

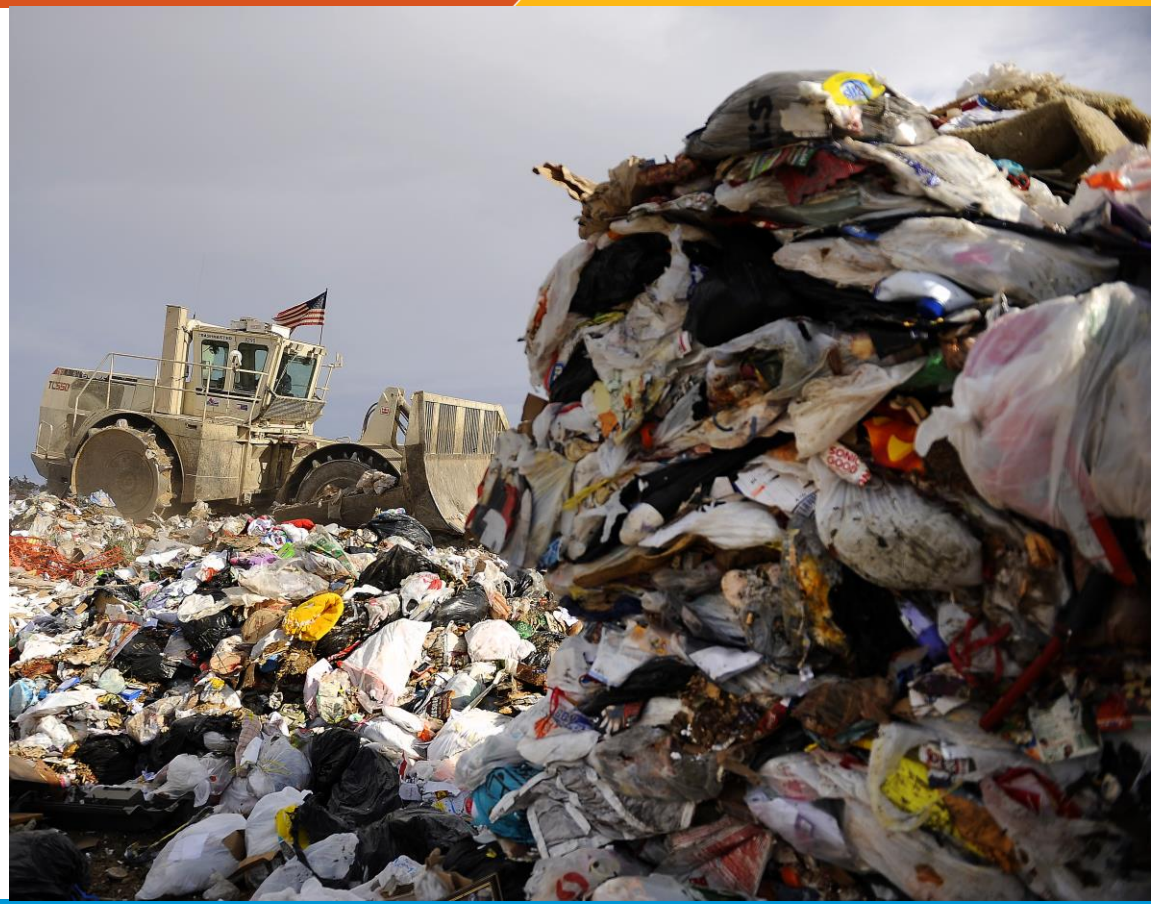


# Volume-Based Trash Pricing

*A joint effort by DOTI, CASR & DHS*

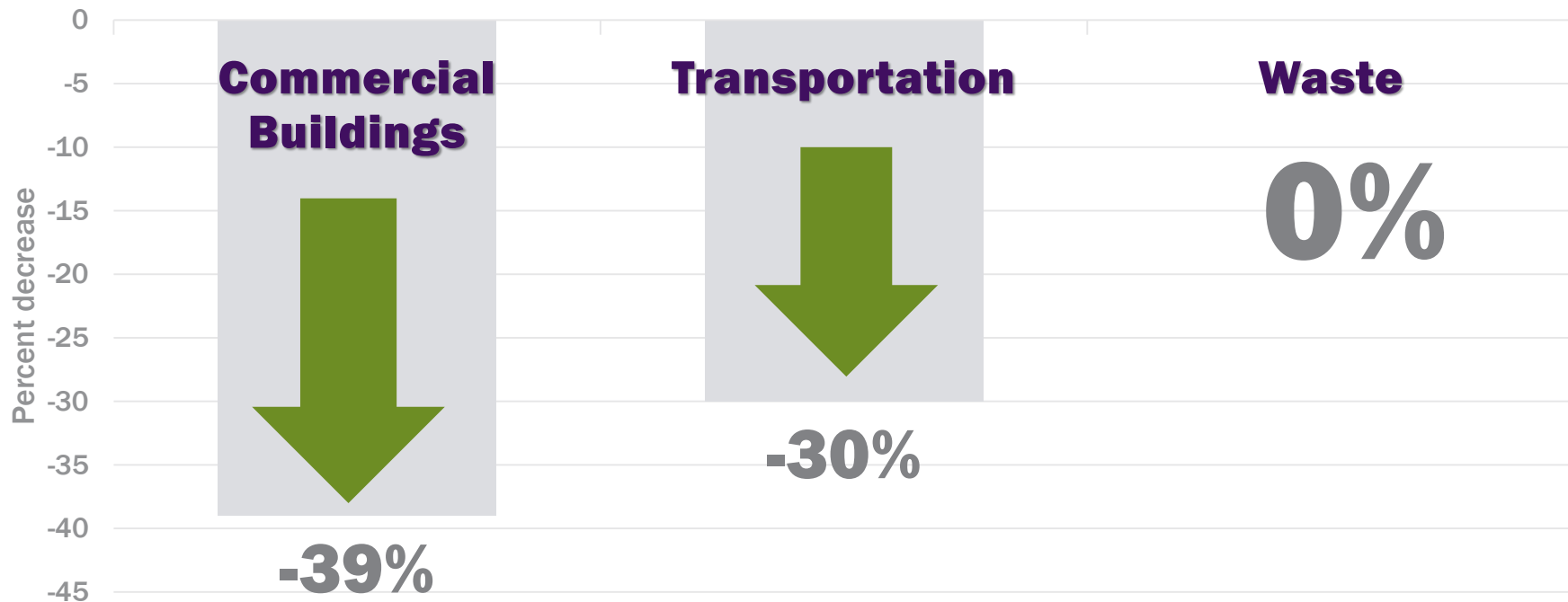
June 27, 2022

"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

