



Vermont Architectural Paint Stewardship Program Plan

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1. Introduction

In June 2013, Governor Shumlin signed Act 58, Paint Product Stewardship Legislation, creating the Vermont Paint Stewardship Program (“Program”). Act 58 is codified in Sub-Chapter 4, Chapter 159 of Vermont Statute Title 10: Conservation and Development.

The new law requires producers (referred to in this plan as “manufacturers”) of architectural paint to establish a Program to reduce the generation of postconsumer paint, promote the using up of leftover paint, and to facilitate the recycling and proper disposal of unwanted postconsumer paint. The Program should increase opportunities for consumers to properly manage leftover paint, reduce costs to local governments managing postconsumer paint, work to keep paint out of the waste stream, and conserve natural resources.

Paint Stewardship

Many municipal household hazardous waste programs and waste management districts in Vermont took part in an effort that began ten years ago to bring about an industry-managed paint stewardship program. This effort, the Paint Product Stewardship Initiative (PPSI), led by the Product Stewardship Institute, was comprised of dialogues, industry research and case studies on paint recycling and included the American Coatings Association, paint manufacturers, paint recyclers, federal EPA, and many state and local governments across the United States.

The PPSI resulted in the development of a model paint stewardship law that created an economically and environmentally-sustainable, industry-designed and implemented postconsumer paint management program. Oregon was the first state to pass this industry-supported paint stewardship law in 2009. Similar laws were passed in California in 2010; Connecticut in 2011; Rhode Island in 2012; and Maine, Minnesota and Vermont in 2013.

Vermont Paint Stewardship Law

The Vermont Paint Stewardship Law (“Law”) requires, by December 1, 2013, that manufacturers of architectural coatings – individually or through a representative organization – submit a plan (“Plan”) for the establishment of a paint stewardship program to the Secretary of the Vermont Agency of Natural Resources (“Agency”).

The Plan must include the following:

- (1) List of participating manufacturers and brands covered by the program.
- (2) Information on the architectural paint products covered under the program.
- (3) Description of how the Program will collect, transport, recycle, and process postconsumer paint for end-of-life management, including recycling, energy recovery, and disposal, using environmentally sound management practices.
- (4) Description of how the Program will provide for convenient and available statewide collection of postconsumer architectural paint in urban and rural areas of the State, including partnering with existing household hazardous waste collection programs and with paint retailers.
- (5) Geographic information system modeling to determine the number and distribution of sites for collection of postconsumer architectural paint based on the following criteria: (a) at least 90

percent of Vermont residents shall have a permanent collection site within a 15-mile radius; and (b) one additional permanent site will be established for every 10,000 residents of a municipality and additional sites shall be distributed to provide convenient and reasonably equitable access for residents within each municipality, unless otherwise approved by the Agency.

- (6) Goals to reduce the generation of postconsumer paint, to promote the reuse of postconsumer paint, and for the proper management of postconsumer paint as practical based on current household hazardous waste program information. The goals may be revised by the producer or stewardship organization based on the information collected for the annual report.
- (7) Description of how postconsumer paint will be managed in the most environmentally and economically sound manner, including following the waste-management hierarchy. The management of paint under the program shall use management activities that promote source reduction, reuse, recycling, energy recovery, and disposal.
- (8) Description of education and outreach efforts to inform consumers of collection opportunities for postconsumer paint and to promote the source reduction and recycling of architectural paint for each of the following: consumers, contractors, and retailers.
- (9) A budget and proposed funding mechanism under which each manufacturer remits to a stewardship organization payment of a paint stewardship assessment for each container of architectural paint it sells in Vermont. The proposed budget and assessment structure must be reviewed by a third-party auditor agreed upon by the Agency, and the third-party auditor must provide a recommendation as to whether the proposed budget and assessment is cost-effective, reasonable, and limited to covering the cost of the program.

Within 90 days of submission of the Plan, the Agency shall review and make a determination whether or not to approve the Plan, including its budget and assessment structure. The Agency shall issue a letter of approval for the Plan if it provides for the establishment of a paint stewardship program that meets the requirements noted above, and the Agency determines that the plan:

- (1) Achieves convenient collection for consumers;
- (2) Educates the public on proper paint management;
- (3) Manages waste paint in a manner that is environmentally safe and promotes reuse and recycling; and
- (4) Is cost-effective and demonstrates that the costs of the program and any proposed assessment are reasonable and the assessment does not exceed the costs of implementing an approved plan.

Following approval of the Plan, PaintCare must begin a Program no later than July 1, 2014, or three months after approval of the Plan. The Law states that the effective implementation date is whichever of these two dates occurs later. However, given the long lead time between submission of the Plan (December 2013) and the July 2014 (or later) implementation date, PaintCare proposes to launch the Vermont Paint Stewardship Program two months earlier, on May 1, 2014.

Citations

To provide context, each section of this Plan begins with citations of the relevant sections of the Law that apply to it.

Authorized Signature for Plan Submission

PaintCare Inc

A handwritten signature in blue ink, appearing to be 'M. Zarrehparvar', with a large circular flourish at the end.

Marjaneh Zarrehparvar
Executive Director

January 24, 2014

2. Stewardship Organization

Statutory Citation

10 V.S.A. § 6673. PAINT STEWARDSHIP PROGRAM

- (a) A producer or a stewardship organization representing producers shall submit a plan for the establishment of a paint stewardship program to the Secretary for approval by December 1, 2013.

PaintCare Inc.

PaintCare Inc. (“PaintCare”) is a 501(c)(3) non-profit organization incorporated under the laws of Delaware. PaintCare was created by the American Coatings Association, a voluntary, non-profit organization working to advance the needs of the paint and coatings industry.

PaintCare was formed in 2009 to serve as the representative product stewardship organization for architectural paint manufacturers. PaintCare representation is open to all architectural paint manufacturers, and they may register with PaintCare at any time. PaintCare currently represents more than 177 paint manufacturers in its active programs in California, Connecticut and Oregon, and will represent participating manufacturers in the Vermont Paint Stewardship Program.

PaintCare’s corporate office is located in Washington, DC. State-specific staff are located in and/or work in states in which PaintCare programs operate, including Vermont.

PaintCare’s Board of Directors consists of ten non-paid representatives of architectural paint manufacturing companies. Appendix A provides the names and companies of PaintCare’s Board of Directors at the time this Plan was submitted (note: one seat is vacant at this time).

3. Registered Manufacturers and Brands

Statutory Citation

10 V.S.A. § 6673. PAINT STEWARDSHIP PROGRAM

- (a) A producer or a stewardship organization representing producers shall submit a plan for the establishment of a paint stewardship program to the Secretary for approval by December 1, 2013. The plan shall address the following:
 - (1) Provide a list of participating producers and brands covered by the program.
- (i) In addition to the requirements specified in subsection (a) of this section, a stewardship organization shall notify the Secretary in writing within 30 days of any change to:
 - (2) the producers identified under this section as part of the plan;
 - (3) the brands of architectural paint identified under this section as part of the plan;

Section Overview

This section discusses:

- Process for identifying and contacting architectural paint manufacturers
- Private label agreements
- Purpose of registered manufacturer and brand lists
- Posting of lists by PaintCare and providing lists to the Agency

Manufacturer Registration

Representation by PaintCare is open to all architectural paint manufacturers who are obligated to take part in the Vermont Paint Stewardship Program. To identify potential participants, PaintCare obtained manufacturer information through a variety of sources, including:

- California, Connecticut and Oregon PaintCare programs
- The American Coatings Association and other paint trade associations
- Internet research

Manufacturers were notified by email of the Vermont Law and Program, and through a notice on the website for reporting sales for other states, and invited to join the PaintCare Program. Appendix B contains the lists of Registered Manufacturers and Registered Brands as of December 2, 2013.

Some manufacturers may still be unfamiliar with the Program and may need to be contacted several times to become aware of their obligations under the Law. Therefore, the identification and notification of potential manufacturers is an on-going process, and the list of registered manufacturers (and brands) is expected to change as additional manufacturers become aware of the Program.

Prior to the Program launch date of May 1, 2014, PaintCare will provide the Agency with an updated and current list of registered manufacturers and brands. Following that submission, PaintCare will provide an updated list within 30 days of any update or change.

Private Label Agreement

Private label agreements (or services) represent products manufactured or distributed by one company for use under another company's label. They are also referred to as store brands, generic brands, and tolling agreements. These agreements are often kept confidential to protect the arrangements from competitive interests. Therefore, PaintCare will not specify which brands are produced by which manufacturer, unless the name of the manufacturer is included in the brand name. Instead, registered manufacturers and their registered brands will always be presented in two separate lists, thereby assuring the confidentiality of private labeling and other brand agreements.

Posting and Purpose of Manufacturer and Brand Lists

Beginning December 2, 2013, PaintCare will post the lists of registered manufacturers and brands on the PaintCare website and will provide the list to the Agency at the same time. The purpose of posting the lists is to make them available for retailers and distributors. Retailers and distributors will use the information to learn which brands may be legally sold in Vermont.

4. Program Products

Statutory Citation

10 V.S.A. § 6673. PAINT STEWARDSHIP PROGRAM

- (a) A producer or a stewardship organization representing producers shall submit a plan for the establishment of a paint stewardship program to the Secretary for approval by December 1, 2013. The plan shall address the following:
 - (2) Provide specific information on the architectural paint products covered under the program, such as interior or exterior water- and oil-based coatings, primers, sealers, or wood coatings.

Section Overview

This section discusses:

- The definition of architectural paint
- The manufacturers' process for identifying Program Products for the purpose of adding the required assessment ("PaintCare Recovery Fee")
- The drop-off sites' process for identifying Program Products for the purpose of including the PaintCare Recovery Fee in their price and for collecting postconsumer Program Products under the Program

Program Products

Architectural paints are referred to as "Program Products" or "paint" in this Plan. For simple communication, this Plan uses the common terms "latex paint" to mean non-combustible or water-based Program Products, and "oil-based paint" to mean combustible or petroleum solvent-based Program Products.

