



## PAYT Case Studies: Western States Fact Sheet

### City of Fort Collins

Population: 140,000

#### Summary:

Fort Collins has always operated under a fully privatized, "open subscription" trash collection system. To address citizen interest in creating recycling opportunities, the City began requiring trash haulers to provide curbside recycling in 1992. The City next amended its trash hauling license in 1995 to require all residential haulers to apply variable, or Pay-as-you-throw, rates. The purpose of the volume-based rates is two-fold: they are more equitable since individual households generate widely varying amounts of weekly wastes; and, volume-based trash rates encourage residents to recycle, conserve resources, and reduce wastes. The PAYT ordinance continues to be the City's most important tool for achieving community goals for recycling and waste diversion, and Fort Collins has passed amendments several more times over the years to close "loop holes" in the ordinance.

#### PAYT Ordinance:

Fort Collins' Solid Waste Collection and Recycling Services Ordinance (Article XV, Section 15nof the Municipal Code, which can be found on the City's website at <http://fcgov.com/recycling/ordinances.php> ), requires all residential trash haulers to:

- charge for trash collection service based upon the weekly trash volumes collected from customers who live in single-family residents or apartment complexes of  $\leq 8$  units
  - Each 33-gallon unit of trash must cost the same amount as the rate set (individually by haulers) for the first 33-gallon unit
  - Homeowner Association contracts must also receive PAYT rates
- offer weekly curbside recycling as part of their basic trash collection service at no additional charge to residential customers
  - the list of materials that must be collected is updated yearly by the City Manager
- provide biannual reporting to the City on volumes of trash and recycling collected, and number of customers who participate in curbside recycling
- distribute educational information at least yearly to their customers about trash service levels options and recycling services
- provide access to their record-keeping by City auditors to verify compliance.



Trash haulers may, but are not required to, establish a flat monthly fee, in addition to the volume charges, to cover fixed operational costs. However, the flat fee may not exceed 50% of the total trash bill, and both the flat fee and the volume-based rate must be shown on customers' bills.

Fort Collins haulers can employ a variety of volume-based rate systems, including prepaid bags or tags, and a pre-paid volume subscription system (i.e. up to 30 gallons per week, up to 60 gallons per week, up to 90 gallons per week, etc.) Under the subscription system, if a household exceeds its maximum service level, the hauler must charge for the excess waste volume. Failure to charge for excess waste, or for violating any other element of the PAYT ordinance, could cause a hauling company to lose its municipal hauling license.

### **Results:**

Over the past 15 years, the City's data collection capability has improved and the information reported by the private haulers has been an important source of those data. Early measurements suggested that in the mid-90s, Fort Collins' waste diversion level was around 17%. After the PAYT ordinance was passed, the diversion rate quickly surpassed original goals of diverting 20% and since then, customers' participation in curbside recycling has continued to range between 85-95%.

In 1999, the City adopted new goals to divert 50% of the entire community's waste stream (including commercial sources) from landfill disposal by 2010. However, Fort Collins has not been successful at taking its diversion rate past about 27%. A Strategic Plan for 50% Waste Diversion was prepared in 2006 that recommended, among other things, that the PAYT ordinance be expanded to include commercial waste customers. These recommendations continue to be discussed in the community, and are also being evaluated as part of new strategies to help the City achieve its Climate Protection goals.

## **City of Loveland**

Population: 65,000

### **Summary:**

Since 1960, the City of Loveland Solid Waste Division has provided refuse collection services to residents. The division implemented a cutting-edge waste reduction, recycling and yard waste composting program out of concern for extending the life of Larimer County landfill life and other environmental benefits such as conservation of natural resources, as well as to prevent back injuries to employees from lifting overloaded bins containing grass clippings (and related worker compensation insurance premiums).

### **PAYT Ordinance:**

By 1993, all Loveland's household trash accounts were converted to a collection system that applies a Pay-as-you-throw fee structure to encourage residents to reduce waste and recycle more and offers weekly curbside recycling. Customers may also subscribe to weekly collection of yard wastes in a City-provided container designed to minimize worker injuries, or haul their own yard wastes to a

free drop-site. In 1997, the City adopted a licensing requirement for all private trash haulers who provide residential service in Loveland to also apply Pay-as-you-throw rates.

