



Minnesota Architectural Paint Stewardship Program Plan

Revised: July 8, 2014

Prepared by:

Valerie Bernardo, Controller
Paul Fresina, Communications Director
Nathan Perrine, Chief Financial Officer
Jeremy Jones, Minnesota Program Manager
Marjaneh Zarrehparvar, Executive Director

PaintCare Inc.
1500 Rhode Island Avenue NW
Washington, DC 20005
(855) 724-6809
www.paintcare.org

Submitted to:

John Linc Stine
Commissioner
Minnesota Pollution Control Agency
520 Lafayette Road N
Saint Paul, MN 55155-4194



Program Contacts and Program Launch Date

On behalf of participating paint manufacturers, on March 3, 2014, PaintCare submitted to the Minnesota Pollution Control Agency (“Agency”) the Minnesota Paint Stewardship Program Plan. On May 9, 2014, PaintCare received comments and suggested revisions from the Agency. This revised Plan incorporates those changes and other updates since the original submission.

In agreement with the Agency, the Minnesota Paint Stewardship Program will begin on November 1, 2014.

For questions about this Plan, please contact:

Jeremy Jones
Minnesota Program Manager
(612) 719-5216
jjones@paint.org

Marjaneh Zarrehparvar
Executive Director
(202) 719-3683
mzarrehparvar@paint.org

Authorized Signature for Plan Submission

PaintCare Inc.



Marjaneh Zarrehparvar

July 8, 2014

Contents

1. Introduction

Paint Stewardship in Minnesota	1
Minnesota Paint Stewardship Law	1
Program Plan	1
Citations	2

2. Stewardship Organization

PaintCare Inc.	3
----------------	---

3. Registered Manufacturers and Brands

Manufacturer Registration	4
Private Label Agreement	5
Posting and Purpose of Registration Lists	5
Program Products	5

4. Collection Infrastructure

Introduction	6
Audience	7
Acceptance of Discarded Architectural Coatings	7
Household Hazardous Waste Programs	7
Retailers	9
“Reuse” Stores	11
Solid Waste Transfer Stations	11
Large Volume Pick-Up Service	11
One-Day Paint Collection Events	12
Convenience Criteria	11
Site Operations	14
Site Training	14
Collection Containers	15
Collection Volumes	15
Non-Program Products	15
Site Visits and Monitoring	15

5. Materials Management

Paint Transportation	16
Paint Processing	17
Incidental Non-Program Products	18
Empty Paint Containers	19
Status of End Markets	19

6. Education and Outreach

Methods	20
Messaging	20
Target Audiences	21
Lessons Learned: Phasing In Outreach	22
Stakeholder Meetings with Retailers	23
Coordinating Outreach with Municipal Programs	24
Outreach Phases / Timeline	25
Site Locator Tool	25
Evaluation of Outreach	25
Examples of Outreach Materials	26

7. Paint Sales and Projected Collection Volumes

Architectural Paint Sales	27
Volume Available for Collection	28
Studies on Leftover Paint Quantity	28
Projected Collection Volume	29
Baseline Collection Volume	30
Five-Year Goals: 2015-2019	31

8. Budget, Stewardship Fee & Financial Assurance

Introduction	32
Funding Mechanism	32
Budget Discussion	33
PaintCare Recovery Fee	35
Program Budget	35
Audit of PaintCare Recovery Fee	35
Insurance and Financial Assurance	36

9. Annual Report and Financial Audit

Annual Report	37
Financial Audit	38

Appendices

- A. PaintCare Board of Directors
- B. Registered Manufacturers
Registered Brands
- C. Definition of Program Products
Samples Product Notices
- D. Household Hazardous Waste Factsheet and Interest Form
- E. Retailer Notification, Factsheets and Interest Form
- F. Transfer Station Factsheet and Form
- G. GIS Methodology and Results
- H. Joint Outreach Instruction and Form
- I. Assessment Fee Audit Results

1. Introduction

Paint Stewardship in Minnesota

On May 23, 2013, Governor Mark Dayton signed into law H.F. 976, a bill containing the requirement of the Minnesota Paint Stewardship Program (“Program”).

Paint stewardship in Minnesota dates back to 2002 with the Paint Product Stewardship Initiative (PPSI). Led by the Product Stewardship Institute out of Massachusetts, PPSI involved several years of stakeholder dialogues and industry and public sector research on paint use habits and recycling opportunities. Participants included the American Coatings Association, paint manufacturers, paint recyclers, federal EPA, and many state and local governments across the United States. State and local government representatives in Minnesota were early champions of PPSI and vital to its success.

PPSI resulted in the development of a model, state-level paint stewardship law to establish an economically and environmentally-sustainable, industry-designed and implemented post-consumer paint management system. 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; Vermont, Maine, and Minnesota in 2013; and Colorado in 2014.

Minnesota Paint Stewardship Law

The broad goals of the Minnesota Paint Stewardship Law (“Law”) are for paint manufacturers to:

- (a) Implement and finance a statewide product stewardship program that manages architectural paint;
- (b) Reduce the generation of post-consumer architectural paint;
- (c) Promote the reuse and recycling of post-consumer architectural paint; and,
- (d) Negotiate and execute agreements to collect, transport, and process the architectural paint for end-of-life recycling and reuse.