In order to determine which products are to be assessed the PaintCare Recovery Fee and collected for proper management under the Program, PaintCare uses definitions and terminology from the US EPA, state, and local architectural and industrial maintenance (AIM) rules. These definitions, along with a decision table, a list of Program Products, and examples of non-Program Products are included in Appendix C.

To be a Program Product, five questions about a product must be answered as follows:

- | | |
|---|-----|
| • Is it a coating? | Yes |
| • Is it an architectural coating? | Yes |
| • Is it for Industrial Maintenance? | No |
| • Is it for Original Equipment Manufacturing? | No |
| • Is it a Specialty Coating? | No |

As needed, PaintCare reviews products and publishes notices to clarify whether or not certain products should be covered by the Program. Such reviews of an individual product or product type are conducted

by gathering information from manufacturers about the chemistry and use of the products, and by consulting with technical staff and legal counsel who are familiar with the chemistry, use, and regulations of Program Products. Two examples of such notices are included in Appendix C.

The result of applying the definitions to coatings products is that Program Products include water-based and oil-based house paints, primers, stains, sealers, elastomeric roof and deck coatings, varnishes, shellacs, lacquers, and single component polyurethanes. These are the products to which the PaintCare Recovery Fee will be applied by manufacturers (and passed down to consumers), and they are the same products that are accepted at drop-off sites for recycling and proper end-of-life management.

If an architectural coating product category is identified that is not covered by the AIM rules, PaintCare will determine, using the above methodology, whether or not the product should be a covered product for the purposes of the Program. In addition, PaintCare will reach out to all manufacturers of the subject product to affirm its determination and will analyze how bringing the product into the Program will affect the Program budget and assessment rate. If a new product category is to be added to the Program, PaintCare will submit an amended Program Plan to the Agency for approval before adding the product to the Program.

Non-Program Products

Non-Program Products, whether they are coatings (e.g., automotive paints are excluded because they are not for architectural use) or non-coatings (e.g., paint thinners), are not assessed the PaintCare Recovery Fee and are not accepted in the Program because they introduce unfunded costs and safety hazards.

5. Collection Infrastructure

Statutory Citation

10 V.S.A. § 6673. PAINT STEWARDSHIP PROGRAM

- (a) A producer or a stewardship organization representing producers shall submit a plan for the establishment of a paint stewardship program to the Secretary for approval by December 1, 2013. The plan shall address the following:
- (4) Describe the program and how it will provide for convenient and available statewide collection of postconsumer architectural paint in urban and rural areas of the State. The producer or stewardship organization shall use the existing household hazardous waste collection infrastructure when selecting collection points for postconsumer architectural paint. A paint retailer shall be authorized as a paint collection point of postconsumer architectural paint for a paint stewardship program if the paint retailer volunteers to act as a paint collection point and complies with all applicable laws and regulations.
 - (5) Provide geographic information modeling to determine the number and distribution of sites for collection of postconsumer architectural paint based on the following criteria: (A) at least 90 percent of Vermont residents shall have a permanent collection site within a 15-mile radius; and (B) one additional permanent site will be established for every 10,000 residents of a municipality and additional sites shall be distributed to provide convenient and reasonably equitable access for residents within each municipality, unless otherwise approved by the Secretary.
 - (6) Establish goals to reduce the generation of postconsumer paint, to promote the reuse of postconsumer paint, and for the proper management of postconsumer paint as practical based on current household hazardous waste program information.
- (e) A plan approved under this section shall provide for collection of postconsumer architectural paint at no cost to the person from whom the architectural paint is collected.
- (i) In addition to the requirements specified in subsection (a) of this section, a stewardship organization shall notify the Secretary in writing within 30 days of any change to:
- (1) the number of collection sites for postconsumer architectural paint identified under this section as part of the plan;

Section Overview

This section discusses:

- Pre and post-Program paint collection infrastructure
- Drop-off site recruitment
- Application and results of the Vermont convenience criteria

Introduction

Vermont is unique when compared to the other PaintCare states that have already been implemented – California, Connecticut and Oregon – in terms of its significant HHW program infrastructure and services for its relatively small population. Vermont state rules require that all waste districts or independent

towns provide its residents at least two HHW collection events (i.e., “one-day events”) per year. This rule is waived when a waste district/town has a permanent HHW facility.

In a direct comparison to Connecticut (which has a population that is almost 6 times greater), Vermont has twice as many permanent facilities and holds as many, if not more, one-day HHW events annually. In addition, unlike Connecticut, some of Vermont’s HHW facilities are open year-round. Compared to Oregon and California on a per-capita basis, Vermont has a more robust HHW program than either of those states. As a result, residents (and small businesses in many areas of the state) have had very good HHW services available to them for many years. It should be noted, however, that not all Vermont HHW programs accept latex paint for recycling, but more than half do.

Vermont’s already robust HHW infrastructure is likely to be both beneficial and challenging for PaintCare. It will be beneficial because it allows for many partnership opportunities, and it will be challenging because some events-based programs may collect relatively small volumes of paint at a single event, which may be costly for PaintCare to service under its current model of sending its contracted hazardous waste transporter to each partnering event to collect just paint. Regardless, PaintCare will strive to partner with all existing HHW and paint collection programs and is committed to working through challenges to find a solution that is amenable to each potential partner.

In addition to offering partnerships to all existing HHW and other paint collection programs, PaintCare will increase recycling opportunities for Vermont residents through the addition of new sites and services.

The Program anticipates that paint collection infrastructure and services may include:

- Existing municipal HHW collection programs (permanent facilities and temporary events)
- Existing municipal waste transfer stations and other paint drop-off programs
- New retail paint drop-off sites (paint, hardware and building supply stores)
- New transfer station paint drop-off sites (public and private)
- Direct pick-up service for large volumes of paint
- Paint-only drop-off events

Before the Program’s start date, PaintCare will provide the Agency with a list of drop-off sites and planned events, and PaintCare will continue to provide the Agency with periodic updates.

Audience

The Program will serve Vermont residents, businesses, and other entities that have unwanted, postconsumer paint, subject to programmatic limitations described here:

Residential Generators/Homeowners. The Program will accept any quantity of latex or oil-based paint from this group.

Conditionally Exempt Generators (CEGs). Trade painters, contractors, small businesses, and other small to medium-sized organizations are typical CEGs. The Program will accept any quantity of latex paint from CEGs. The Program will only accept oil-based paint at or below the limits applied to hazardous waste generation for CEGs (220 pounds).

Small Quantity Generators (SQGs) and Large Quantity Generators (LQGs). The Program will accept any quantity of latex paint from SQGs and LQGs. The Program does not provide for collection of oil-based paint from SQGs or LQGs.

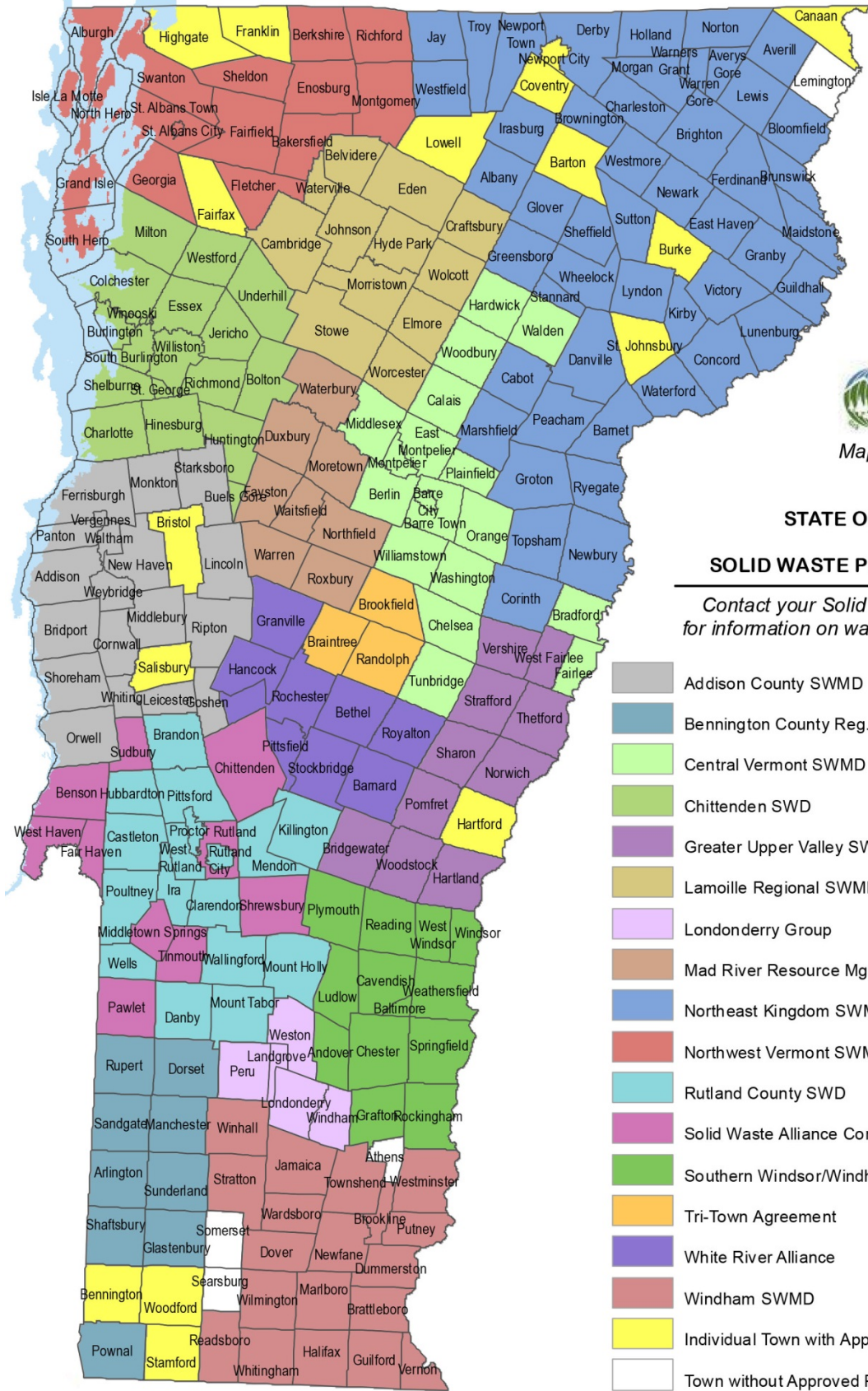
Waste Districts and Household Hazardous Waste Programs

With invaluable assistance from staff of the Agency, Chittenden County and other municipal programs, PaintCare identified and met with representatives from most of the state's waste districts. These meetings and visits often took place on location at districts' HHW facilities or paint collection sites.

