

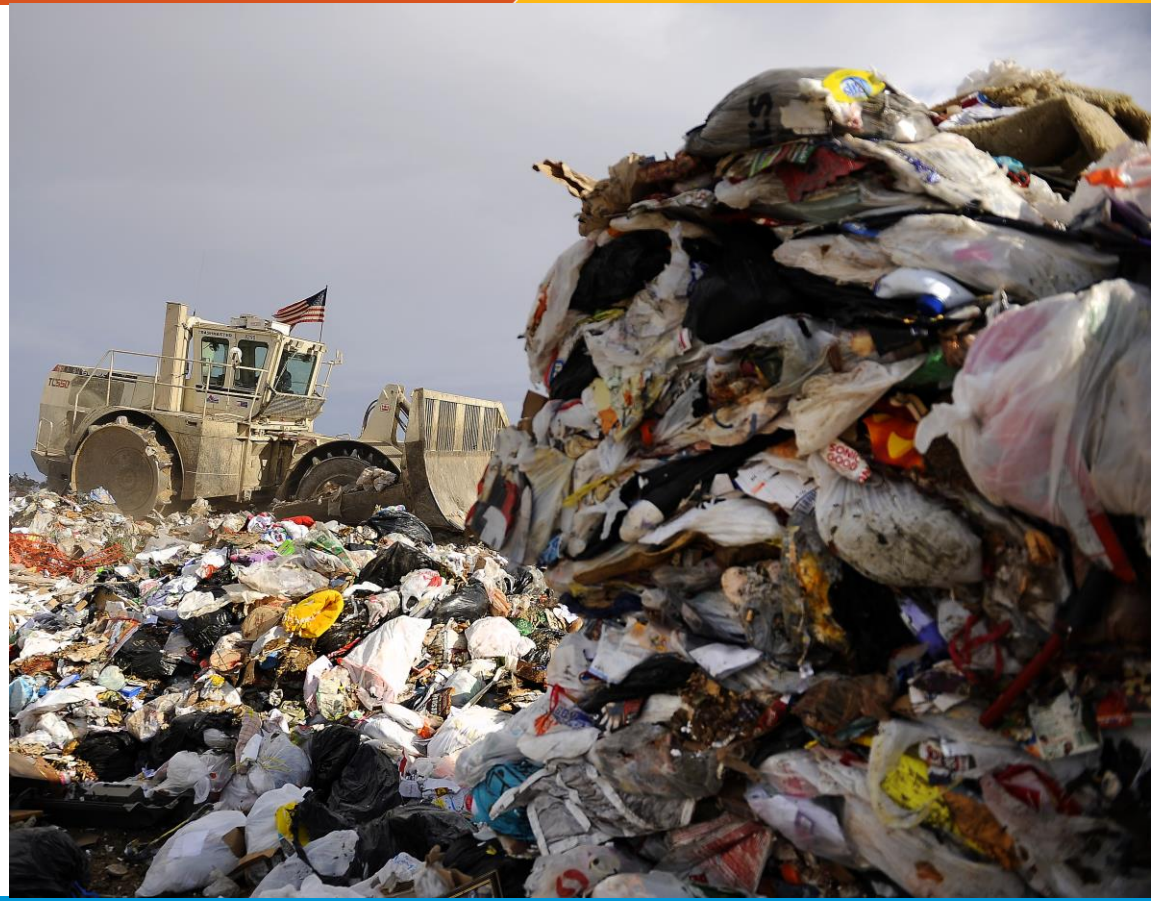


Volume-Based Trash Pricing

A joint effort by DOTI, CASR & DHS