# Change in Emissions Since 2005



Residential waste diversion rates are well behind equivalent cities who utilize a volume-based pricing approach\*

(National Average = 34%)

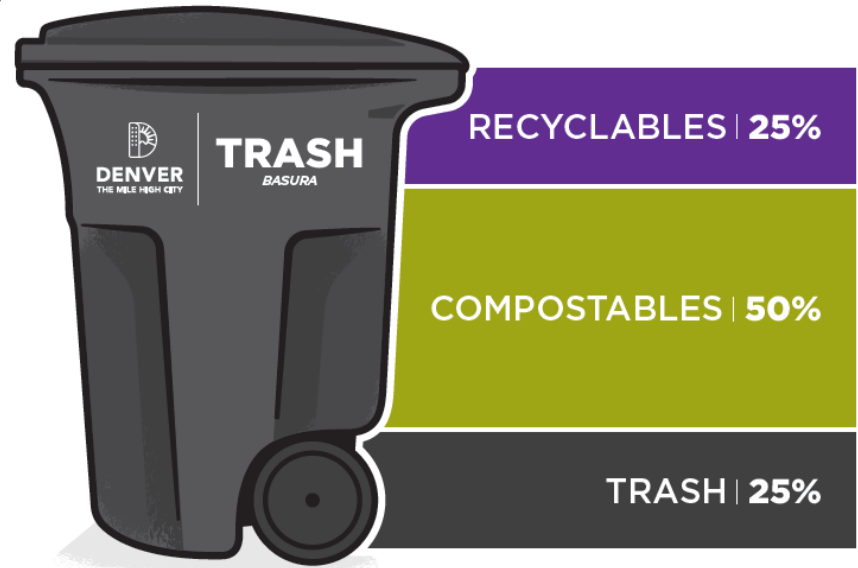
\*this table compares, apples to apples, residential diversion rates only

