - Disposal fees
  - Cherry Creek Drop-off
  - Extra Trash/Large Item Pick-up
- Annual Programs
    - Leaf Drop
    - Treecycle
    - Mulch Give-away
    - Subsidized HHW pick up
    - Subsidized e-waste drop-off
    - Recycle Your Holiday Lights
    - Appliance recycling
    - Paint recycling
    - Great Denver Cleanup

# Affordability Program – Instant Rebate

- Partnership with DHS.
- Eligibility = **income + number of people in the house** (Area Median Income):
  - 30% AMI = 100% instant rebate.
  - 50% AMI = 75% instant rebate.
  - 60% AMI = 50% instant rebate.
- Renters are also eligible.
- Applications available prior to roll-out.

# Denver Metro Trash Service Rates

	Monthly Cost for Weekly Trash, Recycling, and Compost		
	Small Trash Cart	Medium Trash Cart	Large Trash Cart
Hauler 1	\$21.15	\$27.55	\$33.95
Hauler 2	\$22.40	\$28.80	\$35.20
Hauler 3	\$23.85	\$31.20	\$38.55
Hauler 4	\$34.70	\$44.45	\$54.20

*No other cities or haulers offer a rebate program for low-income households.*



# Compliance Methods

1. Education will remain first priority.
2. Contamination fines:
  - Only after multiple warnings.
  - Fines aligned with administrative citation schedule.
3. Standardization across all utilities:
  - Using current Storm Drainage and Sanitary Sewer lien requirements (\$200 and 90 days past due).

# Where are we now?

# Pre-ordinance Outreach with CASR

- +50 community presentations
- +1,000 attendees
- Feedback:
  - Property tax questions
  - Affordability program necessary
  - Education and outreach plan



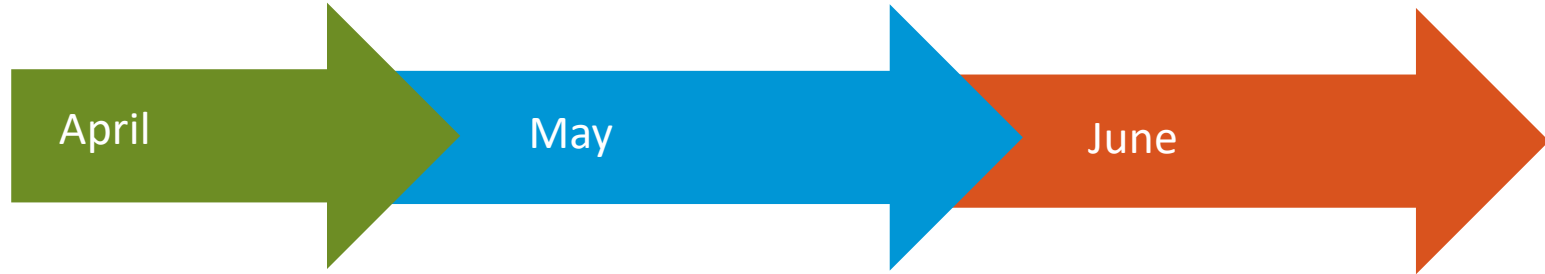
# Education and Outreach Plan

1. Print/direct mailers (multi-lingual)
  - Customer service newsletters
  - Affordability postcards
2. Community-based organization (CBO) contracted outreach
  - New fee, expanded services, rebate sign-ups, compost education.
3. Paid advertising
4. Events (i.e., library truck visits)