Program Plan

The Minnesota Paint Stewardship Law requires a stewardship organization (or individual producers) to submit to the Minnesota Pollution Control Agency a Program Plan (“Plan”) that includes the following:

- (1) Certification that the product stewardship program will accept all discarded paint regardless of which producer produced the architectural paint and its individual components;
- (2) Contact information for the individual and the entity submitting the plan, a list of all producers participating in the product stewardship program, and the brands covered by the product stewardship program;
- (3) Description of the methods by which the discarded paint will be collected in all areas in the state without relying on end-of-life fees, including an explanation of how the collection system will be convenient and adequate to serve the needs of small businesses and residents in both

urban and rural areas on an ongoing basis and a discussion of how the existing household hazardous waste infrastructure will be considered when selecting collection sites;

- (4) Description of how the adequacy of the collection program will be monitored and maintained;
- (5) Names and locations of collectors, transporters, and recyclers that will manage discarded paint;
- (6) Description of how the discarded paint and the paint's components will be safely and securely transported, tracked, and handled from collection through final recycling and processing;
- (7) Description of the method that will be used to reuse, deconstruct, or recycle the discarded paint to ensure that the paint's components, to the extent feasible, are transformed or remanufactured into finished products for use;
- (8) Description of the promotion and outreach activities that will be used to encourage participation in the collection and recycling programs and how the activities' effectiveness will be evaluated and the program modified, if necessary;
- (9) A uniform stewardship assessment for any architectural paint sold in the state;
- (10) Evidence of adequate insurance and financial assurance that may be required for collection, handling, and disposal operations;
- (11) Five-year performance goals, including an estimate of the percentage of discarded paint that will be collected, reused, and recycled during each of the first five years of the stewardship plan; and
- (12) Discussion of the status of end markets for collected architectural paint and what, if any, additional end markets are needed to improve the functioning of the program.

Citations

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

2. Stewardship Organization

Statutory Citation

Minnesota Session Laws 2013, Chapter 114, Section 78

Subd. 4. Requirement to submit plan. (a) On or before March 1, 2014, and before offering architectural paint for sale in the state, a producer must submit a stewardship plan to the agency and receive approval of the plan or must submit documentation to the agency that demonstrates the producer has entered into an agreement with a stewardship organization to be an active participant in an approved product stewardship program as described in subdivision 2.

PaintCare Inc.

PaintCare Inc. (“PaintCare”) – a 501(c)(3) non-profit organization – 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 (also referred to as producers) in states that pass paint stewardship legislation. PaintCare representation is open to all architectural paint manufacturers and they may register with PaintCare at any time. PaintCare currently represents 180 paint manufacturers in its active states and will represent participating manufacturers in the Minnesota Paint Stewardship Program.

PaintCare’s corporate office is located in Washington, D.C. State program staff members are located in and/or work in the states in which PaintCare programs operate, including Minnesota.

PaintCare’s Board of Directors consists of eleven 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.

3. Registered Manufacturers and Brands

Statutory Citation

Minnesota Session Laws 2013, Chapter 114, Section 78

Subd. 3. Requirement for sale. On and after July 1, 2014, or three months after program plan approval, whichever is sooner, no producer, wholesaler, or retailer may sell or offer for sale in the state architectural paint unless the paint's producer participates in an approved stewardship plan, either individually or through a stewardship organization. (b) Each producer must operate a product stewardship program approved by the agency or enter into an agreement with a stewardship organization to operate, on the producer's behalf, a product stewardship program approved by the agency.

Subd. 5. Stewardship plan content sec (2) a list of all producers participating in the product stewardship program, and the brands covered by the product stewardship program.

Section Overview

This section discusses:

- Manufacturer registration
- Private label agreements
- Posting and purpose of registration lists
- Program Products

Manufacturer Registration

Representation by PaintCare is open to all architectural paint manufacturers who are obligated to take part in the Minnesota Paint Stewardship Program.

To identify potential participants, PaintCare obtained manufacturer information through a variety of sources, including:

- Prior registrations with PaintCare for other states.
- The American Coatings Association
- Internet research

Manufacturers were notified about the Minnesota Law and Program via email and a notice on PaintCare's website for reporting sales for other states.

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 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 change.

Private Label Agreements

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 Registration Lists

PaintCare posts the lists of registered manufacturers and brands on the PaintCare website. The purpose of posting the lists is to make them available for retailers and distributors. Retailers and distributors will use the lists to learn which brands may be legally sold in the state upon implementation of the Program. The current lists of registered manufacturers and brands are included in Appendix B and available on PaintCare's website. The lists will be updated and reposted within 30 days of any changes.

Program Products

The terms Program Products, architectural paint, and paint are used interchangeably in this Plan. In addition, this Plan used the common term latex paint to mean non-combustible or water-based Program Products, and oil-based paint to mean combustible or petroleum solvent-based Program Products.

Program Products are architectural paints in containers no larger than 5 gallons in size. Program Products do not include Industrial Maintenance (IM) coatings, Original Equipment Manufacturing (OEM) coatings, and other specialty coatings. Please see Appendix C for the definition and examples of both Program Products and Non-Program Products. This definition is used to determine the products on which manufacturers are to apply the assessment ("PaintCare Recovery Fee"), as well as to determine which post-consumer products are accepted by the PaintCare drop-off sites.

PaintCare issues product notices as needed to explain certain types of products and whether they are Program Products or not. Examples of these notices are included in Appendix C.

4. Collection Infrastructure

Statutory Citation

Minnesota Session Laws 2013, Chapter 114, Section 78, Subd. 5. Stewardship plan content

Sec (1) Certification that the product stewardship program will accept all discarded paint regardless of which producer produced the architectural paint and its individual components.