Loveland bills all household for a monthly base-rate of \$x.xx to fund the waste diversion programs, which covers the costs for curbside recycling, a comprehensive recycling drop-off center that accepts a wide variety of materials, and unlimited use of the City's yardwaste drop-off site. The trash collection system is separately budgeted, and funded entirely by trash fees. Residents can buy either trash stamps (\$0.75 for a 32-gallon bag and \$0.40 for a 13-gallon bag) to place on their own private-label bags or City bags, \$1.00 and \$0.50, respectively (stamps and bags are sold at local retail stores), or they may use City trash carts. Weekly yardwaste cart service is available during the growing season for \$2.00 per month.

**Results:**

Loveland calculates that the community's residential waste diversion rate now exceeds 55%. Under the old system, residents generated an average of three, 32-gallon trash bags weekly; after the City implemented the new program, volumes dropped to under one bag on average. Recycling and yardwaste composting is popular with residents, and the City has received national awards for its innovative solid waste system.

Residents are able to recycle newspaper, glass containers, metal cans and plastic bottles, magazines, catalogues and junk mail, corrugated cardboard, paperboard and phone books in the curbside program. Yet more "hard to recycle" materials, as well as yardwaste, are accepted at the City's drop-off sites. The division anticipates collecting single-stream recycling in 2008, at which point recycling carts will be provided to households (at a cost of \$1.25 million).

The Solid Waste Division is vigilant about private haulers' compliance with the City's volume based rate ordinance - and has taken efforts to prosecute violations - so that all Loveland households have an equal incentive to reduce waste and recycle. The City also remains concerned about the impacts from private sector trash collection in terms of: damage from extra trash trucks on city streets; reductions to the division's revenue stream; and, the appearance in neighborhoods from containers cluttering curbs and sidewalks more than one day per week.

## City of Aspen

Population: 5,914

**Summary:**

In 2005 the Aspen City Council decided to implement the Waste Reduction and Recycling Ordinance with two goals in mind:

- To increase the lifespan of the Pitkin County Landfill which was quickly approaching capacity.
- To reduce energy consumption, global warming, and air pollution through increased recycling.

The city researched various options to achieve their goals and determined that implementing variable rates would be most effective means of doing so. The city based their PAYT ordinance on



those in other cities throughout Colorado including Fort Collins and Boulder. In Aspen multiple haulers collect both trash and recycling and the majority of the materials are brought to a single county owned landfill. The city does not set the rates for PAYT but does set a rate structure that the haulers in town must adhere to in order to receive their license. The town decreed that the rates for a 64-gallon container must be double those set for a 32-gallon container and the rates for the 96-gallon level of service must be three times higher than the 32-gallon container.

#### **PAYT Ordinance:**

The Waste Reduction and Recycling ordinance in Aspen is similar to those in other cities but unique in that it applies to all sectors: single-family residences, multi family residences, and all commercial properties. Below is a summary of the ordinance:

- Mandatory collection- recycling collection is automatically included (embedded) as part of the trash service for all residential, multi family and commercial properties.
- Rates- rates must be volume based with the unit of volume being 32-gallons.
- Same day pick up- Trash and recycling must be collected on the same day to make it easier for customers to remember.
- Bans- yard waste is banned from disposal in the trash, the city also set up a free yard waste drop-off in town to offer alternatives for disposal.
- Required reporting- all haulers must report collected tonnages to the city.
- Sunset provision- the city will look at the ordinance in three years and decide if they want to renew it
- Contract exemption- commercial properties with existing contract with haulers can wait until the contract expires before subscribing to the new variable rates.
- Cardboard exemption- an exemption for self haul commercial properties to keep costs down for small businesses generating large volumes of cardboard.

#### **Results:**

The ordinance was implemented in the fall of 2005 and by early 2006 all of the residential accounts had been switched over to the new rate structure. The commercial accounts have taken a little bit longer to fully implement for a few reasons. One being the contract exemption the other reason is that many of the individuals operating the businesses are not the same ones holding the contracts for trash service in the building. The city has dedicated one FTE to ease the implementation. The city has seen its recycling rate reach 14% in the first year of implementation. It is difficult to measure growth from pre-implementation because there was no reporting before the ordinance. In 2006 Aspen recycled 3,323 tons of materials, 1,124 lbs/person/year. This equates to 8,703 tons of CO<sub>2</sub> equivalents. More information can be found at: [www.aspenpitkin.com/depts/44/waste\\_ordinance.cfm](http://www.aspenpitkin.com/depts/44/waste_ordinance.cfm).