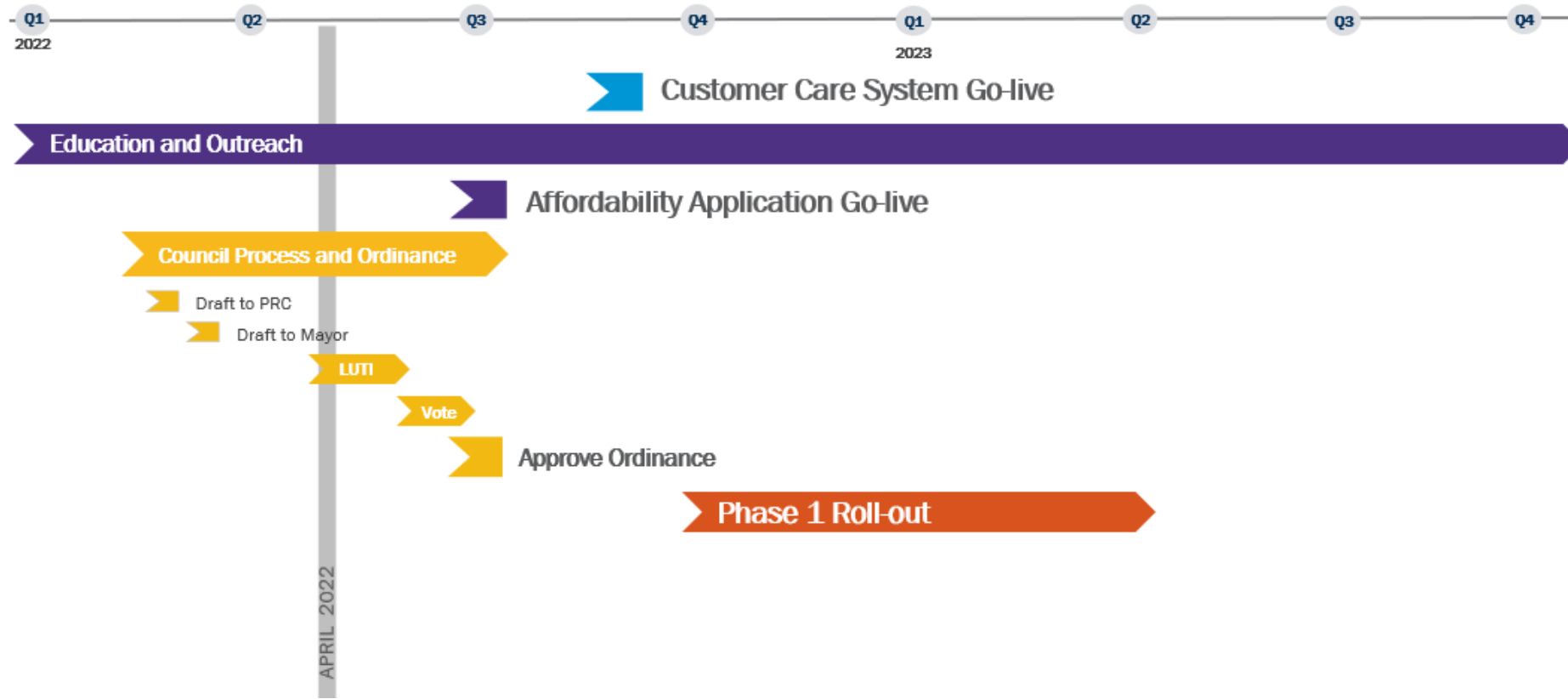


# Community-based Organizations

## Pre-ordinance timeline:



- Identify master list of CBOs / reach out to Council for recommendations.
- Host focus group with 3-5 key CBOs/individuals (Discuss payment and potential scope).
- Contact all CBOs to gauge level of participation and areas of focus based on scope developed with focus groups.
- Confirm final scopes and contracts.
- Kick-off / initial training sessions.