Through these meetings, PaintCare had the opportunity to present the benefits to municipalities of partnering with the Program. These benefits include cost savings, offering new services to their community (for those that do not currently accept latex paint in their program), reducing waste, and increasing recycling.

Before the launch of the Program in May 2014, PaintCare will endeavor to meet, in person, with the remaining waste districts and independent towns to ensure they are aware of the PaintCare Program and partnership opportunity. PaintCare anticipates that the majority, if not all, of the state's HHW and paint collection programs will take advantage of the opportunity to partner with PaintCare and participate in the Program.

The following map provided by the Agency shows the various waste districts and independent towns in Vermont that offer (or are required to offer) some form of HHW services to their residents.



Map Created 11/25/2013

STATE OF VERMONT

SOLID WASTE PLANNING ENTITIES

Contact your Solid Waste Planning Entity for information on waste services in your area

- Addison County SWMD
- Bennington County Reg. Commission
- Central Vermont SWMD
- Chittenden SWD
- Greater Upper Valley SWMD
- Lamoille Regional SWMD
- Londonderry Group
- Mad River Resource Mgmt. Alliance
- Northeast Kingdom SWMD
- Northwest Vermont SWMD
- Rutland County SWD
- Solid Waste Alliance Communities
- Southern Windsor/Windham Counties SWMD
- Tri-Town Agreement
- White River Alliance
- Windham SWMD
- Individual Town with Approved Plan
- Town without Approved Plan

In addition to individual meetings, PaintCare presented on the Program at a number of larger group meetings since the Law passed in June 2013, including:

- Meetings of the Vermont Product Stewardship Council in July and by phone in October;
- Paint management workshop hosted by the Northeast Waste Management Officials Association in July; and
- Two stakeholder meetings facilitated by the Agency in November.

PaintCare will continue to make itself available for similar meetings before the Program launch and/or host its own stakeholder meetings. The purpose of these meetings was and will continue to be both to share information about the PaintCare Program and to solicit input from participants – mostly municipal programs – about the current paint management system in the state including underserved areas; expectations of municipal programs and other audiences as a result of the new Law; recommendations and feedback about hazardous waste service providers and PR/outreach firms in the state; and other Vermont-specific information to help implement and improve the Program.

Outreach Materials and Exceptions for HHW Programs

An HHW-tailored PaintCare Program fact sheet and interest form were developed and distributed at the group and individual meetings noted above and are available on our website. Copies of these materials are included with this Plan in Appendix D. Following receipt of a completed interest form, PaintCare contacts program staff to obtain program details and begins the process of establishing a formal agreement between PaintCare and the HHW program.

PaintCare endeavors to partner with sites that can accept Program Products free of charge from Vermont residents, businesses, and institutions. However, in recognition of restrictions on municipally operated HHW and other sites, some exceptions may be made. These include, but are not limited to the following:

- Programs with funding tied to a specific service area (e.g., local tax or utility-based funding source) will not be required to accept Program Products from participants outside of their service area.
- Existing paint collection programs not currently accepting latex paint will not be required to change their operations to include latex paint.
- Programs not accepting waste from businesses will not be required to do so.
- Subject to PaintCare approval, programs already charging an administrative fee for HHW, CEG or paint collection may continue this practice as long as they are not charging customers for the elements of their program that PaintCare is funding (collection containers, transportation and paint processing). Other collection sites, such as retailers, may not charge consumers an administrative fee for the handling of Program Products.

Paint Retailers

PaintCare has identified approximately 137 paint retailers in Vermont, including paint, hardware, and home improvement stores. Retail stores include independent, cooperative, chain and corporate stores – both small and large. In addition to paint retailers, “reuse” stores have also been identified as potential drop-off site partners.

In October 2013, PaintCare sent a notification about the Program and a partnership interest form to all known paint retailers in Vermont, either directly or via their corporate office. Copies of the letter, factsheet and interest form are included in Appendix D. This mailing also included a supply of factsheets for retailers to distribute to their trade painter customers. Copies of the Trade Painter Factsheet are also included in Appendix D.

Following feedback from the Agency, the retailer factsheet was revised to include a provision regarding the obligation of retailers under the Paint Stewardship Law to provide consumers information about the Program. This revised factsheet (and accompanying materials) was distributed to retailers in January 2014 and is also included in Appendix D.

All paint retailers are invited to participate as a PaintCare drop-off site provided they meet PaintCare's requirements and applicable laws and regulations, including, but not limited to the following:

- Ability to provide enough space to hold a minimum number of collection containers as determined by PaintCare's needs in their specific geographic location;
- Willingness to accept both latex and oil-based paints;
- Willingness to accept Program Products from any qualifying generator;
- Reasonable access by the public and by PaintCare's transporter;
- Compliance with PaintCare operational guidelines and applicable state and local regulating agency requirements;
- Willingness to have their site promoted on PaintCare's website and through other outreach methods; and
- Willingness to post and distribute PaintCare point-of-sale outreach materials including a window poster advertising their store as a drop-off site.

Although retail participation is entirely voluntary and drop-off sites are not compensated, more than a dozen retailers had expressed interest in becoming drop-off sites at the time this Plan was submitted to the Agency. Through continued dialogue and engagement, and based on our experience in the three active states, PaintCare is confident that additional stores will join the Program to serve as paint drop-off sites.

Similar to HHW programs, following receipt of a completed retail interest form, PaintCare contacts the store to obtain site details and begin the process to establish a formal agreement between PaintCare and the retailer.

“Reuse” Stores

Vermont ReSOURCE stores, Habitat for Humanity ReStore outlets, and other salvage stores and yards – sites that accept and redistribute excess or reusable building materials – have been identified as a unique group of retailers to invite to become PaintCare drop-off sites. Although there are only a few of these stores in Vermont, they can play an important role in the Program because they contribute to “reuse.”

Reuse stores that currently accept donations of paint for resale either turn away unsellable paint or are left with a disposal problem. Reuse stores that sign up with PaintCare will be able to accept (more)

paint, screen out the best paint for resale, and have the unsellable paint picked up by PaintCare at no charge. PaintCare will also seek out new reuse stores. These sites will be notified and receive communications specific to their needs before the Program is launched.

PaintCare does not offer compensation to sites that sell reuse paint, but it does offer a per-can compensation to sites or programs that offer reuse paint to the public free of charge. This is most commonly done by municipal household hazardous programs.

Waste Transfer Stations

Waste transfer stations are likely to play a role in the collection site infrastructure in Vermont since they are located in many communities and can provide a convenient opportunity and familiar location for their customers to drop off unwanted paint. Transfer stations have some unique characteristics and requirements. They are convenient for people who use them to dispose of other waste and recyclables. Adding paint to the items handled at transfer stations is a logical next step. Also, transfer stations are often used by town departments (e.g., public works) for waste generated by the municipality itself. Such departments may choose to drop off paint at transfer stations to save on the municipality's own paint management costs.

Similar to HHW programs, transfer stations may have some operational or funding restrictions, and exceptions may be made to accommodate them. Use of transfer stations is usually limited by the operator to local residents and businesses. Although PaintCare allows anyone to drop off paint at any PaintCare site, transfer stations will be allowed to limit participation to their customers or community if they wish to do so.

Outreach Materials for Transfer Stations

PaintCare has developed a Transfer Station-specific factsheet and interest form and distributed it at the municipal meetings over the last five months. In addition, prior to program launch, PaintCare will mail these documents directly to all transfer stations. Most transfer stations in Vermont are operated by municipalities, others are privately run – both groups will be invited to join the Program.

Following receipt of a completed interest form, PaintCare contacts transfer station staff to obtain facility details and begin the process to establish a formal agreement between PaintCare and the site. Copies of the Transfer Station factsheet and interest form are included with this Plan in Appendix D.

One-Day Paint Collection Events

Stakeholder feedback from Agency staff and municipal programs suggests that despite the state's robust HHW collection infrastructure, homes and businesses in Vermont may still have some accumulation of paint (latex in particular) in their garages, basements and storage areas. As noted earlier, some HHW programs in Vermont accept latex paint, and some do not. Also, some service business customers and some do not. Those that do not accept latex paint advise the public to dry and dispose of latex paint in the trash. Despite this advice, many people continue to store their unwanted, leftover latex paint because the process to dry and dispose is messy and inconvenient.

PaintCare and the Agency are concerned about the possibility of overwhelming retail drop-off sites with this "legacy" paint, particularly at the start of the Program. To address this concern, PaintCare may hold one-day paint collection events in various high-population or underserved regions of the state at the start of the Program and in future years if beneficial. The objective of the paint-only collection events is

to capture stockpiled paint from homes and businesses. One-day events were held at the start of the Connecticut program for the same reason and proved to be well received. As these events are likely to run at the same time as HHW events (in the warm summer and fall months), PaintCare will make every effort to coordinate with HHW programs so that PaintCare’s paint collection events do not conflict with scheduled HHW collection events.

With assistance from the Agency, HHW programs, and other partners, PaintCare will identify the best locations to hold such events, and through our marketing firm, PaintCare will utilize local media outlets to bring the targeted number of participants to each event. However, unlike municipally-sponsored HHW events, PaintCare’s paint-only collection events will not be restricted by town or other boundaries.

Large Volume Pick-Up Service

The Large Volume Pick-Up Service (“LVP Service”) will be offered to trade painters, contractors and other entities with large volumes of paint – generally more than 300 gallons. Under the LVP Service, approved users will receive a direct pick up at their site. The LVP Service will begin within the first six months of the start of the Program. Approval for use of the LVP Service will be determined by PaintCare. Potential users of the LVP Service will be asked to provide specific information about their volume of paint, paint type (latex vs. oil-based), and container sizes. Once a site is approved for an LVP, they will be put in direct contact with PaintCare’s transportation service provider to schedule a pick-up appointment.