City	Diversion Rate
Loveland, CO	58%
Seattle, WA	54%
Boulder, CO	53%
Chittenden County, VT	44%
Longmont, CO	41%
Gainesville, FL	41%
Salt Lake City, UT	40%
Denver	26%

# Why Volume-Based Pricing?

**74% of Denver's waste currently goes to the landfill:**

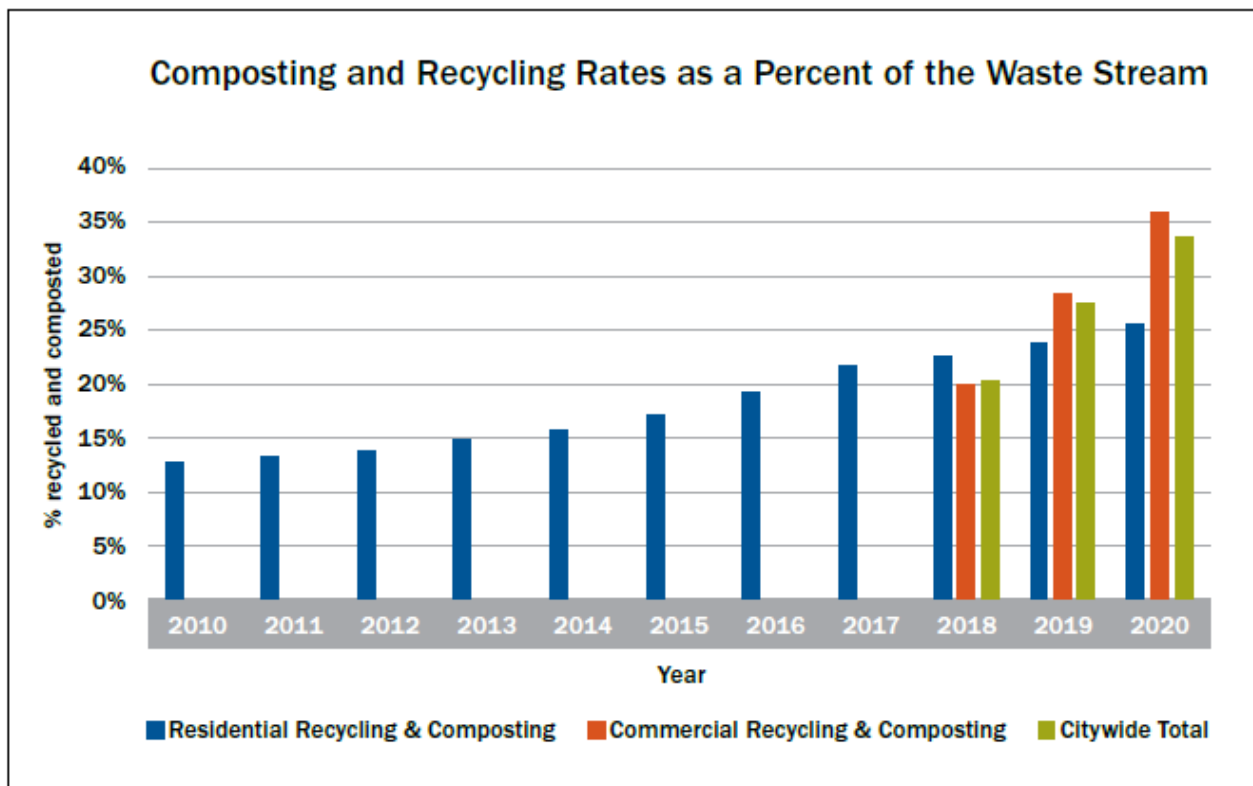
- 26% diversion rate (recycling + compost).
- 50% of trash is compostable.
- Adding service to ~150k new homes