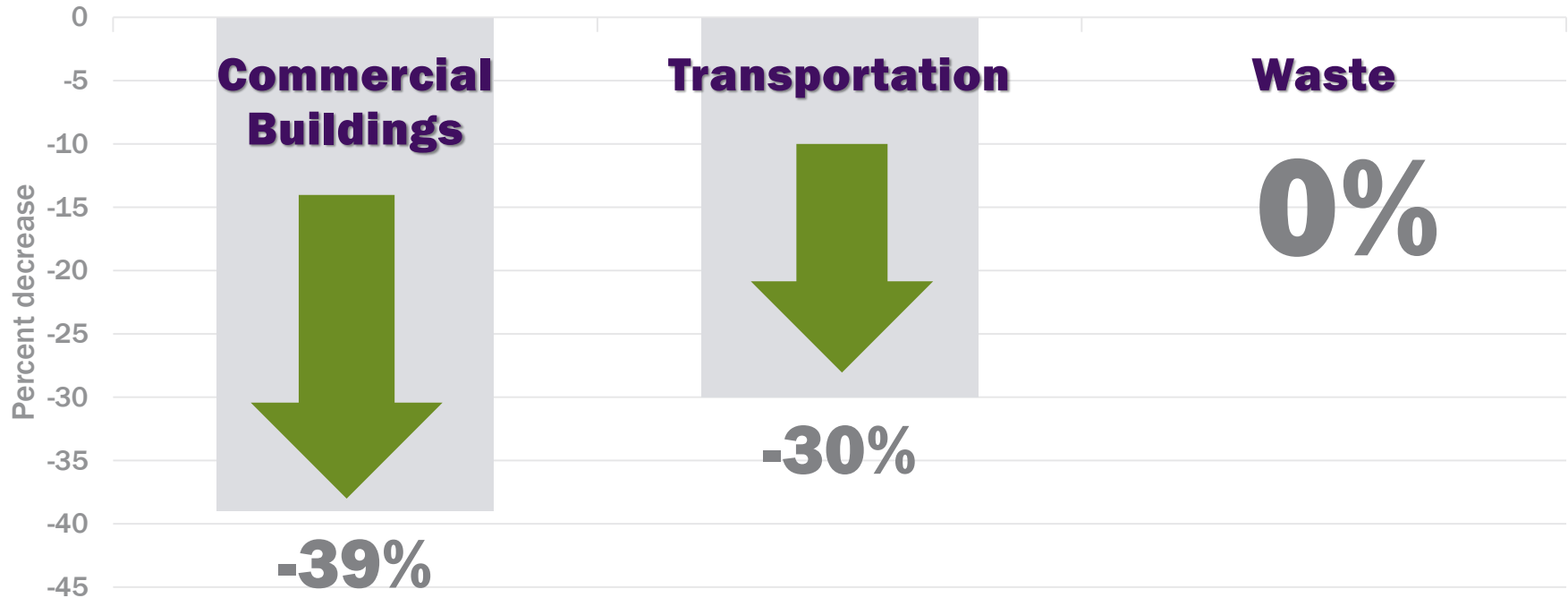
June 27, 2022

“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:

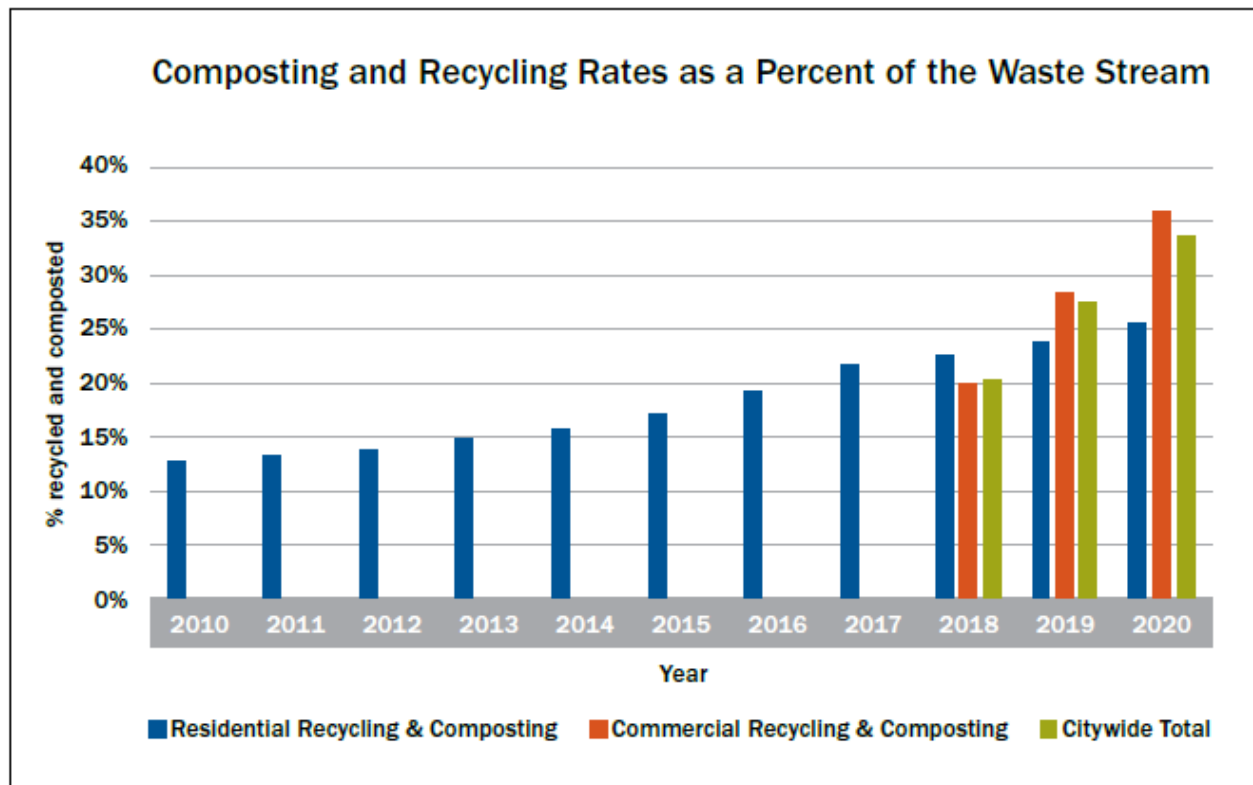
- 26% diversion rate (recycling + compost).
- 50% of trash is compostable.
- Adding service to ~150k new homes



Commercial Waste

2020 Diversion = 37%

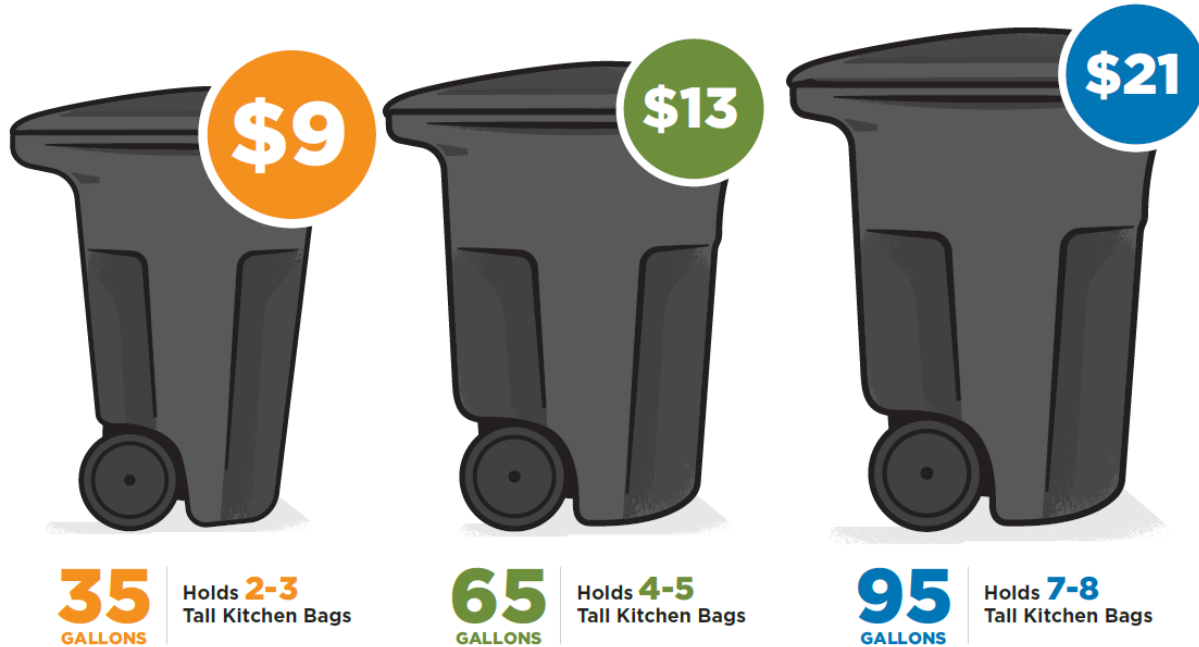
(compared to 26% residential, not including C+D recycling)