## Boulder, CO

Population: 94,673

### Summary:

In 1976 Boulder became one of the first cities in the country to offer curbside recycling to its residents. The original program was ran by volunteers, a non-profit, and retro-fitted school buses. In 1989 the city implemented a Trash Tax to pay for recycling efforts and took over the curbside service with a partnership between the city, a hauler, and the non-profit. Eventually, the city found that the costs of providing curbside recycling were surpassing the funds collected by the trash tax and Boulder decided to change the collection system. The city switched to a free market system with multiple regulated haulers. Boulder implemented a PAYT ordinance in 2001 effectively transforming its waste collection keeping with the goal of turning the city into a "one can town". The ordinance required haulers to embed recycling costs for all single and multi family units, set variable rates based on a 32-gallon level of service, and report collection tonnages to the city.

### PAYT Ordinance:

Boulder saw the successes of such large cities as Seattle and San Jose and decided to follow their examples in setting up their PAYT ordinance. The Boulder ordinance requires that:

- Haulers provide "unlimited" recycling for all single and multi family residences with costs embedded in the trash rates.
- The city does not set the rates, but the maximum minimum size of container offered must be 32-gallons and the rates must use this volume.
- Haulers can set whatever rate they want for the base level but must charge the same amount for every additional 32-gallon container. The haulers may also charge a fee to cover their fixed costs but this fee must be less than the base rate for the 32-gallon container.
- Haulers are required to submit annual tonnage reports to the city. Recycling must be collected no less frequently than every other week.

### Results:

Boulder currently has a diversion rate of nearly 50%. In 2001, before the ordinance, Boulder had a city-wide rate of only 17% diversion. The variable rate prices for the different haulers serving the city vary, but are about \$19 for 32-gallon, \$29 for a 64-gallon, and \$39 for a 96-gallon container. Within the first six months of implementation the city went from only 26% subscribing to 1 can to 56% subscribing to the 1 can level of service. The city worked closely with all of the stakeholders in garbage and recycling collection to come up with an ordinance that made all of the parties involved happy. Gary Horton, the CEO of Western Disposal, reported "The ordinance was excellent because it left all the haulers in place and simply required them to embed recycling in the trash service and follow the PAYT rate structure". Additionally, Mr. Horton said, "everyone was in support of the program; haulers, the city, and environmentalists". The city is planning on switching to single stream collection in 2008 and to add yard waste and organics collection to reach its goal of zero waste. The ordinance can be seen at: <http://colocode.com/boulder2/chapter6-12.htm>

## Lafayette, CO

Population: 23,197

### Summary:

Lafayette began their PAYT program on October 2007 after putting out an RFP for waste collection services. After Western Disposal Inc. won the contract, the city decided to buy the recycling carts themselves so that the next bidding for contract would be fair to all the haulers (if Western owned them, then they would have an advantage). If the resident doesn't pay their trash bill, their utilities will be cut off.

### PAYT Ordinance:

The city requires that:

- Recycling rates are embedded in utility bills.
- Variable rates used.
- Hauler must report tonnages to city.
- Participation by all single family residences and multi-family residences up to and including 7 units per building.
- The program does not cover HOAs , which are around 40-50% of the population.
- Recycling is single -stream in one 96 gallon cart.
- Recycling is collected every other week.

The fees for a 32 gallon cart is \$5.99/month. The rates double and triple for the next available sizes of 64 and 96 gallons at \$11.98 and \$17.97 respectively. Residents must also pay a \$1/month cart fee and are allowed to change their cart sizes for free. They could also buy \$3.00 stickers to put on extra bags.

### Results:

Lafayette had a diversion rate of 28% in 2007. Since Western didn't previously measure diversion rate before PAYT, there isn't any data to compare to. After implementation, the city received hundreds of phone calls. Overall, there is high participation and satisfaction with the program, but there are a few residents who don't like the "mandatory" aspect. The few dissatisfied people make the most calls and are the 'loudest', but the good outweighs the negative.

For More Information and other tools, fact sheets and issue papers related to PAYT, see:

PAYT website - EPA Region 8 - [www.paytwest.org](http://www.paytwest.org)

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