# Commercial Waste

**2020 Diversion  
= 37%**

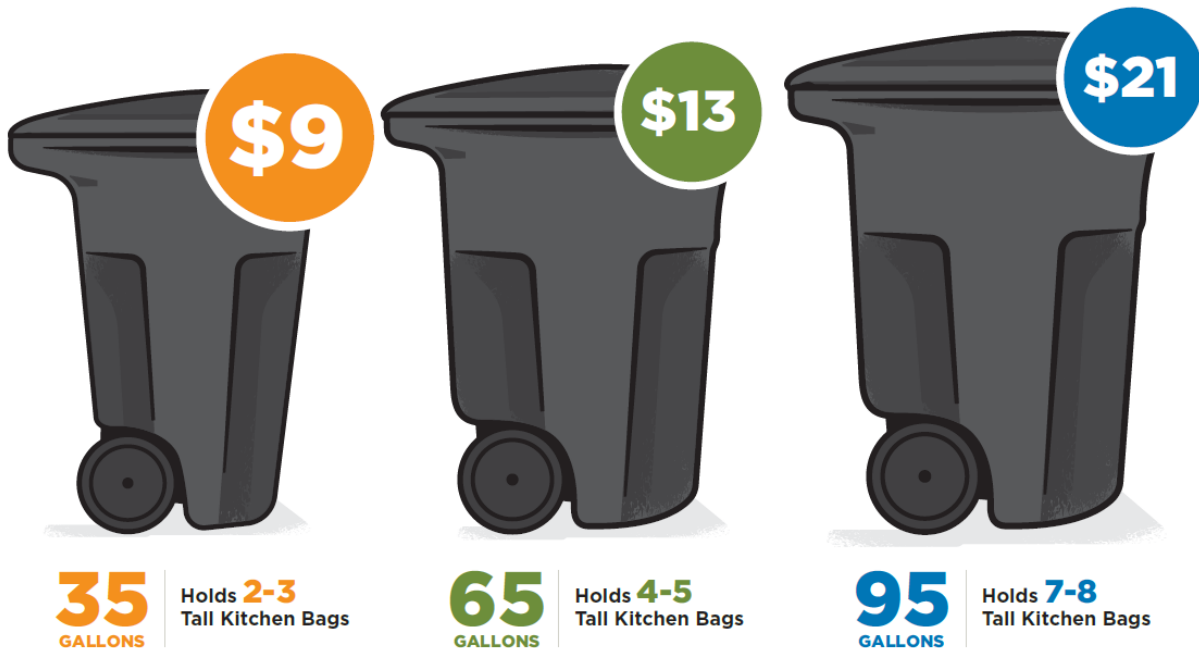
(compared to  
26% residential,  
not including C+D  
recycling)



# 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).

# 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

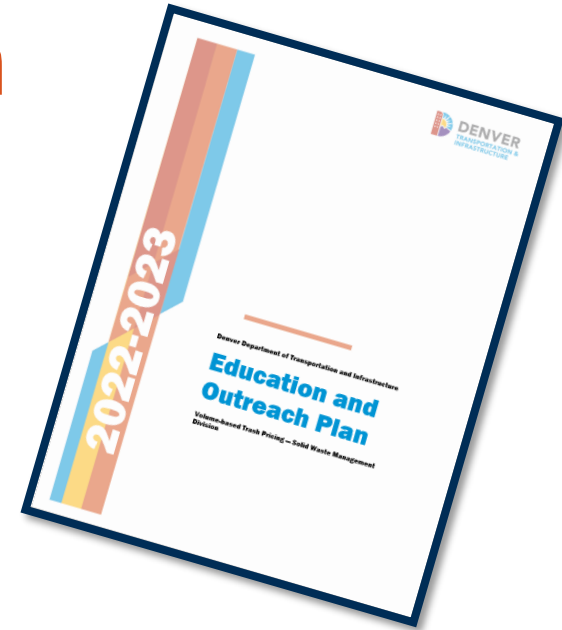
# Affordability Program – Instant Rebate

- 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.
- Applications available prior to roll-out.
- Auto-enrollment across local DHS programs