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

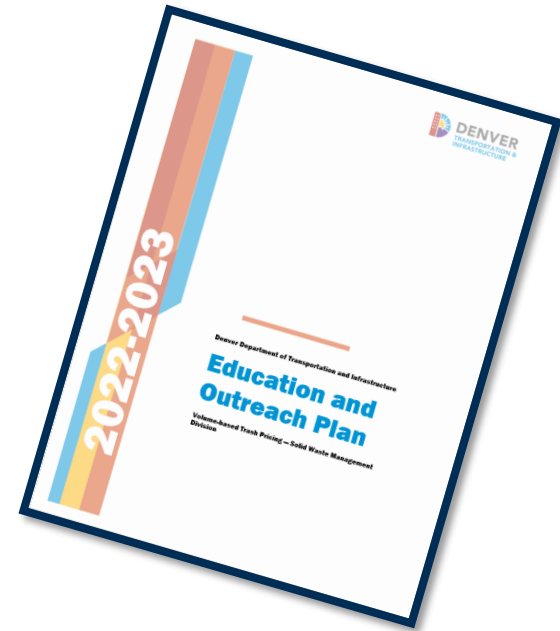
Affordability Program – Instant Rebate

- 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 2nd 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
Total Current Cost for Waste Collection	\$27,485,374
Additional 2023 Costs for Volume Based Pricing Operations**	
Additional Staff, Tonnage Processing, and Education Costs	\$5,998,230
Total	\$5,998,230
Total 2023 Volume Based Pricing Cost	
Total	\$33,483,604

*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.