Convenience Criteria

To ensure adequate paint collection infrastructure in Vermont, PaintCare used Geographic Information System (GIS) modeling to determine the appropriate minimum number and distribution of drop-off sites based on the following baseline criteria required by the Vermont Paint Stewardship Law:

- **Distribution/Distance:** At least 90% of Vermont residents shall have a permanent site within a 15-mile radius. Retail drop-off sites will be available to residents and businesses from other towns; however municipal drop-off sites (waste transfer stations and HHW programs) are only available to residents from certain towns or geographic areas. For municipal partners that limit participation, only eligible users will be counted towards the percentage-served calculation. It is expected that in areas with no opportunities for permanent drop-off sites (i.e., no available retail store, household hazardous waste facility or interested transfer station), participants will have to drive a distance greater than 15 miles to reach a drop-off site.
- **Density:** In addition to drop-off sites selected to meet the 15-mile distance criteria, one additional site is required for every 10,000 residents of a municipality.

Application of these criteria results in approximately 45 permanent drop-off sites, which PaintCare considers its minimum, baseline service level goal. PaintCare aims to meet the baseline goal within 6 months of Program launch and expects the goal to be met primarily through new retail drop-off sites, supplemented by town transfer stations and existing household hazardous waste facilities. Once the baseline is satisfied, PaintCare is likely to recruit additional drop-off sites in an effort to maximize convenience for Vermont residents.

To measure progress towards the required convenience criteria, included each year with the Annual Report will be GIS analysis and discussion of the convenience level offered by the current drop-off sites.

If PaintCare has not met or maintained its goals, the Annual Report will also discuss the efforts that will be undertaken to meet them.

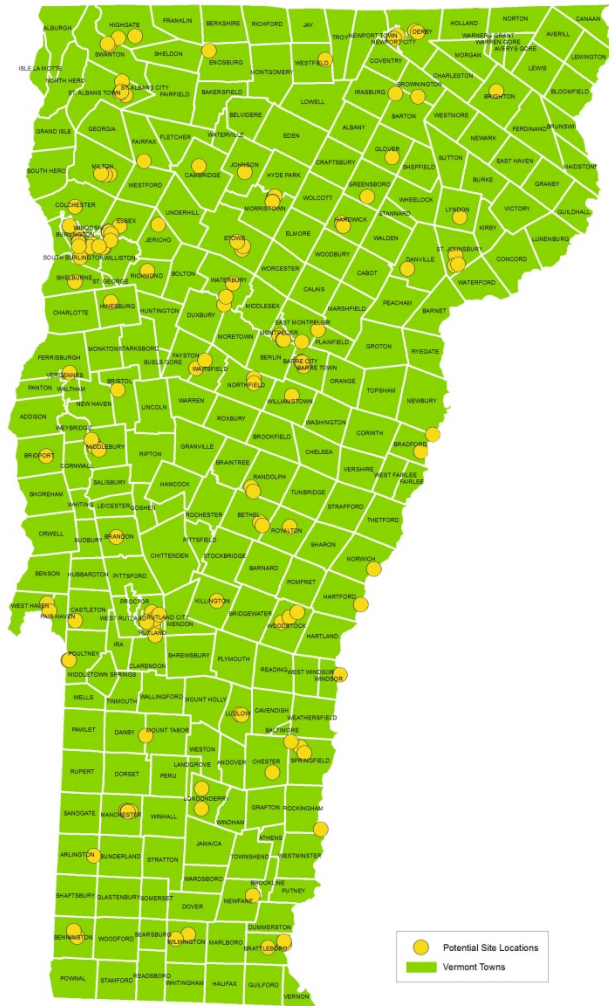
Map 1 on the following page shows the locations of all potential retail site partners (yellow dots); these are addresses of actual paint retailers in the state. 130 potential paint retailer drop-off sites have been identified and solicited to be drop-off sites. As big box stores are unlikely to volunteer as drop-off sites, the 7 in the state were not included in the GIS analysis and are not shown in this map

Selecting from the potential 130 paint retail drop-off sites, Map 2 shows the *optimal* 45 sites (red dots) when applying the distribution/distance and density convenience criteria. These 45 sites represent the best combination of sites if PaintCare had the ability to hand select drop-off sites and intended to only meet the baseline convenience requirement of the law. However, as PaintCare does not intend to limit participation to a select group of sites, nor is it likely that this specific set of sites will all choose to be PaintCare partners, Map 2 should only be considered for illustrative purposes.

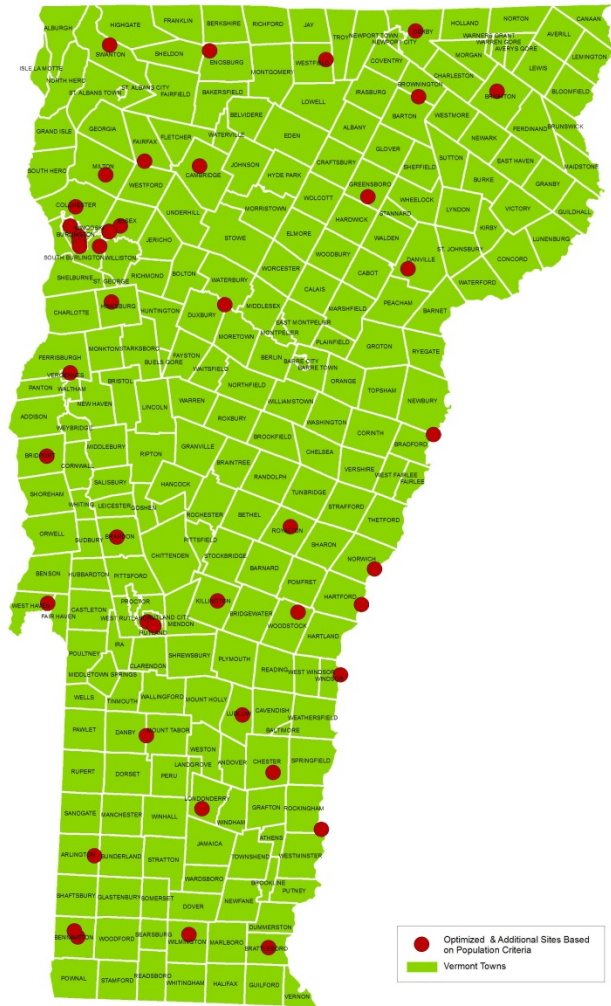
To further clarify, using this set of 45 sites is not the only way to satisfy the convenience requirement – it can be achieved through many other configurations of sites throughout the state, but it unlikely to be accomplished with fewer than 45 sites. In addition, though an important partner in the program, the state's HHW facilities are not included on these maps since their days and hours vary greatly relative to retail stores and may be perceived as less convenient than retailers. But once again, these maps are simply for illustrative purposes – to get a sense of what a statewide convenient distribution of sites may look like. They do not represent the actual type, number or distribution of sites that may end up serving as drop-off sites in the Program.

Further discussion of the GIS methodology and analysis conducted by Golder Associates, an engineering firm with expertise in geographic mapping and analysis, is provided in Appendix E.

Map 1. Potential Retail Drop-Off Sites



Map 2. Optimized Retail Drop-Off Sites



6. Site Operations and Materials Management

Statutory Citation

10 V.S.A. § 6673. PAINT STEWARDSHIP PROGRAM

- (a) A producer or a stewardship organization representing producers shall submit a plan for the establishment of a paint stewardship program to the Secretary for approval by December 1, 2013. The plan shall address the following:
- (3) Describe how the program proposed under the plan will collect, transport, recycle, and process postconsumer paint for end-of-life management, including recycling, energy recovery, and disposal, using environmentally sound management practices.
 - (7) Describe how postconsumer paint will be managed in the most environmentally and economically sound manner, including following the waste-management hierarchy. The management of paint under the program shall use management activities that promote source reduction, reuse, recycling, energy recovery, and disposal.
- (i) In addition to the requirements specified in subsection (a) of this section, a stewardship organization shall notify the Secretary in writing within 30 days of any change to:
- (4) the processors that manage postconsumer architectural paint identified under this section as part of the plan.

Section Overview

This section discusses:

- Drop-off site operations
- Paint transportation and processing procedures
- Processing and disposal of Program Products, including reuse, recycling, energy recovery and landfill

Site Operations

All PaintCare drop-off sites must:

- Have an agreement in place with PaintCare;
- Accept Program Products from all site-eligible audiences;
- Be staffed during operating hours;
- Store collected Program Products in a secure location; and
- Follow all procedures in PaintCare's operational guidelines.

All PaintCare drop-off sites will operate in accordance with PaintCare's site guidelines, and with applicable federal, state and local environmental laws, regulations, and permits. If any discrepancies occur between PaintCare's guidelines and these, the requirements of latter group will be followed.

Site Training

With the exception of HHW programs for which it is optional, all other PaintCare drop-off sites receive an in-person, on-site training regarding Program operations. Each site will be left with a training binder that is to be reviewed and includes a training log that is to be signed by any staff handling postconsumer paint for the PaintCare Program. Topics covered in the training (and training binder) include:

- Program Product identification
- Safe handling and storage of Program Products
- Spill clean-up and reporting
- Procedure for scheduling a paint pick-up
- CEG/SQG/LQG screening
- Record keeping



Collection Containers

Drop-off sites will be equipped with collection containers to store postconsumer paint received through the Program. Collection containers will be US DOT approved reusable (example on left) or single-use cubic yard boxes (example on right), 55-gallon drums, or other appropriate containers. Drop-off sites will be required to keep collection containers in a secure location that does not have public access. (Sites that can only hold one collection container may not be appropriate for the Program.)



Collection Volumes

Drop-off sites may voluntarily limit the amount of paint accepted from a customer at any time as long as the limit is no lower than 5 gallons. PaintCare will advertise a limit of 5 gallons per customer per visit, particularly for retail sites with limited storage space. However, the actual limits will be determined by individual sites.