# Education and Outreach

# Education and Outreach Plan

- NEW Program Manager for Solid Waste Management
  - Managing \$3.8M annual education budget
- Multiple, multi-lingual education pieces on how to recycle/compost (video, digital, print, and cart signage)
- Community-based organizations partnerships (paid)
- Direct multilingual customer education on billing, services and rebate program, including print and digital communications
- Increased information to new compost customers on how to compost / reduce contamination
- Community event participation
- Rebate program promotion and sign-up assistance



# APPENDIX

# Current Solid Waste Services

- Weekly collection = ~400k carts today
- Education on service schedules, how to recycle/compost, cart management, special programs (e-waste and hazardous waste recycling), and more.
- Compost billing system and customer service
- Assist customers with set-out concerns

# Cart Management/Assistance

- DOTI already helps residents calling 311 problem solve cart rollout for seniors, disabled.
- Supervisors assist with cart set-out location changes.
- SWM recommends sharing compost and recycle carts when possible.
- Weekly recycling will reduce need for 2<sup>nd</sup> recycle cart.
- Residents are not required to set out all 3 carts weekly.



# 2023 Cost of Service Volume Based Pricing

Current Cost of Waste Collection Services	
Administration, Trash, and Recycle Costs	\$23,097,585*
Compost Collection Costs	\$1,887,789
Minimum Annual Fleet Replacement	\$2,500,000
<b>Total Current Cost for Waste Collection</b>	<b>\$27,485,374</b>
Additional 2023 Costs for Volume Based Pricing Operations**	
Additional Staff, Tonnage Processing, and Education Costs	\$5,998,230
<b>Total</b>	<b>\$5,998,230</b>
Total 2023 Volume Based Pricing Cost	
<b>Total</b>	<b>\$33,483,604</b>

\*Includes the costs of Administration, Trash Collection, Large Item Pickup, and Recycling

\*\*Note: The 2023 costs do not include 2022 implementation costs

# Anticipated 2023 General Fund Return

Total Solid Waste General Fund Appropriation*	
Total 2022 Solid Waste Appropriation	\$25,027,696**
Ongoing General Fund Obligations	
Keep Denver Beautiful	\$648,048
Graffiti Program	\$99,547
Affordability Program (Estimated)	TBD
Denver Public Schools	\$2,406,769
Year One Volume Based Pricing Implementation***	\$10,000,000
Total	TBD
Anticipated General Fund Return	
Total	TBD