Sec (3) a description of the methods by which the discarded paint will be collected in all areas in the state without relying on end-of-life fees, including an explanation of how the collection system will be convenient and adequate to serve the needs of small businesses and residents in both urban and rural areas on an ongoing basis and a discussion of how the existing household hazardous waste infrastructure will be considered when selecting collection sites.

Sec (4) a description of how the adequacy of the collection program will be monitored and maintained.

Sec (5) the names and locations of collectors ... that will manage discarded paint.

Section Overview

This section discusses:

- Who can use the Program
- Pre and post-Program paint collection infrastructure
- Convenience criteria
- Drop-off site operations

Introduction

Minnesota has a robust, statewide household hazardous waste (HHW) collection system in which all 87 counties have some form of HHW collection through permanent and seasonal facilities, temporary collection events, and partnerships with other counties. Minnesota's HHW programs were considered in the proposed paint collection system because of the extensive history within their respective communities and regions.

PaintCare welcomes partnership with all HHW programs in the state to support and utilize their existing programs for paint collection, and will increase paint recycling opportunities in Minnesota through the addition of new sites and services.

The Program anticipates paint collection infrastructure and services to include:

- Local government HHW facilities and events
- Retail paint drop-off sites (paint, hardware and building supply stores) and "reuse" stores
- Solid waste transfer stations (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 PaintCare Program will serve Minnesota residents, businesses, and other entities that have unwanted, post-consumer paint, subject to programmatic limitations described here:

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

Very Small Quantity Generators (VSQGs). Trade painters, contractors, small businesses, and other small to medium-sized organizations are typical VSQGs. The Program will accept any quantity of post-consumer latex paint from VSQGs. The Program will only accept post-consumer oil-based paint at or below the limits applied to hazardous waste generation for VSQGs. In Minnesota, VSQGs are limited to 220 pounds of total hazardous waste generation per month and are allowed to accumulate and dispose of up to 2200 pounds (about 220 gallons) at one time.

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 at this time, but PaintCare is in the process of evaluating the feasibility of including it in the future in all PaintCare states.

Acceptance of Discarded Architectural Coatings

The PaintCare Program will accept discarded architectural coatings from all manufacturers. Drop-off sites must accept all program products, regardless of the manufacturer of the coating or its individual components.

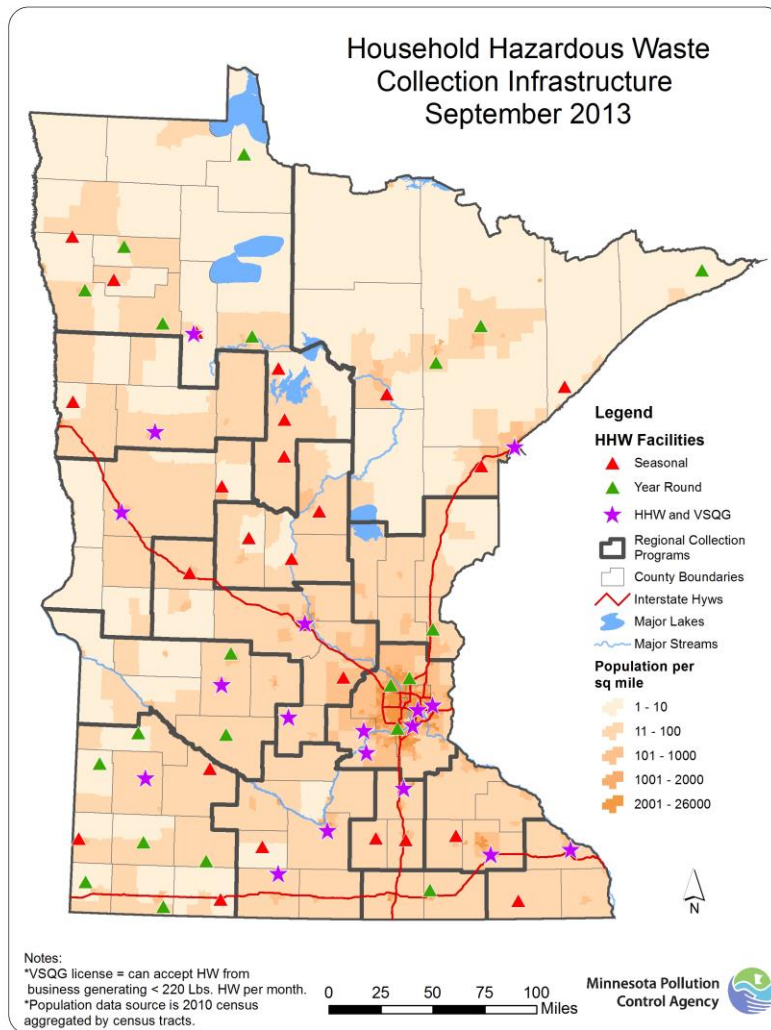
Household Hazardous Waste Programs

HHW facilities and events are a good Program partner because they provide their customers the convenience of recycling/disposing of other products at the same time as paint, and often have regular customers that have used their programs for many years.

With assistance from Agency staff and municipal programs in the state, PaintCare has identified and met with a large portion of the state's HHW programs. Most of these meetings have taken place on location at the program's HHW facilities. Through these meetings, PaintCare has had the opportunity to present the benefits to municipalities of partnering with the Program. These benefits include cost savings, offering expanded services to their community, reducing waste, and increasing recycling.