Non-Program Products

Minimization of non-Program Products entering the Program is critical and will be achieved through public education, signage at drop-off sites, and drop-off site training on Program Product identification. PaintCare will arrange and pay for transportation and end-of-life management of any incidental non-Program Products that enter the system. In addition, PaintCare's transportation and processing service providers will provide feedback to PaintCare regarding the source (specific drop-off site), quantity and

type of non-Program Products. Depending on the severity of contamination, PaintCare may do one of more of the following: (1) contact the site to let them know about the incident, (2) provide additional/refresher site training on identification of Program and non-Program Products, or (3) remove the site from the program.

Site Visits and Monitoring

Following the initial training, PaintCare's representative will visit drop-off sites routinely to ensure compliance with Program requirements, address any needs or concerns they may have, and check their supplies of outreach materials.

Paint Transportation

An effective transportation system is required to ensure that the paint collection infrastructure operates efficiently. PaintCare will contract for transportation of all Program Products. Transporters will include both private and public entities (e.g., a municipality transporting paint from its own one-day events to a central location). Transporters must meet all applicable State and Federal DOT rules and regulations and must track Program Products from the collection sites to their final destination. Transporters, subsequent processors, and their records, will be subject to audits by PaintCare.

As needed, transporters will drop off empty collection containers and Program supplies (e.g., spill kits) at PaintCare drop-off sites and events and pick up full collection containers in a timely manner (likely to be 5 days for Vermont). Transporters will service drop-off sites on either an on-call basis (sites call for pick-up when their storage capacity is 50% full), or on a set schedule – whichever method is best for the individual drop-off sites.

At the time of this Plan submission, negotiations were under way for selecting the Program's transporter(s). The Agency has been made aware of the likely vendor(s) and will be notified when the contracting process is complete. The Agency will also be notified any time a change to the transportation service provider is made in the future.

Paint Processing

Either directly, or through transportation service providers, PaintCare will contract for processing and proper end-of-life management of all Program Products. Once PaintCare's transportation service contract(s) is finalized, the Agency will be notified of the paint processors and end-of-life paint destinations that are included with it. The Agency will also be notified of any changes made to processors or end-of-life destinations used in the Program.

The following summarizes the management options PaintCare intends to use for Program Products, subject to availability and economic feasibility, prioritized by highest, best use:

Latex Paint

- Paint reuse
- Paint reprocessed back into paint or into another product
- Beneficial use
- Appropriate disposal

The condition in which postconsumer latex paint is received by the Program may limit the available management options. If containers are not properly sealed during storage, latex paint can harden due to evaporation and may no longer be useable or recyclable. If latex paint is frozen a number of times, it may not be as suitable for reuse or recycling. Ultimately, the method of storage and the timing of the decision to recycle/dispose of the paint are determined by the consumer. The Program's education and outreach component will encourage the return of unwanted postconsumer paint in an effort to reduce the age and improve the condition of collected paint.

Oil-Based Paint

- Paint reuse
- Energy recovery through fuel blending or fuel incineration

The majority of PaintCare collection sites will loose-pack oil-based paint into collection containers. (Some HHW sites or events may bulk it.) While it is possible to recycle oil-based paint back into paint, no processor offers this option at this time. With the exception of a small amount of reuse, all oil-based paint will be managed by fuel blending or fuel incineration.

The following provides a more detailed description of the latex and oil-based paint management options listed previously.

Latex: Reuse. As discussed previously, the Program will implement and support latex paint reuse programs where possible and provide monetary compensation to sites that give reuse paint away to the public free of charge. Paint reuse programs can return good quality paint to the local community without moving the paint through a costly network of transporters and processors. This is also an important opportunity to reduce the environmental impacts of the Program. As with other second-hand products, users of "previously owned" latex paint will be notified that the suitability of the product cannot be guaranteed, and they will be required to sign a waiver form before taking away paint for reuse from a PaintCare-partnering drop-off site.

Latex: Recycling Paint Back into Paint. Latex paint may be used to make recycled-content latex paint. Once reprocessed, recycled-content paint is sold through domestic and international markets. The quality of the paint varies from high quality color-segregated and filtered paint, to low-grade gray paint most commonly used for graffiti abatement.

Latex: Chittenden Solid Waste District (CSWD) Local Color Paint. PaintCare will work in partnership with CSWD to support and expand their Local Color paint processing program. CSWD recycles about 25% of latex paint received through its own and other HHW programs into their Local Color recycled-content paints. Selected paint is re-blended, double filtered, and poured into 2 and/or 5-gallon pails. Local Color can be purchased at the CSWD Environmental Depot and other HHW and reuse stores around the state.



Latex: Recycling Paint into Non-Paint Products. Though options are limited at this time, latex paint may be used as a raw material for other products. Current examples include a decorative landscaping material made by a California recycler and road base.

Latex: Beneficial Use. Latex paint may go to beneficial use – as approved by federal, state and local authority – including use in fuel substitute, and landfill biodegradation (an experimental technology).

Latex: Disposal. Latex paint may be solidified for proper disposal. In this process, liquid paint is combined with drying agents and turned into a solid suitable for landfill. Solidification represents the least desirable management method for postconsumer latex paint.

Oil-Based: Reuse. As with latex paint, the Program will implement and support oil-based paint reuse where possible. These programs benefit the community and reduce the life cycle impact of the postconsumer product. Users of “previously owned” oil-based paint will be notified that the suitability of the product cannot be guaranteed, and they will be required to sign a waiver form before taking paint away for reuse from a PaintCare-partnering drop-off site.

Oil-Based: Fuel Blending. Some cement kilns use high BTU value industrial by-products and hazardous wastes, including oil-based paint, as an alternative fuel source. These kilns are fully permitted for the necessary federal, state, and local requirements for hazardous waste management and monitor air emissions and kiln ash for permit compliance. Burning hazardous waste offsets the amount of other fuel sources required by the kilns to manufacture cement.

Oil-Based: Fuel Incineration. Permitted hazardous waste incinerators commonly use oil-based paint, flammable liquids and other hazardous wastes and industrial by-products as a substitute fuel source because it is less expensive than natural gas. Oil-based paint has a petroleum distillate base which aids in thermal destruction of other hazardous waste and validates its use in this capacity. These incinerators are fully permitted for the necessary federal, state, and local requirement for hazardous waste management and monitor air emissions and ash for permit compliance.

Incidental Non-Program Products

Although drop-off sites will be trained and instructed to screen out non-Program Products, it’s likely that a small number of containers of non-Program Products may enter the Program and be screened out during the sorting process by PaintCare’s transporters and processors. Incidental wastes will be recycled or disposed of as hazardous waste by PaintCare rather than returned to a drop-off site.

Empty Paint Containers

When possible, empty metal and plastic paint containers will be recycled. PaintCare will work with its service providers to identify and utilize opportunities as markets permit.

7. Education and Outreach

Statutory Citation

10 V.S.A. § 6673. PAINT STEWARDSHIP PROGRAM

- (a) A producer or a stewardship organization representing producers shall submit a plan for the establishment of a paint stewardship program to the Secretary for approval by December 1, 2013. The plan shall address the following:
 - (8) Describe education and outreach efforts to inform consumers of collection opportunities for postconsumer paint and to promote the source reduction and recycling of architectural paint for each of the following: consumers, contractors, and retailers.
- (d) A producer or a stewardship organization of which a producer is a member shall promote a paint stewardship program and provide consumers with educational and informational materials describing collection opportunities for postconsumer paint statewide and promotion of waste prevention, reuse, and recycling. The educational and informational program shall make consumers aware that the funding for the operation of the paint stewardship program has been added to the purchase price of all architectural paint sold in the State.
- (e) A plan approved under this section shall provide for collection of postconsumer architectural paint at no cost to the person from whom the architectural paint is collected.

Section Overview

This section discusses:

- Outreach methods, messaging, and target audiences
- Lessons learned from PaintCare Programs in other states

Introduction

PaintCare is committed to providing robust and successful education and outreach for the Vermont Paint Stewardship Program using a variety of communication tools, including:

- Earned media (e.g., press releases/coverage)
- Traditional media (e.g., newspaper, radio, television)
- Print materials (e.g., brochures, factsheets)
- Online and social media
- Direct, face-to-face communications (e.g., home shows, retail site visits, presentations)

Examples of PaintCare outreach materials are included at the end of this section.

Messaging

Reduce, Reuse, Recycle

The “Reduce, Reuse, Recycle” messages have been used by environmental organizations and waste management programs for more than 20 years to reduce the amount of postconsumer paint and to inform consumers how and where to recycle their unwanted paint. This type of messaging – and more – will be necessary to have a successful Paint Stewardship Program in Vermont. PaintCare intends to promote the concept behind the “3Rs,” however, instead of “reduce, reuse, recycle,” the PaintCare campaign will use more instructive and paint-specific messaging such as “Buy Right, Use It Up, Recycle the Rest.”

Program Awareness

Another critical messaging component involves building awareness of the PaintCare Program. Key messages for this element include:

- What PaintCare is and why it exists
- Why the Law was passed (e.g. product stewardship, cost savings to municipalities)
- PaintCare Recovery Fee – the purpose and amounts
- Which products are accepted in the Program and which products are not

Target Audiences

PaintCare’s outreach and education plan will focus appropriate messages to each of the following audiences:

- Households (residents)
- Businesses (professional painters, contractors, property managers, etc.)
- Paint retailers

The following examples illustrate how the Program may adjust the emphasis of messages in outreach materials based on target audience:

- Households. Emphasize “Buy Right” through working with a retail paint professional that has experience with estimating the correct volume of paint for a specific project.
- Households. Emphasize finding a drop-off site to recycle paint – change the prior instructions used by some Vermont HHW programs from “dry and dispose” to “find a place to take latex paint along with other Program Products for recycling.”
- Trade Painters. Emphasize “Use It Up” to minimize the amount of paint becoming waste and “Recycling the Rest” since recycling opportunities may not have existed in the past for businesses in all parts of the state.
- Retailers. Emphasize “Understanding PaintCare” so they can properly explain the Program to their customers.