\*Note: The General Fund Appropriation includes KDB, DPS, and Graffiti

\*\*Per the 2022 Budget Book, Page 854

\*\*\* Cost of January 2023 implementation delay

# 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.*

# 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.

COMPOSTABLES & RECYCLABLES  
**75%**

TRASH  
**25%**



# Pre-ordinance Outreach with CASR

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



# 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.

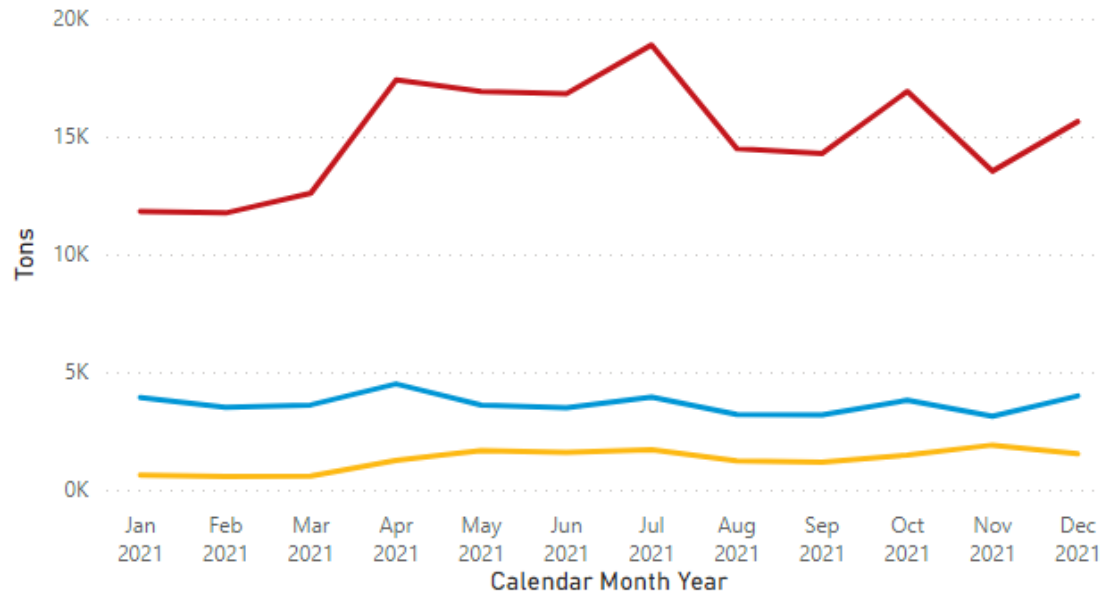


# Our Waste Fees Don't Match our Values

Landfill Tons, Recycling Tons, Compost Tons

BY CALENDAR MONTH YEAR

● Landfill Tons ● Recycling Tons ● Compost Tons



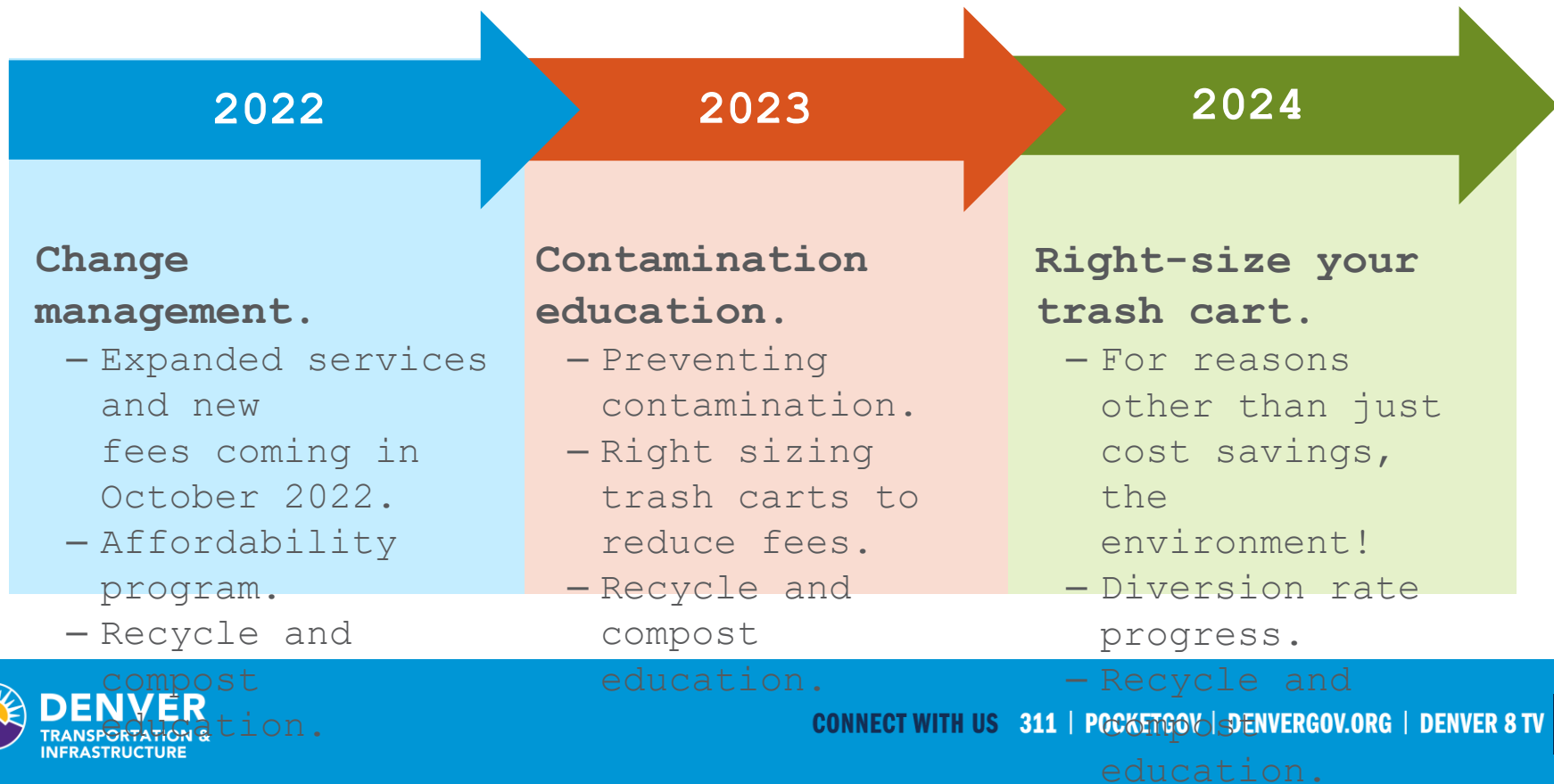
*“Climate action is a necessary part of building a better Denver”*  
– Denver Climate Action Task Force