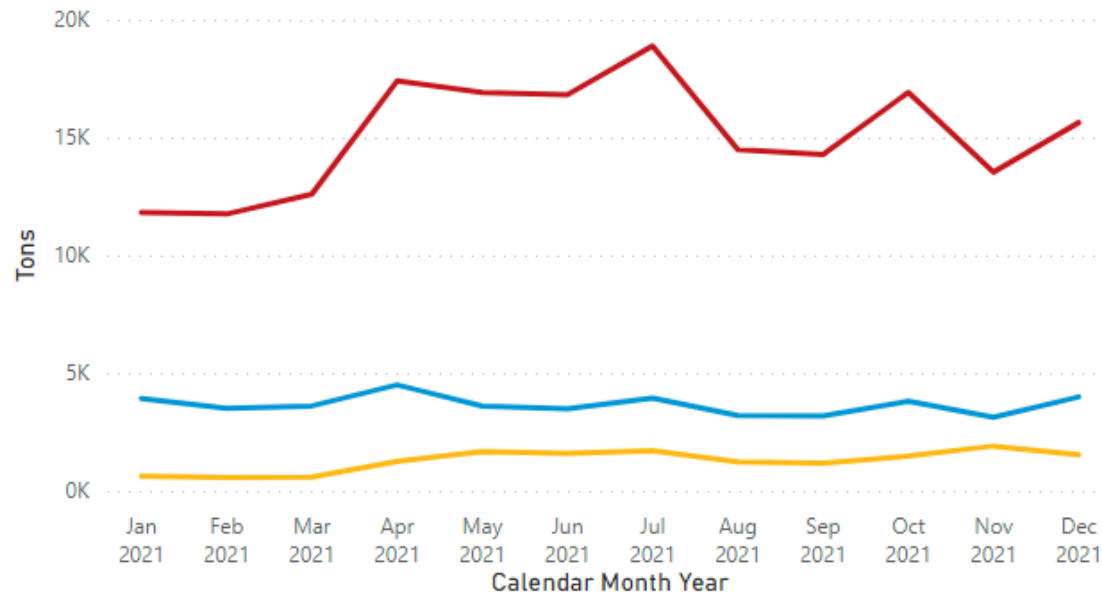


Our Waste Fees Don't Match our Values

Landfill Tons, Recycling Tons, Compost Tons

BY CALENDAR MONTH YEAR

● Landfill Tons ● Recycling Tons ● Compost Tons



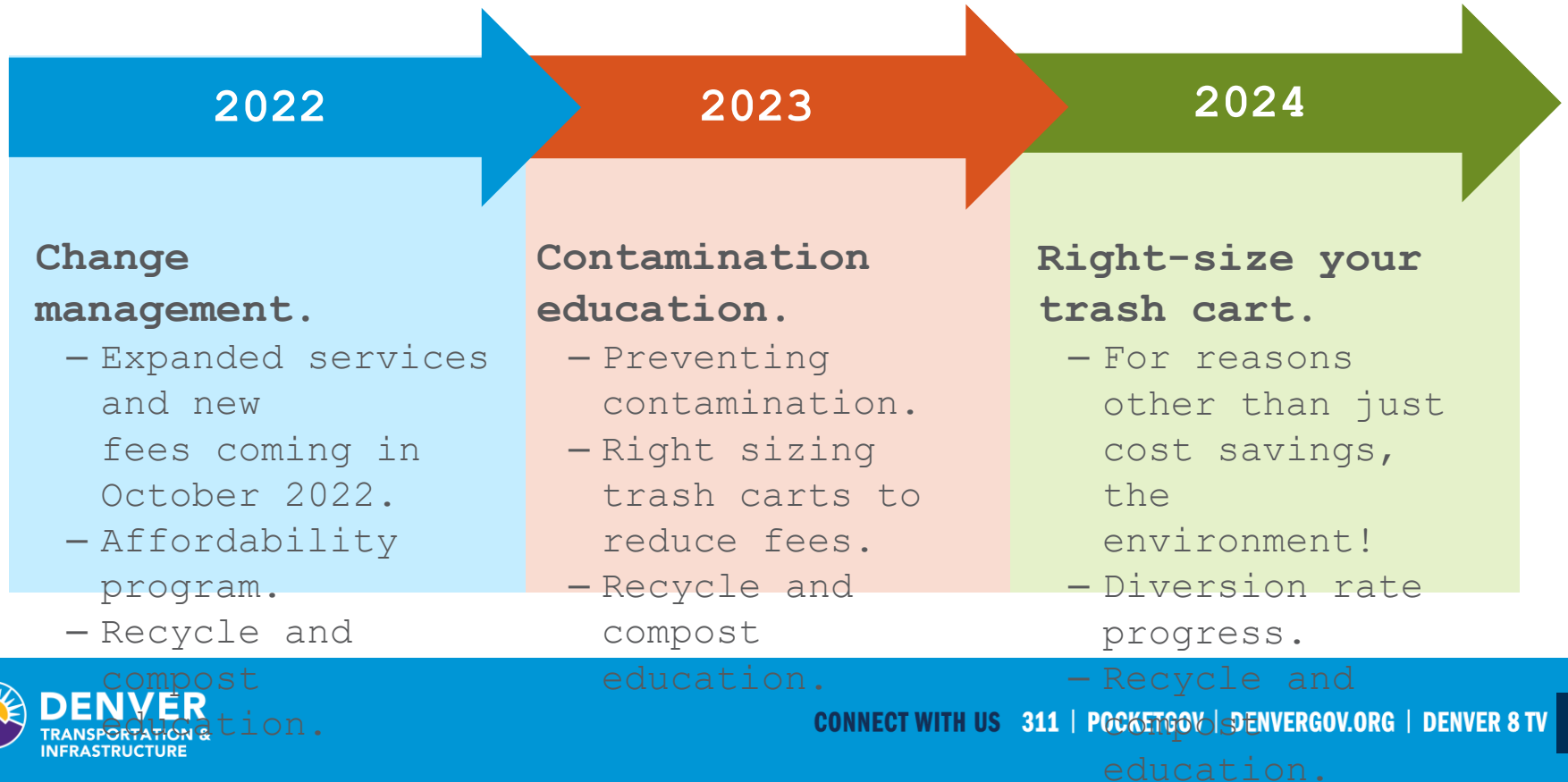
“Climate action is a necessary part of building a better Denver”
– Denver Climate Action Task Force