# Operational Readiness

# Hiring

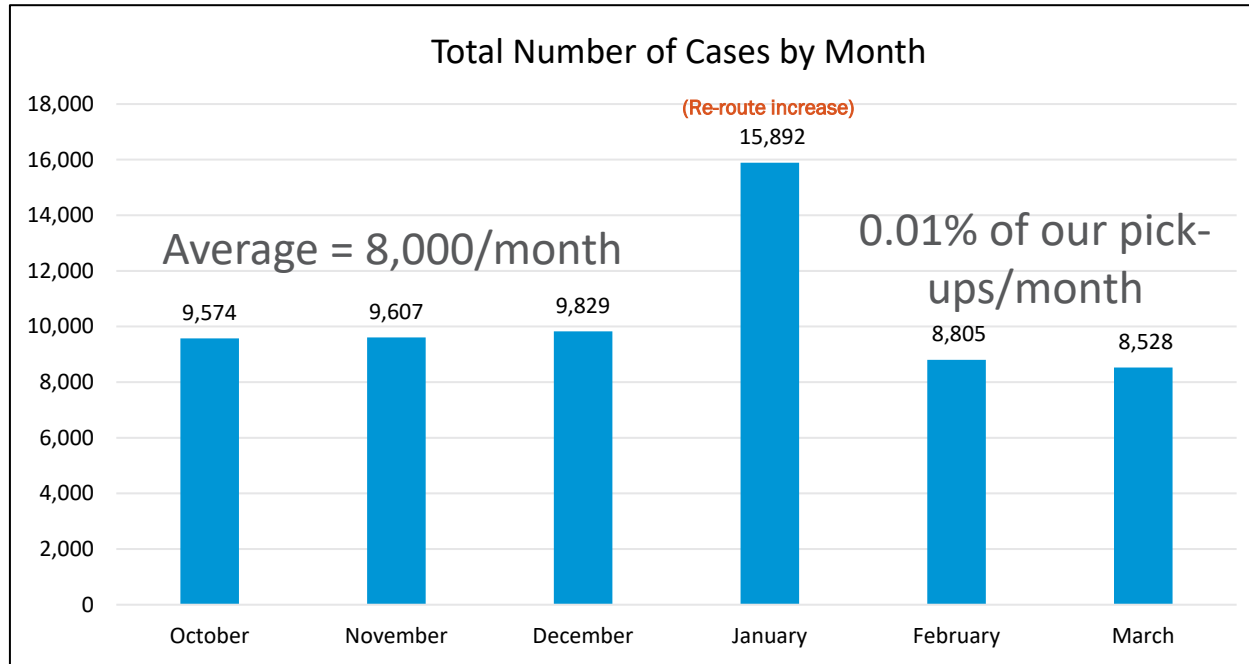
- 9% hiring increase in Q1 2022 (highest in DOTI).
- Improvements:
  1. Targeted outreach and job fair events
  2. The ability to hire on the spot at events
  3. An increased hiring bonus for drivers

**2021  
Vacancy Rate =  
35%**



**April 2022  
Vacancy Rate =  
26%**

# SWM is Reducing Cases



SWM has 788k trash, 394k recycle, and 130k compost pick-ups per month = **1,312,000 total.**