Before the launch of the Program, PaintCare intends to meet, in person, with the remaining HHW programs to ensure they are aware of the PaintCare Program and partnership opportunity.

The following map provided by the Agency shows the most current representation of the existing HHW and VSQG collection infrastructure in the state.



An HHW-tailored PaintCare Program fact sheet and interest form was developed and distributed over the last 12 months at stakeholder and individual meetings and are available on our website. Current 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 to discuss the contracting process.

PaintCare has received letters of interest from HHW programs serving 49 counties and we ultimately expect to partner with all 87 counties in the state, whether directly through county HHW programs or indirectly through regional HHW programs.

Counties and counties part of regional HHW programs that have formally expressed interest, as of submission of this revised Plan: Anoka, Becker, Big Stone, Blue Earth, Brown, Chippewa, Chisago, Clay, Cottonwood, Crow Wing, Dodge, Douglas, Faribault, Freeborn, Hennepin, Hubbard, Jackson, Kandiyohi, Lac qui Parle, LeSueur, Lincoln, Lyon, Mahanomen, Marshall, Martin, McLeod, Meeker, Mower, Murray, Nicollet, Nobles, Norman, Olmsted, Otter Tail, Pipestone, Pope, Redwood, Renville, Rice, Rock, Sibley, Steele, Swift, Todd, Waseca, Washington, Watonwan, Winona, and Yellow Medicine.

All other regional programs and counties we have approached have informally expressed interest and we will follow up with them to confirm their interest from July forward.

Though the Minnesota Paint Stewardship Program will not formally launch until November 1, 2014, in agreement with the Agency, if a contracting process has been established with municipalities prior to this date, PaintCare will work with existing HHW programs to cover their paint management costs as early as September 1, 2014.

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

- Several broad stakeholder meetings held in conjunction with the Agency
- Conferences: Recycling Association of Minnesota, Minnesota Solid Waste Administrators Association, North American Hazardous Materials Management Association
- Organizations: Solid Waste Management Coordinating Board, Minnesota Product Stewardship Council, Western Lake Superior Sanitation District
- HHW programs and regional HHW program managers

Exceptions for Household Hazardous Waste Programs

PaintCare endeavors to partner with sites that can accept Program Products free of charge from all residents, businesses, and institutions. However, in recognition of restrictions on municipally operated HHW facilities 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.
- HHW collection programs not currently accepting latex paint (if there are any) 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.
- Programs already charging an administrative fee for HHW, VSQG or paint collection may continue this practice as long as it is clear to customers that the fees do not relate to services funded by the PaintCare Program. Other collection sites, such as retailers, may not charge consumers an administrative fee for the handling of Program Products.

Retailers

PaintCare has identified approximately 925 paint retailers in Minnesota 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.

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, interest has already been expressed by many retailers.

In May 2014, PaintCare began its outreach to retailers with the following activities:

- 3 statewide webinars providing program information and content specific to the roles, responsibilities and opportunities of the Program.
- A mailer to all retailers in the state containing a welcome letter containing an invitation to the three webinars, the Factsheet for Retailers, and the Factsheet for Trade Painters. Copies of these materials are included Appendix E. Both factsheets have since been updated to reflect a November 1 Program start date. The current versions of the factsheets are also included in Appendix E.
- 2 informational seminars at the seasonal marketplace for United Hardware, a distributor with 256 partner stores in Minnesota.
- Presentation and Q&A sessions at Twin Cities Ace Hardware stores quarterly meeting (25 stores).
- One-on-one visits with over 300 retail stores to inform of the law’s responsibilities and recruit participation in the collection site system.

Additional retail outreach is planned before Program launch including:

- A second round of statewide webinars in late August.
- A second mailer to all retailers in July to invite retailers to the second round of webinars, provide updated versions of PaintCare’s Fact Sheet for Retailers, the Facts Sheet for Trade Painters and additional information on how to partner with PaintCare.
- A third mailer will be sent in September disseminating packets of hardcopy point-of-sale (POS) materials (brochures, poster, fact sheets) that will be used to educate customers.

“Reuse” Stores

Habitat for Humanity ReStores and other reuse and 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. These stores can play an important role in the Program because they contribute to “reuse.” PaintCare has identified approximately a dozen reuse stores in Minnesota.

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. These sites have been notified of the opportunity to become drop-off sites and have received personal visits and communication to discuss their specific needs in advance of the Program launch.

At the time of Plan submission, 3 of 12 ReStores have expressed formal interest, with the other 9 stores still weighing their participation. We expect the majority of ReStores to eventually participate as sites.

Solid Waste Transfer Stations

A transfer station-tailored PaintCare Program fact sheet (and interest form) was developed and distributed at municipal meetings in the past 12 months and is available on PaintCare’s website. Copies of these materials are included with this Plan in Appendix F.

PaintCare has worked with HHW programs and regional program managers in Minnesota to identify transfer stations that might be interested in the PaintCare Program and will continue to do so. Most transfer stations in Minnesota 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 will contact transfer station staff to obtain facility details and begin the process to establish a formal agreement between PaintCare and the site.

Exceptions for Solid Waste Transfer Stations

Similar to HHW programs, PaintCare recognizes that transfer stations may have some operational or funding restrictions and exceptions may be made to accommodate them. Use of transfer stations is usually limited 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.

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. All LVP Service will comply with applicable state requirements for hazardous waste transport.