# Benefits of Weekly Recycling

- High demand from customers and City Council.
- Reduces recycling overflow into trash and Large Item Pick-up.
- Increased recycling saves resources:
  - Cost of raw material extraction.
  - Cost of raw material transportation.
  - Cost of raw material production.
- **Environmental benefits of increased recycling outweigh the environmental impact of more trucks on the road.**



# Solid Waste Education Objectives



# Multi-lingual Resources

- Bilingual staff in Solid Waste and education teams (Spanish)
- All print/mail, social, videos created in English/Spanish
- Professional translation and interpretation services available to meet neighborhood-



2022 | Department of Transportation and Infrastructure

## WASTEWISENEWS DENVER

**A Greener, Cleaner Denver!**  
**¡Un Denver más verde y más limpio!**

### Denver is expanding its Solid Waste services to WEEKLY recycling and compost collection for every customer!

City Council voted in June to approve a fee covering expanded services for all 180,000 households we serve, moving Denver closer to our climate action goals. Residents have been clear – they want weekly recycling and they want the city to act on climate change.

#### Why are we doing this?

- 74% of Denver's waste is sent to the landfill, more than the national average.
- Recycling carts are overflowing – weekly collection keeps bottles, cans and cardboard in the carts and out of the streets.
- Adding food and yard waste collection to every household would divert 50% or more of our waste away from the landfill, creating valuable compost. Landfills generate methane, a dangerous greenhouse gas that causes climate change.

### ¡Denver está ampliando sus servicios de Residuos Sólidos a reciclaje SEMANAL y recolección de compost para cada cliente!

El Consejo Municipal votó en junio para aprobar una tarifa que cubra los servicios ampliados para los 180,000 hogares a los que servimos, acercando a Denver a nuestras metas de acción climática. Los residentes han sido claros: quieren reciclaje semanal y quieren que la ciudad actúe sobre el cambio climático.

#### ¿Por qué estamos haciendo esto?

- El 74% de los desechos de Denver se envía al vertedero, más que el promedio nacional.
- Los carros de reciclaje están desbordados: la recolección semanal mantiene botellas, latas y cartón en los carros y fuera de las calles.
- Agregar la recolección de alimentos y desechos de jardín a cada hogar desviaría el 50% o más de nuestros desechos del vertedero, creando un valioso abono. Los vertederos generan metano, un peligroso gas de efecto invernadero que provoca el cambio climático.

# Solid Waste Education Staff

- **DOTI Program Manager (NEW)**
  - Oversees Solid Waste Education and Outreach Plan and budget.
    - Main goal: increase diversion, decrease landfill waste, drive behavior change.
    - \$3.8M annual education budget.
  - Coordinates educational materials for community organizations, Customer Service, Public Information Office, 311, and Denver Human Services.
  - Main point of contact for all Solid Waste education requests.
- **DOTI Public Information Office and Office of Community and Business Engagement / Citywide marketing**
  - Support graphic design, social media, paid advertising, marketing materials, media communications, and public outreach
- **Solid Waste Customer Service, Superintendents, Supervisors, and Inspectors**
  - Customer service and direct education with residents (invoicing, recycle/compost education, cart management)
- **311**
  - Handle 60% of Solid Waste calls directly
  - Scripts related to customer service (new bills, cart selection, etc.)
  - Scripts related to customer education (how to recycle and compost)