Written Materials

PaintCare will develop the following written materials for use by paint retailers, drop-off sites and/or the general public:

- Window Poster/Cling: To promote a site as a paint drop-off location.
- Signage: Geared at creating general awareness of the Paint Stewardship Program, such signage communicates the PaintCare Recovery Fee, how to find a drop-off site, and how to obtain more information about the Program.
- Brochures/Cards: Designed to help the public find drop-off sites and explain PaintCare Program.
- Fact Sheets: Formatted for easy printing and available from the PaintCare website, fact sheets are designed for a variety of audiences and cover a variety of subjects (e.g., general information, how to become a paint drop-off site, benefits to municipal programs, etc.)

PaintCare will send retailers a “starter pack” of consumer point-of-sale (POS) outreach materials prior to the start of the Program. As needed, retailers may order additional POS materials for no charge.

Lessons Learned from PaintCare in Other States

Vermont’s PaintCare Program will benefit from lessons learned – programmatically and financially – from PaintCare Programs in other states. These key lessons are discussed here.

PaintCare has learned the importance of balancing the need to tell the public about the Program (that there is a new fee on paint and that there are new drop-off sites) with the need to allow the drop-off sites time to become familiar with operations.

Prior to PaintCare, for many Vermont residents, municipal HHW collection events were the primary option for getting rid of paint. Those who have used these events know that they need to act in a timely manner and that the number of days is often very limited. At the start of PaintCare Programs in other states, some sites were deluged with large numbers of people hurrying to use the retail drop-off sites as soon as they learned about them. However, with PaintCare there is no immediacy to using the retail drop-off sites; PaintCare retail drop-off sites they are permanent and open whenever the retailer is open.

PaintCare will conduct a statewide outreach to all areas of the state about the program and options, but the outreach will be phased in gradually in order to avoid overwhelming sites and frustrating customers and retailers. When collection containers become full, the sites cannot accept more paint until the full containers are replaced with empty ones. The public is unhappy with the Program and retail sites if they are turned away, the retailers are frustrated turning people away, and local governments are concerned that this may lead to illegal dumping.

To address these concerns, PaintCare’s approach will be to limit the initial outreach to press releases that announce that there is a new Program – with a fee on new paint – and explain that drop-off sites are permanent and open year-round during regular business hours. As sites become more comfortable with the operations, PaintCare will gradually start media campaigns in phases to create more awareness about the Program and how to find drop-off sites. This approach has been successful in Connecticut.

This initial strategy lacks an important element: that of informing those people who may not see any news stories that the Paint Recovery Fee is being added to their new paint purchases. PaintCare knows that trade painters and other consumers who purchase paint frequently will notice the fee and are more concerned and vocal than those who buy paint infrequently. To address these key consumers of paint, PaintCare will work with trade painters and home builder/remodeler associations, and has already started to provide factsheets to retailers to insert in their monthly bills to regular customers and make available in the stores so that customers will not be surprised by the fees (see Appendix D).

Phasing in Outreach

A preliminary outreach strategy has been developed and discussed at two stakeholder meetings in Vermont in November 2013. This plan recommends that public relations (press releases) be used to reach the general population, and that they focus specifically on generating statewide press coverage of the approval of the Program Plan and launch of the Program. Once the retailers that are serving as drop-off sites are accustomed to the Program, PaintCare will expand outreach through a combination of local newsprint, television, radio, and geo-targeted on-line advertising. In the early phases of the Program, the outreach firm suggests using more newspaper and online advertising, and being cautious when using radio and television to avoid broadcasting the PaintCare message into neighboring non-PaintCare states (e.g. New Hampshire and New York). Cable television and public/talk radio provide greater control when compared with broadcast television and larger commercial radio stations.

Stakeholder Meetings with Retailers

As already discussed, PaintCare makes outreach materials available to all paint retailers, and will assist retailers to comply with the requirement of the Vermont Law to provide consumers with information regarding available management options for postconsumer paint

Experience in Oregon demonstrated that it is difficult to get retailers to make space for promotional and written materials about the PaintCare Program, despite offering and delivering these materials free of charge. To address this, PaintCare has worked with retail stakeholders to learn what would make them more willing or interested in utilizing PaintCare's materials and promoting the benefits of the Paint Stewardship Program.

PaintCare held two meetings with retailers: In California in June 2012, several months prior to the start of that program, and in Oregon in 2013, almost three years after the start of that program. At these meetings, PaintCare reviewed POS materials (posters, brochures, etc.), and solicited feedback about messaging, design, size, adaptability, co-branding and other elements that may factor into a retailers willingness or ability to use these materials. Key feedback from these meetings is as follows:

June 2012 (California)

- Message should be simplified to "Recycle with PaintCare."
- Retailers requested a small card to hand customers to help them contact PaintCare by phone or via the website to find a drop-off site.
- Estimating the correct amount of paint to purchase is complicated. It requires knowledge about the type of paint, surface to be painted, and other factors. Retailers would not utilize or distribute PaintCare materials addressing this subject. Instead, retailers suggested that consumers be told to seek advice about buying the right amount of paint from store staff.

- Retailers need to provide advanced notice to their commercial customers (mostly trade painters) to provide them ample time to prepare for the new fees and incorporate the fees into their bids/estimates prior to the launch of the Program.

April 2013 (Oregon)

- After the first year of the program, there are not many complaints about fees.
- Drop-off sites like being listed in newspaper ads.
- The poster about estimating paint sales was not useful. As with the California meeting, the Oregon retailers said estimating how much paint to purchase is not simple and requires more discussion than a chart could convey.
- They preferred the look of the materials developed for California (Oregon materials had not been redesigned prior to stakeholder meeting.)

Site Locator Tool

PaintCare is committed to providing accurate, up-to-date information regarding paint recycling options available to the public and has taken on the significant task of developing its own nationwide database of paint collection programs, referred to as the “site locator” tool. The site locator provides a unique, paint-specific, easy-to-use search tool for locating the nearest drop-off site to take leftover paint for reuse, recycling or proper disposal. Site-specific information will explain who is eligible to use a specific site and what limitations apply to the site (e.g. municipal transfer stations that serve only that municipality’s residents). This tool is available from PaintCare’s website and through a mobile phone application. In non-PaintCare States the tool lists municipal household hazardous waste collection programs as locations where the public can bring leftover paint, and in PaintCare States, it lists only PaintCare drop-off sites and HHW programs that partner with PaintCare.

Outreach Contractor

PaintCare will work with two outreach firms for conducting outreach to Vermont residents and businesses. The lead agency will be Mascola Group of New Haven, Connecticut. PaintCare and Mascola have identified and are intending to contract with Marketing Partners, a Vermont-based firm to help with certain aspects of the Program including public relations (press releases), media planning and community-based events.

Outreach Budget

Design of most materials (e.g. brochures, factsheets, newspaper ads), website and online/social media are coordinated by PaintCare’s corporate communications team and customized for each state. These design expenses are not part of the Vermont outreach budget (they are rolled into corporate costs, of which Vermont pays its relative portion as described in the budget discussion in Section 9 of this Plan). The proposed \$100,000 outreach budget will be used for the following direct costs for Vermont:

Media Buying (two-thirds of budget)

- A variety of media will be used to reach all parts of the state (e.g. newspaper, radio, television, online, including planning). The two agencies will develop the media plan together. Mascola will make most media purchases in order to leverage their media buying throughout New England. PaintCare plans to use two thirds of the budget for media buying.

Non-Media Buying (one third of budget)

- Printing and mailing of print-based materials (e.g. brochures, factsheets).
- Earned media (e.g. press releases/coverage). For the launch of the Program, PaintCare will plan and execute a Vermont press event with government officials, local retailers and other stakeholders. At the recommendation of both outreach firms, this function will be led by Marketing Partners in order to leverage their relationships with local media. Following launch, earned media may be linked to local events such as submission of Annual Reports and Earth Day, or PaintCare may decide press releases are not necessary and shift the budget to increase media buying or other outreach activities.
- Contingency: Other outreach activities may include non-corporate design and printing, participation in local events and home shows, direct mail, and other new (unanticipated) opportunities.

Examples of Outreach Materials

Trifold Brochure and Mini-Card



General Poster for All Retailers



Newspaper Ad (California)

paintcare®

We're planning to recycle our leftover paint.

Do you know what to do with leftover paint? Recycling with PaintCare® is simple and convenient. Please join us in protecting the environment by recycling and properly disposing of your leftover paint.

How does it work?
When you buy a gallon of new paint, 75¢ of the purchase price funds the cost of recycling your old leftover paint. (35¢ for quarts; \$1.60 for 5-gallon cans.) PaintCare is setting up drop-off sites throughout California where you will be able to bring leftover paint for no additional charge.

To learn more please call (855) 724-6809 or visit paintcare.org.

Recycle with PaintCare

Newspaper Ad (Connecticut)

paintcare®

We'll take your paint!

Do you know what to do with leftover paint?

PaintCare has more than 100 new locations in Connecticut where you can bring your old paint, stain and varnish to be recycled. Learn more about PaintCare and find your local drop-off site at www.paintcare.org.

Recycle with PaintCare

Be sure containers are not leaking and have original labels. Most locations will accept up to five gallons per visit. For more information, call (855) 724-6809.

Poster for Retail Drop-Off Sites

paintcare®

Recycle your paint here.

To learn what products are accepted by the program either ask your sales associate, call (855) 724-6809 or visit www.paintcare.org.

Recycle with PaintCare

Leaking, unlabeled, and empty containers are not accepted.

Site Locator Mobile App

App Store Icon

Drop-off sites are on light and green containers to identify cardboard cans.

More sure to be sure and containers are secured to the back of your vehicle.

Acceptable:

- Water Paint (latex and oil based paint)
- Stains and primers
- Specialty stains and other clear finishes

Not Acceptable:

- Flammable liquid solvents
- Flammable aerosol sprays
- Toxicity, glass, adhesives
- Any other hazardous waste

Please do not bring:

PaintCare is a non-profit organization established by the American Coatings Association, membership organization of paint and color in the world.

The ACLA supports the presence of industry-funded paint clean-up programs to properly manage leftover consumer paint.

8. Paint Sales and Projected Collection Volumes

Statutory Citation

10 V.S.A. § 6673. PAINT STEWARDSHIP PROGRAM

- (a) A producer or a stewardship organization representing producers shall submit a plan for the establishment of a paint stewardship program to the Secretary for approval by December 1, 2013. The plan shall address the following:
 - (6) Establish goals to reduce the generation of postconsumer paint, to promote the reuse of postconsumer paint, and for the proper management of postconsumer paint as practical based on current household hazardous waste program information.