One-Day Paint Collection Events

The objective of providing paint-only collection events is to offer services in underserved areas – areas where a needed drop-off site cannot be established. PaintCare will evaluate the need for one-day events in Minnesota prior to Program launch and continually thereafter, taking into consideration an area’s proximity to paint retailers, distance to the nearest permanent drop-off site, population of the area, and (in future years) participation level of past events in the area. Unlike municipally-sponsored HHW events, PaintCare’s paint-only collection events will not be restricted by county or other boundaries; participants from any place in Minnesota will be allowed to deliver paint to the events.

Convenience Criteria

To ensure adequate paint collection infrastructure in Minnesota, PaintCare used Geographic Information System (GIS) modeling to determine the appropriate minimum number and distribution of drop-off sites. After simulating various approaches, PaintCare proposes the following convenience criteria for Minnesota:

(1) Population Distribution/Distance: At least 90% of Minnesota residents shall have a permanent site within a 15-mile radius. It is expected that in areas with no opportunities for recruiting permanent drop-off sites (i.e., no available retail store), participants will have to drive a distance greater than 15 miles to reach a drop-off site.

(2) Population Density: In addition to collection sites selected to meet the 15-mile distance criteria, one additional site will be added for every 30,000 residents of a population center (as described in Appendix G).

Application of these criteria results in approximately 236 strategically located permanent drop-off sites, which PaintCare considers its minimum, baseline service level goal. PaintCare recognizes that not all sites are available to all residents within 15 miles of the site (e.g., local transfer stations) and therefore builds its state convenience models using retail stores that are available to all participants.

PaintCare aims to meet the baseline goal within 18 months of Program launch and expects the goal to be met primarily through new retail drop-off sites, supplemented by existing HHW facilities and transfer stations. Once the baseline is satisfied, PaintCare is likely to recruit additional drop-off sites in an effort to maximize convenience for Minnesota residents.

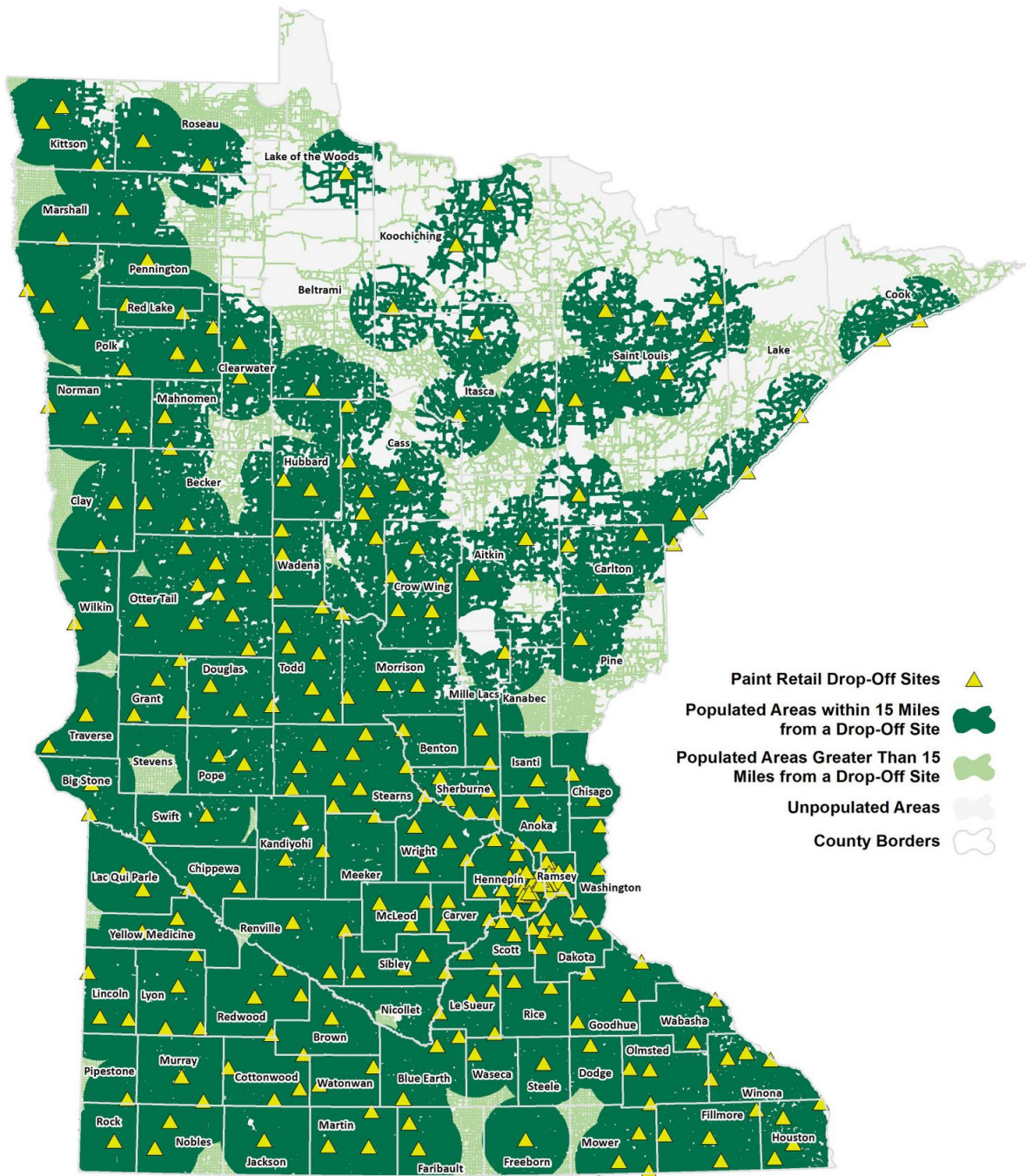
Each year the Annual Report will include a GIS analysis and discussion of the convenience level offered by the current drop-off sites. If PaintCare has not met or maintained its goals, the Annual Report will also discuss the efforts that will be undertaken to meet them.