# Fees vs. Fines

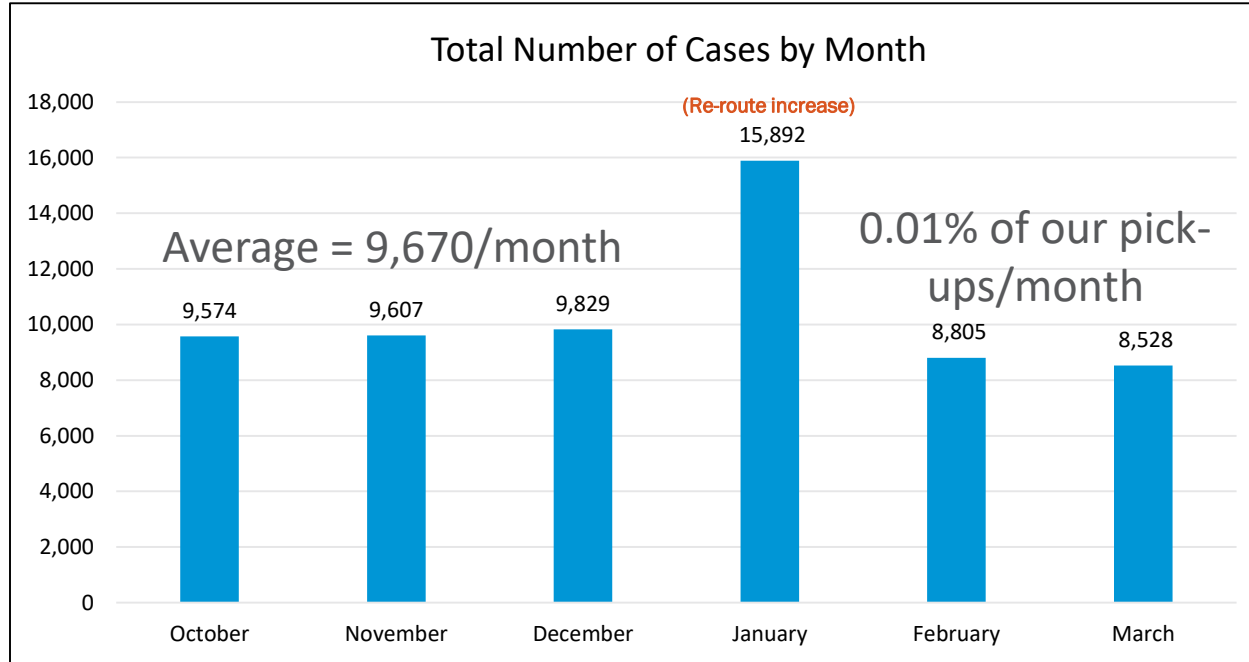
**Fines for contamination or illegal dumping are last resort, but when issued, not associated with property or lien process**

Fees for Service	Fines for Contamination
Issued to property	Issued to a person
Invoiced quarterly	Issued rarely, one-time incidents.
DOTI negotiates payment plans, non-payment enforced through 4-year long service/tax lien process pursuant to state law.	Enforced through Administrative Citation process
No late fees, legal fees applied to outstanding balances, only interest charged is 1% once service lien is triggered.	

# DOTI Works with Customers

- Billing reminders:
  - Quarterly invoices mailed/e-mailed.
  - Quarterly late payment reminders mailed/e-mailed – **NO LATE FEES.**
  - Bi-annual Instant Rebate postcards mailed (multi-lingual).
- Payment plans developed with customers for overdue invoices, flexibility to work with customer.
- Goal is rebates up front – but if residents fall behind, we are exploring one-time utility

# 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.

# Cost of Service Study

- No more than every year, no less than every five years.
- DOTI will provide annual cost of service study to ensure that fee stays in line with actual cost and meeting all TABOR requirements.
- Annual expenditure increases due to: increased  
[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
Total	\$ 33,483,604	\$ 33,544,283	\$ 34,130,521	\$ 34,592,896	\$ 35,373,651	\$ 36,296,242	\$ 36,948,380	\$ 38,232,151

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