Section Overview

This section discusses:

- Architectural paint sales in the United States and Vermont
- Studies and data regarding available collection volumes of postconsumer architectural paint
- Vermont baseline collection data
- Projected collection volumes under the PaintCare Program

Architectural Paint Sales

Due to complex distribution chains that may involve layers of distributors between the manufacturer and final point of sale, most manufacturers do not know the volume of their paint sold into each individual state. To address this, PaintCare commissioned a study in the fall of 2012 by Decision Metrics, Inc., a research firm that specializes in coatings industry analysis and economic forecasting. Decision Metrics utilized key indicators including existing home sales, housing starts, state-level employment rates and commercial vacancy rates to build a national and state-level model for predicting annual sales of architectural paint.

The Decision Metrics study projected sales of 670 million gallons of architectural paint in the United States in 2013, 1.7 million gallons of which will be sold in Vermont. This represents 0.26% of national sales, while Vermont represents 0.20% of the national population.

While the volume of paint sold in Vermont is based on estimates, assumptions about the mix (relative percentage) of container sizes comes from actual PaintCare data for Connecticut sales from July 2013 through October 2013. Using data from Connecticut, Vermont's projected container mix is 55% 1-gallon containers, 28% quart containers, and 17% 5-gallon containers. Container size mix is used to establish the PaintCare Recovery Fee structure presented in Section 9 (Budget and PaintCare Recovery Fee) of this Plan.

Following implementation, the Program will have actual sales and container mix data from manufacturers participating in the Vermont PaintCare Program. If actual data differs significantly from estimates, then projections of revenue, postconsumer paint collection, and related costs may need to be revised. If fees need to be altered, then approval would be required from the Agency.

Volume Available for Collection

Paint is designed to be fully consumed through application to walls, buildings and other surfaces. Although the amount of postconsumer paint received through collection programs is measurable, it is very difficult to determine the total quantity of postconsumer paint that is leftover, unwanted and available for collection. The lag time between the purchase of paint and the decision that the unused product is unwanted, and the additional time taken to return it to a drop-off site can vary greatly. In addition, architectural paint products have a long shelf-life, so consumers purchasing paint in one year may not decide that the unused portion is “unwanted” for several years.

Studies on Leftover Paint Quantity

PaintCare considered the following data and studies to project the total amount of postconsumer paint available for collection, and the percentage of that amount to be received by the PaintCare Program:

- (1) Data from mature Canadian paint collection programs and the Oregon, California and Connecticut PaintCare programs;
- (2) “A Background Report for the National Dialogue on Paint Product Stewardship” prepared by Greiner Environmental Inc. and the Product Stewardship Institute for the Product Stewardship Institute (PSI);
- (3) Documents prepared for the Paint Product Stewardship Initiative (PPSI), including “Quantifying the Disposal of Post-Consumer Architectural Coatings” conducted by Abt Associates Inc. for the U.S. Environmental Protection Agency (EPA);
- (4) “Paint Product Stewardship Initiative Infrastructure Report” prepared by SCS Engineers for the Washington State Department of Ecology; and
- (5) “Consumer Architectural Coatings Disposal Study” conducted by NFO Research Inc. for the National Paint and Coatings Association (ACA’s former name).

Links to the above studies can be found on the paint project page of the Product Stewardship Institute’s website at www.productstewardship.us/paint.

In the Background Report, PSI estimated that 2.5% to 5.5% of paint sold remains as leftover paint. EPA’s study estimated that 6% to 16% of paint sold remains as leftover paint.

The Infrastructure Report considered scenarios of 5%, 10%, and 15% of paint sales resulting in leftover paint, consistent with both the PSI and EPA studies. The report stated that “even with high levels of promotion, few paint collection programs are likely to capture more than 75 percent of the leftover paint in a region.”

The NFO study found that the average amount of leftover paint per household was 0.375 gallons. Consistent with the NFO study, the Infrastructure Report found that using the 5%, 10%, and 15% scenarios, the quantity of paint expected to be collected per household would be in the range of 0.15 to 0.60 gallons (low and extra high), with 0.30 and 0.45 gallons being the middle range. These values corresponded with data from existing HHW programs (that accept latex paint in addition to oil-based paint), with newer programs operating in the low ranges and more mature programs operating in the middle ranges.

Baseline Collection Volume

Vermont's 2012 municipal waste collection data showed that approximately 60,000 gallons of paint was collected through HHW and paint collection programs, divided about evenly between latex and oil-based paint. Data in other PaintCare states shows a typical split of 70-90% latex paint and 10-30% oil-based paint. As noted previously, not all programs collect latex paint in Vermont at this time which explains why the relative portion of oil-based paint is greater than expected. After a few years of operations, the relative mix of latex and oil-based paint collected in the Vermont Program is expected to resemble other state programs that accept latex paint in all their paint collection programs.

Projected Collection Volume

PaintCare considered the studies and data discussed above, as well the possibility of receiving large volumes of legacy (very old) paint, to estimate the amount of postconsumer paint anticipated for collection in Vermont in the first two years of the Program. The assumptions are discussed here and summarized in the table below.

- Sales volume will remain nearly the same for the first two years of the Program at approximately 1.7 million gallons annually.
- The first reporting period for the Vermont program will cover 14 months, from May 1, 2014 to June 30, 2015. Sales volume for the 14-month period is estimated at 2.07 million gallons.
- 10% of architectural paint sold remains leftover and is available for recycling, equaling approximately 207,300 gallons for the initial 14-month reporting period. Note that the typical time frame for disposing of leftover paint is several years after its purchase.
- Mature paint collection programs tend to collect about 70% of leftover paint annually. This can also be stated as 7% of annual sales.
- PaintCare anticipates capturing 60% of leftover paint, at most, in the first couple of years of the Program. This value can also be stated as the equivalent of 6% of sales, referred to as the "recovery rate." Recovery rate¹ is defined as the volume of paint collected divided by the volume of paint sold in the same year. A 6% recovery rate in Vermont represents approximately 106,000 gallons per year, and 124,000 gallons for the 14-month initial reporting period. The 6% recovery rate includes both newly available unwanted paint and the legacy paint that has been accumulating in garages and basements awaiting a convenient recycling option.

A 6% recovery rate is a very high collection volume for a new program. Using the above assumption, Vermont's current recovery rate is approximately 3.5%. However, as not all waste districts in Vermont have previously collected latex paint, we anticipate a large initial return of legacy latex paint and are thus preparing for a high recovery rate from the start of the program. The same recovery rate is anticipated for the second year of the Program, but with a smaller percentage of the paint being legacy, and a larger percentage coming from "newer" leftover paint. With each successive year, we anticipate the percentage of legacy paint to decrease and the percentage of more recent leftover paint to increase. The table on the following page summarizes the values described above.

¹ The Vermont Agency of Natural Resources uses the term Recovery Rate for other waste management programs to mean the percentage of a material collected that is recycled. This is a different use of the term than the way it is used by PaintCare in this Program Plan and in other state programs run by PaintCare.

Projected Collection Volume and Recovery Rate

	Gallons
Volume sold annually	1,777,000
Volume sold in initial 14-month program period	2,073,000
Volume leftover (10% of 14-month period sales)	207,300
Volume collected in mature programs (70% of leftover/7% of sales)	145,000
Projected recovery rate in the first reporting period (60% of leftover/6% of sales)	124,000

It should be noted that there are several factors that make recovery rate goals and calculations problematic. They include the following:

- As noted previously, the time at which a consumer decides his/her unused paint is “unwanted” can vary greatly. As a result, paint brought to a drop-off site may have been purchased very recently or purchased many years ago (legacy paint). Meanwhile, the amount available for collection (thought to be 10% of sales) is derived from a current and fixed time period (e.g., 2013 sales data) and does not take into account variations in paint sales over time. As a result, the variables used to calculate recovery rates are poorly correlated.
- A wide swing in sales due to positive or negative economic conditions can change the recovery rates even if there is no actual change in collection volumes. Negative economic conditions can lead to lower paint sales. This will translate into a smaller denominator in the recovery rate calculation, which results in a higher recovery rate, even if real collection volumes did not increase. Likewise, positive economic condition can artificially decrease the recovery rate.
- The most important factor not considered when setting recovery rate goals is the impact of source reduction on the volume available for collection. “Buy Right” and “Use it Up” are important components of the PaintCare Program and source reduction is an important goal of paint stewardship mandates. The more successful PaintCare is at providing consumers with information and tools to purchase the correct amount of paint and/or to use up what they have leftover, the less postconsumer architectural paint will be available for collection. This is the most desirable outcome of the Program, but cannot be recognized if Program success is measured by increased collection volumes.

Given these factors, along with limited baseline data due limited latex paint activity in the state, PaintCare is not setting volume-based collection goals, but rather examining and providing recovery rate data for planning and budgeting purposes only. As noted previously, the projected volume of paint to be collected in the first reporting period is expected to include both newly leftover paint plus a significant portion of the paint stored prior to the start of the PaintCare program (legacy paint). PaintCare will track the data points discussed above and report the results in its annual reports to the Agency.

9. Budget and PaintCare Recovery Fee

Statutory Citation

10 V.S.A. § 6673. PAINT STEWARDSHIP PROGRAM

(b) The producer or stewardship organization shall submit a budget for the program proposed under subsection (a) of this section, and for any amendment to the plan that would affect the program's costs. The budget shall include a funding mechanism under which each architectural paint producer remits to a stewardship organization payment of a paint stewardship assessment for each container of architectural paint it sells in this State. Prior to submitting the proposed budget and assessment to the Secretary, the producer or stewardship organization shall provide the budget and assessment to a third-party auditor agreed upon by the Secretary. The third-party auditor shall provide a recommendation as to whether the proposed budget and assessment is cost-effective, reasonable, and limited to covering the cost of the program. The paint stewardship assessment shall be added to the cost of all architectural paint sold in Vermont. To ensure that the funding mechanism is equitable and sustainable, a uniform paint stewardship assessment shall be established for all architectural paint sold. The paint stewardship assessment shall be approved by the Secretary and shall be sufficient to recover, but not exceed, the costs of the paint stewardship program.