Cases include; questions, service requests, compliments, and complaints.

Questions?

# APPENDIX

# Illegal dumping

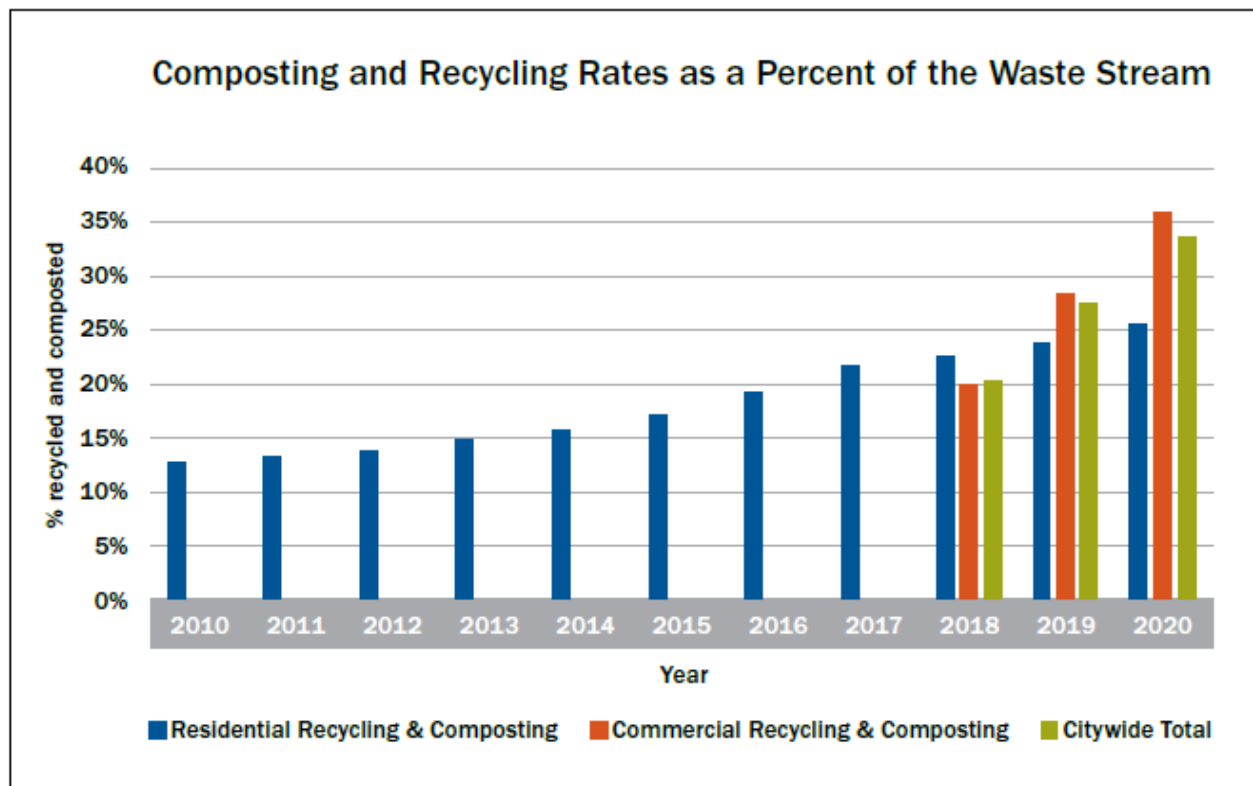
- **Concern that residents will use neighbors' carts for trash.**
- Inspectors for all three areas (3 districts/area) – weekly area inspections.
- District Supervisors conduct weekly district inspections.
- Dedicated Friday cleanup crew.