The following map illustrates the optimal placement of the 236 locations (based on addresses of actual, potential, retail partners) needed to meet the distribution and density criteria. Yellow triangles on the map represent a drop-off site; dark green represents a populated area with a 15 mile radius of each site. All areas of the state, including tribal lands, were given equal consideration. This map is for illustrative purposes – to get a sense of what a statewide convenient distribution of sites may look like. It does not represent the actual type, number or distribution of sites that may end up serving as drop-off sites in the Program. These sites represent the best combination of sites if PaintCare hand-selected retail sites and only met the baseline service needs of the Program. Using this set of 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 is unlikely to be accomplished with fewer than 236 sites.

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 G.

Potential PaintCare Drop-Off Sites (Optimized to Meet Convenience Criteria)



Site Operations

All PaintCare drop-off sites operate in accordance with applicable federal, state and local environmental laws, regulations and permits and follow all procedures in PaintCare's operational guidelines. If any discrepancies arise between PaintCare's guidelines and federal, state, or local statutory, regulatory or permit conditions, the requirements of latter group must be followed.

All PaintCare drop-off sites must:

- Have an agreement in place with PaintCare;
- Provide enough space to hold a minimum number of bins as determined by PaintCare's needs in their specific geographic area;
- Accept Program Products from all site-eligible audiences;
- Provide reasonable access to the public and PaintCare's transporter;
- Be staffed during operating hours;
- Keep collected Program Products in a secure storage location;
- Be willing to have their site promoted on PaintCare's website and through other outreach methods;
- Distribute PaintCare's public outreach materials; and
- Receive and retain Agency or other local permits as required for participation in the Program.

Site Training

All drop-off sites receive an in-person, on-site training regarding PaintCare Program operations.

Each site is provided a training binder that is reviewed during the training and that includes a training log to be signed by any site employee handling paint for the Program. Training topics include:

- Identification of Program Products
- Safe handling and storage of Program Products
- Spill clean-up and reporting
- Procedures for scheduling a paint pick-up
- Screening of businesses and generator status to determine if they qualify to use the Program for oil-based paint (limits may apply)
- Record keeping



In addition to PaintCare's guidance, the Agency has requirements that will be incorporated into the training.

Collection Containers

Drop-off sites will be equipped with collection containers to store post-consumer 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 set their own limit for the amount of paint they will accept from a customer at any one time as long as the limit is at least five gallons. The maximum amount of oil-based paint a site may accept from a VSQG customer at one time is 2200 pounds (approximately 220 gallons).

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 identifications. PaintCare manages 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

Retail and transfer station sites will receive site visits twice each year. HHWs will be visited once each year. The purpose of these visits is to ensure compliance with Program requirements, address any needs or concerns partnering sites may have, check their supplies of outreach materials, and continually solicit their feedback on how to improve the Program.

5. Materials Management

Statutory Citations

Minnesota Session Laws 2013, Chapter 114, Section 78, Subd. 5. Stewardship plan content

Sec (5) the names and locations of ... transporters, and recyclers that will manage discarded paint.

Sec (6) a description of how the discarded paint and the paint's components will be safely and securely transported, tracked, and handled from collection through final recycling and processing.

Sec (7) a description of the method that will be used to reuse, deconstruct, or recycle the discarded paint to ensure that the paint's components, to the extent feasible, are transformed or remanufactured into finished products for use.

Sec (12) a discussion of the status of end markets for collected architectural paint and what, if any, additional end markets are needed to improve the functioning of the program.

Section Overview

This section discusses:

- Transportation and processing service providers
- Paint transportation and processing procedures
- Status of end markets for post-consumer paint

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 may include both private and public entities. 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.

Following a formal bid process, PaintCare has selected and is in the process of establishing transportation contracts with Clean Harbors and Veolia in Minnesota. Additional transporters may be utilized if needed. The Agency will always be informed in advance of any changes to transportation service providers. In addition, PaintCare is working with county government representatives to facilitate a process to allow HHW programs to continue paint collection under the State contract for HHW management. PaintCare intends to preserve the standard of transportation, tracking, and handling currently in use by the State of Minnesota.

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 in urban areas and 10 days in rural areas). 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.

Paint Processing

Either directly, or through transportation service providers, PaintCare will contract for processing and proper end-of-life management of all Program Products. Following a formal bid process, PaintCare has selected and is in the process of establishing paint processing (end-of-life management) contracts with Clean Harbors and Veolia in Minnesota. Both companies will manage oil-based Program Products internally, and they will subcontract with Amazon Environmental in Minnesota for the management of latex and water-based Program Products. Additional processors may be utilized if needed. The Agency will always be informed in advance of any changes to service providers. The following summarizes the management options PaintCare intends to use for Program Products. These options are prioritized by highest, best use:

Latex Paint

- Reuse
- Recycling back into paint or into another product
- Beneficial use
- Appropriate disposal

The condition in which post-consumer 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 post-consumer 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

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 reusable 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 will seek to obtain participant acknowledgement whether via waiver or logbook entry 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: 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.