Section Overview

This section discusses:

- PaintCare's funding mechanism
- Projected cost of the Vermont PaintCare Program
- PaintCare Recovery Fee structure
- PaintCare Recovery Fee audit

Introduction

Key to the success of the Vermont Paint Stewardship Program is the development of a sustainable funding mechanism. Architectural paint manufacturers – through representation by PaintCare – must establish a funding system to cover the full cost of implementing the Vermont Paint Stewardship Program.

The PaintCare Program works by placing a paint stewardship assessment ("PaintCare Recovery Fee") on containers of architectural paint sold in Vermont beginning on the Program start date. The fee must be set at a rate to cover, but not exceed, the cost of implementing the Program.

Funding Mechanism

As the representative organization, PaintCare will implement and direct all aspects of the Vermont Paint Stewardship Program for participating manufacturers. Funding for Program implementation will come from registered manufacturers (see Section 3 of this Plan) to PaintCare in the form of the PaintCare Recovery Fee. The following steps describe the application of the PaintCare Recovery Fee:

- (1) Manufacturers add the PaintCare Recovery Fee to containers of architectural paint sold in Vermont directly or through dealers (retailers and distributors).
- (2) Retailers and distributors pass the PaintCare Recovery Fee to their customers by including it in the price of architectural paint they sell in Vermont.
- (3) When consumers buy architectural paint in Vermont, the PaintCare Recovery Fee is included in the purchase price. As a result, retailers (and distributors) recoup the PaintCare Recovery Fee they paid when purchasing architectural paint from their suppliers.
- (4) Within a designated timeframe (e.g., monthly, quarterly, etc.), manufacturers report sales and remit to PaintCare the PaintCare Recovery Fees for architectural paint they sold in Vermont in the preceding reporting period. Manufacturers have already recouped the PaintCare Recovery Fees they are paying to PaintCare, because the Fees were included in the price of their architectural paint when they sold it to their dealers.

Budget Discussion

The Program has developed a Program budget and proposed PaintCare Recovery Fee structure that sustains the Program. The budget is based on the assumptions covered in Section 8 of this Plan (Paint Sales and Projected Collection Volumes) that resulted in a projected recovery rate of 6% in the initial 14-month reporting period. The following describes the primary elements of the budget:

Revenue

- The volume of paint sold in Vermont is based on industry estimates while the mix of containers by size sold is based on actual sales data from the Connecticut PaintCare program.

Operational Costs

- PaintCare estimates that the Vermont Program, which will include many new drop-off sites, significant outreach efforts, and potential large volumes of legacy paint in the state, the Program should prepare for a 6% recovery rate in the first year of operations.
- In combination, paint transportation and processing costs are the most significant expenses of the Program. Transportation costs include per-collection container transportation cost and/or minimum stop charges. Processing costs are charged by the pound. Transportation accounts for approximately 15% of total Program costs, while processing accounts for 50% of the total Program costs.
- Communication expenses include advertising and promotional materials to increase Program visibility through education and outreach, and represent approximately 9% of planned expenses.
- Personnel, professional fees and other expenses include the cost of one full-time employee of PaintCare, legal costs for developing and negotiating contracts, the cost for the audit of the PaintCare Recovery Fee (as required by the Law) and other logistical, professional support, and miscellaneous office expenses.
- State administrative and permitting fees will be paid by PaintCare to the Agency annually.

Administrative Costs

- Administrative expenses (also called indirect costs) are costs that do not directly benefit the Vermont Program, but rather are *indirectly* beneficial to the Vermont Program. Administrative costs include corporate staffing, construction of data management systems, company-wide auditing fees, legal fees, and general communications. Administrative costs are allocated among all active PaintCare programs (states where legislation has passed). Vermont’s current allocation, based on relative population size among the 7 active states, is approximately \$32,000 per year. Vermont’s share of the administrative expenses is estimated at approximately 3% of the Vermont budget.

Program Surplus/Deficit

- PaintCare has set the stewardship assessment to sufficiently cover the anticipated costs of the program. In the event that assessment fee receipts exceed the actual costs of the Program, the excess fees will be held by the Vermont Program and reported as “net assets” in the financial statements. If a positive net asset balance exists, the balance will allow the Vermont Program to absorb future fluctuations in sales and collection volumes, while still maintaining expected Program service levels. Once the Vermont Program has achieved a consistent level of collections activity, the stewardship assessment fee schedule will be analyzed for appropriateness, and will be adjusted, if necessary.

Program Budget

The budget for the initial 14-month reporting period is summarized here:

Revenue	
Container size: More than half pint to less than 1 gallon	\$ 137,285
Container size: 1 gallon	584,944
Container size: More than 1 gallon to 5 gallons	382,458
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Total revenue	1,104,687
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Expenses	
Paint processing	529,853
Paint transportation	154,011
Collection containers/collection support	91,190
Communications	100,000
Personnel, professional fees and other	138,910
State administrative fees	15,000
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Total direct expenses	1,028,964
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Allocation of corporate activity	31,962
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Total expenses	1,060,926

Change in net assets	43,761
Pre-program costs*	80,000
Ending net assets	\$ (36,239)

*PaintCare has incurred, and will continue to incur, pre-program “start-up” costs until the Program launches. These costs include but are not limited to personnel, travel, legal costs, state administrative fees, and the allocation of corporate expenses.

PaintCare Recovery Fee

The result of anticipated Program costs, combined with projected sales and container size mix, is the following proposed PaintCare Recovery Fee structure. As the next section describes, an independent audit conducted on behalf of the Agency supports the proposed PaintCare Recovery Fee structure.

Container Size	Fee
Half pint or less	\$ 0.00
More than half pint to less than 1 gallon	\$ 0.35
1 gallon	\$ 0.75
More than 1 gallon to 5 gallons	\$ 1.60

The proposed fees per container for Vermont are the same as in other PaintCare States.

Audit of the PaintCare Recovery Fee

As required by the Vermont Law, PaintCare shall propose a uniform paint stewardship assessment and such assessment shall be reviewed by an independent auditor to assure that it does not exceed the total costs of implementing the Program.

PaintCare conducted a competitive selection process, hired, and identified the auditor to the Agency for its approval for use to conduct an independent review of the paint stewardship assessment. PaintCare is responsible for the work product of the selected independent auditor. The cost of the work performed by the independent auditor is paid by the paint stewardship assessment.

For the proposed assessment structure, PaintCare contracted with HRP Associates Inc., the same firm used for the pre-program audit of the of the Connecticut Program. The Agency approved the use of HRP Associates Inc. to review the proposed paint stewardship assessment to assure that such assessment does not exceed the costs of the paint stewardship program and to recommend an assessment to the Agency.

Following Agency approval, PaintCare provided HRP Associates the requested documentation to conduct the review, including:

- PaintCare’s solicited pricing bids for paint transportation and one-day event services
- PaintCare’s solicited pricing bids for paint processing (recycling) services
- PaintCare’s solicited bids for public outreach activities
- PaintCare’s proposed budget with details of costs based on bids submitted for paint collection, transportation, processing, and outreach and education, as well as personnel, legal fees, corporate costs and other budget elements
- PaintCare’s proposed PaintCare Recovery Fee structure

HRP Associates’ audit results are available in Appendix F and conclude with: “HRP independently reviewed the calculations performed by PaintCare for accuracy and the calculations were deemed sufficient. Based on our review, we find the Paint Stewardship Assessment, determined by PaintCare, to be reasonable and not to exceed the actual operational costs to administer the Paint Stewardship Program.”

10. Annual Report and Financial Audit

Statutory Citation

10 V.S.A. § 6677. PRODUCER REPORTING REQUIREMENTS

No later than October 15, 2015, and annually thereafter, a producer or a stewardship program of which the producer is a member shall submit to the Secretary a report describing the paint stewardship program that the producer or stewardship program is implementing as required by section 6673 of this title. At a minimum, the report shall include:

- (1) a description of the methods the producer or stewardship program used to reduce, reuse, collect, transport, recycle, and process postconsumer paint statewide in Vermont;
- (2) the volume and type of postconsumer paint collected by the producer or stewardship program at each collection center in all regions of Vermont;
- (3) the volume of postconsumer paint collected by the producer or stewardship program in Vermont by method of disposition, including reuse, recycling, energy recovery, and disposal;
- (4) an independent financial audit of the paint stewardship program implemented by the producer or the stewardship program;
- (5) the prior year's actual direct and indirect costs for each program element and the administrative and overhead costs of administering the approved program; and
- (6) samples of the educational materials that the producer or stewardship program provided to consumers of architectural paint.

Section Overview

This section discusses:

- Content of the required annual report
- Content and process for the required annual financial audit

Annual Report

PaintCare will submit an Annual Report each year on October 15th to the Agency. With the exception of the first Program year, the reporting period will cover the previous 12 month period of July 1 – June 30. The Vermont Program's first Annual Report will cover a 14 month period, May 1, 2014 – June 30, 2015 and include, at a minimum, the elements required by the Law (provided above).

Financial Audit

PaintCare undergoes an annual, independent financial audit of the organization as a whole. PaintCare conducts a competitive selection process for the auditing firm and hires the auditor to conduct an independent audit. The cost of the audit is shared by all PaintCare states, and is paid by the paint stewardship assessment.

While the audit is conducted of the organization as a whole, it also serves as the annual audit, conducted by an independent auditor, of the total cost of implementing the Vermont Paint Stewardship

Program. The independent audit report will contain a Schedule of Activities that will display the Vermont Program as a business unit.

The independent audit is conducted in accordance with auditing standards generally accepted in the United States of America. Those standards require that the auditing firm plan and perform the audit to obtain reasonable assurance that financial statements are free of material misstatement. The audit also includes examination, on a test basis, of evidence supporting the amounts and disclosures in the financial statements; evaluation of the accounting principles used and any significant estimates made by management; and appraisal of the overall financial statement presentation. PaintCare will include the audited financial statements as part of the Annual Report submission to the Agency.