# Commercial Waste

**2020 Diversion = 37%** (compared to 26% residential)



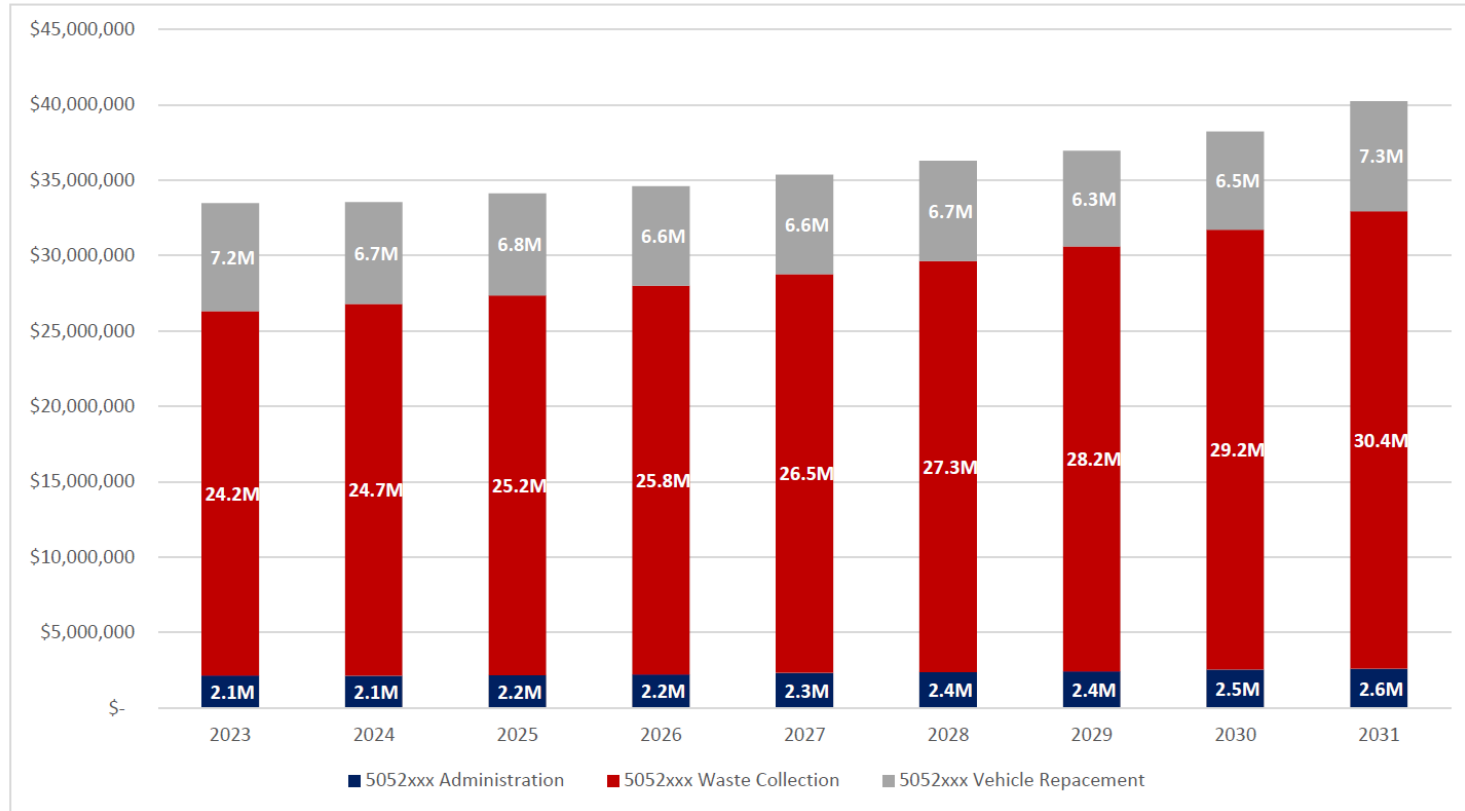
# Cost of Service Study

- No more than every year, no less than every five years.
- Cost of service study ensures that fee stays in line with actual cost to provide service.
- Annual expenditure increases due to: increased tonnage, increased disposal costs, expected staff cost increases, increased cost of materials

Out-Year Financials and Cost of Service Table 2: Projected Expenditures

	2023	2024	2025	2026	2027	2028	2029	2030
Administration	\$ 2,148,524	\$ 2,145,930	\$ 2,162,243	\$ 2,214,137	\$ 2,328,519	\$ 2,376,086	\$ 2,419,427	\$ 2,545,326
Waste Collection	\$ 24,180,327	\$ 24,656,841	\$ 25,203,386	\$ 25,808,267	\$ 26,450,490	\$ 27,266,293	\$ 28,201,151	\$ 29,177,593
Vehicles	\$ 7,154,752	\$ 6,741,512	\$ 6,764,892	\$ 6,570,492	\$ 6,594,642	\$ 6,653,862	\$ 6,327,802	\$ 6,509,232
<b>Total</b>	<b>\$ 33,483,604</b>	<b>\$ 33,544,283</b>	<b>\$ 34,130,521</b>	<b>\$ 34,592,896</b>	<b>\$ 35,373,651</b>	<b>\$ 36,296,242</b>	<b>\$ 36,948,380</b>	<b>\$ 38,232,151</b>