Latex: Beneficial Use. Latex paint may go to beneficial use – as approved by federal, state and local authority – including use in fuel substitute, as alternative daily cover (ADC), and for 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 post-consumer latex paint and will only be utilized for latex paint that is not suitable to be managed for recycling or beneficial use.

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 post-consumer 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 is 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

Most, but not all, metal and plastic paint containers are already being recycled as part of existing collections by the service providers (and subcontractors) chosen for the Minnesota Program. PaintCare will discuss with its service providers what barriers exist to recycling the fraction of containers that are not currently recycled and work with them to identify additional opportunities to maximize empty paint container recycling.

Status of End Markets

At the time this Plan is being submitted, there are adequate end markets for latex and oil-based post-consumer paint, comprised of both in-state and out-of-state processors of the two paint streams. Presently, the primary end market for latex paint is recycling paint back into paint. Latex paint is also used as a binder or dust control agent in the manufacture of various products including Portland cement. For oil-based paint, fuel blending and fuel incineration are the dominant end markets. If at any time in the future PaintCare sees a shift in the market or has concerns about reduced end markets, the Agency will be notified and engaged in discussion of alternative options.

6. Education and Outreach

Statutory Citation

Minnesota Session Laws 2013, Chapter 114, Section 78, Subd. 5. Stewardship plan content

Sec (8) a description of the promotion and outreach activities that will be used to encourage participation in the collection and recycling programs and how the activities' effectiveness will be evaluated and the program modified, if necessary.

Section Overview

This section discusses:

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

Methods

PaintCare is committed to providing robust and successful education and outreach for the Paint Stewardship Program using a variety of communication methods, 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 (e.g. webpage, banner ads, Facebook)
- 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 many years. To reduce the amount of post-consumer paint and to inform consumers how and where to recycle their unwanted paint, PaintCare uses a more instructive and paint-specific version of the 3Rs. PaintCare’s message is “Buy Right, Use It Up, Recycle the Rest” to say (1) purchase the right amount of paint for a job, (2) try to use up leftover paint when you can, and (3) if you still have unwanted paint, bring it to PaintCare for recycling.

Program Awareness

Additional messages are used to create awareness of the Program and answer these questions:

- What is PaintCare is and why does the Program exist?
- Why was the Law passed (e.g., product stewardship, cost savings to municipalities)?
- How much is the PaintCare Recovery Fee and what is it for?
- Which products are accepted in the Program and which products are not?

Target Audiences

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

- Households (residents)
- Businesses that generate paint (e.g., professional painters, contractors, property managers)
- Trade associations (e.g., contractors associations, realtor associations)
- Paint retailers
- HHW programs and waste transfer stations
- Non-English speakers

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

Households

- Emphasize how to find a drop-off site to recycle paint – this is the message most people want to hear.
- Promote using up leftover paint to do-it-yourselfers as a primer or for small or creative projects.
- Educate consumers on how to buy the right amount of paint by describing factors that determine the correct amount of paint needed besides just calculating square footage of the walls, such as the texture of the surface to be painted, quality of paint and corresponding coverage rates, changing colors, and whether the surfaces have been previously painted or primed. PaintCare will promote that consumers consult with paint store staff rather than relying on simple square footage calculations.

Businesses that Generate Paint

- Emphasize "Recycle the Rest" as more recycling opportunities are available than previously and are available statewide.
- Promote using up leftover paint.
- Promote the Large Volume Pick-Up Service to businesses with large volumes of leftover paint that they can request a direct pick-up rather than transport their paint to drop-off sites a little at a time.

Real Estate Agents

Many new home buyers find paint left behind by previous owners. To help those either buying or selling a home, PaintCare will reach out to real estate agents. Although the agents usually don't generate leftover paint themselves, they are in an excellent position to help educate home buyers, sellers, as well as the trade painters who help get the homes ready to sell.

HHW Programs and Transfer Stations

PaintCare has developed factsheets and interest forms to explain how these facilities can become PaintCare drop-off sites.

Retailers

Provide print materials for use by all paint retailers to educate store staff and to educate the general public (regardless of whether or not they are drop-off sites). Retailers may order these materials for no charge. Examples include:

- **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 program information, how to become a paint drop-off site, etc.)
- **Window Poster/Cling:** To promote a site as a paint drop-off location. (Only for drop-off sites.)

PaintCare will send all paint 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: Phasing in Outreach

Minnesota'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 Minnesota residents, municipal HHW collection programs (facilities and events) were the primary option for getting rid of paint. Those who have used these programs 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 are permanent and open during regular business hours.

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. If they are turned away, the public becomes unhappy with the Program and retail sites, the retailers become frustrated turning people away, and local governments become concerned that this may lead to illegal dumping.

To address these concerns, PaintCare's approach will be to limit outreach at the start of the program 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 placing media buys in phases to create more awareness about the Program and inform people how to find drop-off sites. This approach has been successful in Connecticut. Once the retailers that are serving as drop-off sites are more accustomed to the Program, outreach will expand through a combination of local newsprint, television, radio, and geo-targeted on-line advertising.

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.

Stakeholder Meetings with Retailers

As already discussed, PaintCare will make outreach materials available to all paint retailers and will assist retailers with providing consumers with information regarding available management options for post-consumer 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.)