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 Concejo 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

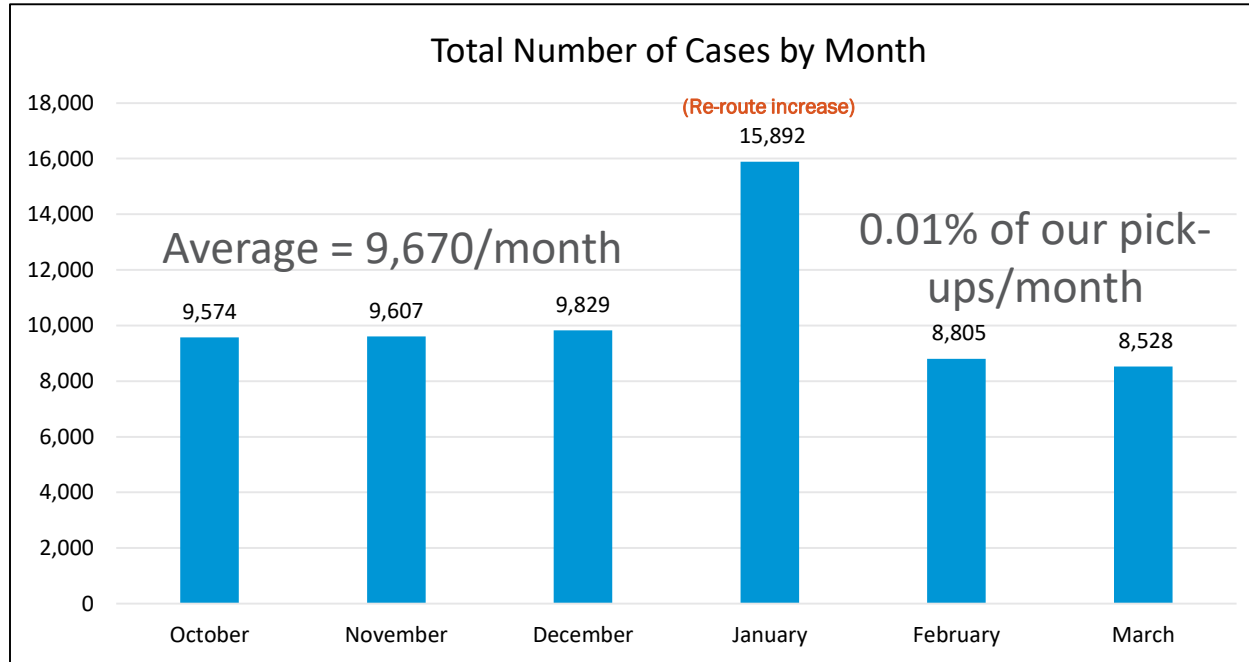
Fines for contamination or illegal dumping are last resort, but when issued, not associated with property or lien process

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