## Out-Year Financials and Cost of Service Chart 1: Projected Expenditures



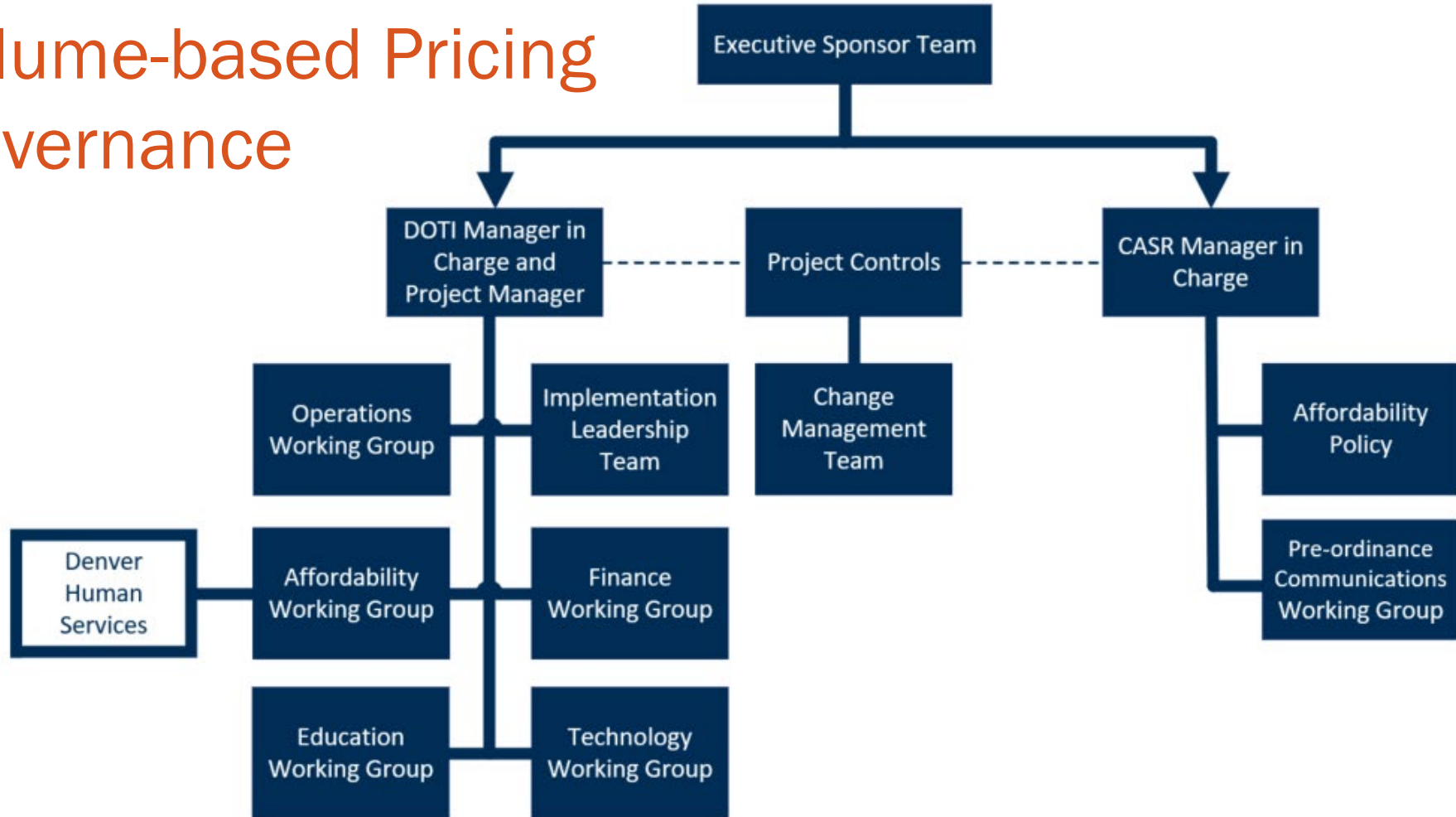
# Implementation Costs – Q4 2022

Expense Increases		Total Cost
Equipment Operator II	\$	850,834.40
Inspector	\$	62,067.20
ASA IV	\$	29,276.00
Compost Cart	\$	8,448,000.00
Education Campaign	\$	950,000.00
Billing System	\$	3,200,000.00
Tonnage Increase	\$	424,590.50
	\$	<b>13,964,768.10</b>

# Implementation Costs: Sources and Uses

Sources		
Q4 Revenue	\$	8,847,408.00
FRWD Grant	\$	2,300,000.00
Excess GF	\$	8,311,391.56
<b>Total Sources</b>	<b>\$</b>	<b>19,458,799.56</b>
Uses		
Implementation Costs	\$	13,964,768.10
Affordability Program	\$	1,600,000.00
<b>Total Uses</b>	<b>\$</b>	<b>15,564,768.10</b>
Fund Balance		
<b>Credit/(Debit)</b>	<b>\$</b>	<b>3,894,031.46</b>

# Volume-based Pricing Governance



# Benefits of Weekly Recycling

- High demand from customers and City Council.
- Reduces recycling overflow into trash and Large Item Pick-up.



# Street Sweeping & SWM Collection

- **Option 1:** Set your containers on the apron (edge) of your driveway.
- **Option 2:** Set your containers off the street on the edge of the curb-line.
- **Option 3:** Set your containers on the opposite side of your street.





# Supporting Organizations

- Goal to reduce emissions 80% by 2050 (80x50 Climate Action Plan)
  - Comp Plan
  - Blueprint Denver
  - Game Plan
  - Mobility Action Plan
- 2020 Climate Action Task Force
- Sustainable Food Policy Council
- Sustainability Advisory Council

# Reroute Benefits

- Four-day collection week
- One supervisor per district (9 total) – more accountability and familiarity.
- Fewer miles driven; less trucks needed.