Stakeholder Meetings with Municipalities in Minnesota

PaintCare met with outreach staff from six Metro counties in December 2013 and held a conference call with HHW and other local government programs in more rural counties in February 2014 to present PaintCare’s outreach strategy and solicit input. The following feedback was received:

- Municipal agency program staff members were interested in working with PaintCare to promote PaintCare drop-off sites and ensure that retail drop-off sites are able to refer consumers with non-program products to HHW programs.
- Staff asked that the PaintCare outreach strategy eventually explain what happens to the paint they drop off (e.g., it recycled back into paint products, other products, used as a fuel).
- Some staff members were interested in using PaintCare-created images of generic-looking program product containers.

Coordinating Outreach with Municipal Programs

Promotion of HHW Programs

PaintCare will coordinate the promotion of HHW facilities and one day events with the county programs that establish partnerships with PaintCare. Unless otherwise agreed to by PaintCare, information about HHW facilities and events will be included on the PaintCare Site Locator (see below). HHW programs will be able to review and request changes to the program description and details (hours, acceptance policies, whether they accept paint from VSQGs, etc.). Generally, PaintCare’s prefers to list all permanent HHW facilities that are partners with PaintCare and asks the municipality to decide whether they would like to list their temporary events.

Joint Outreach

PaintCare’s communication department has established a process for municipalities to coordinate joint outreach projects with PaintCare. Through these projects PaintCare assists local municipalities with funding, scriptwriting, graphic design for print, radio and other projects. To initiate a project, the municipality completes a form provided in Appendix H describing the project and budget for approval. PaintCare will consider a reimbursement proportional to the message about PaintCare. For example, in San Luis Obispo County in California, PaintCare reimbursed the county for half of its costs to run a radio

campaign that included a message about their household hazardous waste facilities and PaintCare. In Tillamook County in Oregon, PaintCare provided artwork and reimbursement for monthly newspaper ads about their HHW facility and paint collection. Counties may propose any project that includes a PaintCare message using any medium.

Regular Communication with HHW Programs

In order to coordinate outreach activities, representatives from PaintCare's communications department, PaintCare's marketing firm or the state program manager will participate in conference calls or in-person meetings with communications staff from local government agencies upon request. PaintCare will organize an initial meeting with counties to solicit their input, plan ongoing communications if desired, and identify specific audiences that need to be targeted.

Outreach Phases / Timeline

The first twelve months of outreach will be implemented in phases. Each year PaintCare will update and modify its outreach efforts and plan new media purchases and strategies.

- Pre-launch education including distribution of print materials to all retailers for recruitment to be drop off sites, compliance with paint stewardship law, and providing materials to customers, summer-fall 2014.
- Earned media campaign and press releases about the new program will start in November 2014.
- Public Radio sponsorships will start in January or February 2015.
- Local retail and event support consisting of limited advertising in newspaper and radio will start March or April 2015 in anticipation of spring cleaning and painting season.
- Regional media campaigns will begin and move around the state, starting with public radio sponsorships. All mass media (radio, television, newspaper, outdoor posters, online) will be based on recommendations from PaintCare's Minnesota-based marketing firm and experience in other state programs. Advertising will start in May 2015 and continue through summer and early fall.

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*. This tool provides a unique, paint-specific, easy-to-use way to search for the nearest PaintCare drop-off site. Site-specific information will explain who is eligible to use a site and what limitations apply. 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. In PaintCare States, it lists only PaintCare drop-off sites and HHW programs that partner with PaintCare.

Evaluation of Outreach

PaintCare will conduct two consumer awareness surveys within the first two years of the program in order to measure the effectiveness of the outreach strategy. The results of the surveys will be reported in the Annual Reports and used to modify the strategy.

Examples of Outreach Materials

Top row: Program Brochure, MiniCard, General Program Poster, Drop-Off Site Poster

Middle row: Mobile App, Site Locator Tool on PaintCare Website

Bottom row: Newspaper Ads

Recycle with PaintCare
About the Oregon Program

PaintCare logo and images of paint cans.

Find a paint drop-off site near you by visiting paintcare.org

PaintCare logo and images of paint cans.

Oregon Paint Recycling Program
About the PaintCare Program

PaintCare logo and text describing the program.

Quantity	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

For more information, please call for the PaintCare brochure, visit www.paintcare.org or call (855) 724-6809.

Recycle your paint here.
[DURING BUSINESS HOURS ONLY]

PaintCare logo and images of paint cans.

ACCEPTABLE

- Latex house paint
- Oil based house paint
- Primer
- Stains and sealers
- Varnish and shellac
- All brands

NOT ACCEPTABLE

- Paint thinner
- Two-component paints
- Aerosols
- Other chemicals

PLEASE DON'T BRING CONTAINERS THAT ARE

- Leaking
- Unlabeled
- Empty

Recycle with PaintCare

For a complete list of acceptable products, please ask for the PaintCare brochure, call (855)724-6809 or visit www.paintcare.org.

App Store Icon

Images of the mobile app interface on a smartphone and tablet, showing a map of drop-off locations and program details.

Drop-Off Locations

PaintCare logo and navigation menu.

PaintCare Site Locator

Map showing drop-off locations across the state with a list of locations on the right.

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

Image of a smiling man and woman with paint cans.

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 four gallons per visit. For more information, call (855) 724-6809.

Image of hands holding paint cans.

7. Paint Sales and Projected Collection Volumes

Statutory Citation

Minnesota Session Laws 2013, Chapter 114, Section 78, Subd. 5. Stewardship plan content

Sec (11) five-year performance goals, including an estimate of the percentage of discarded paint that will be collected, reused, and recycled during each of the first five years of the stewardship plan. The performance goals must include a specific goal for the amount of discarded paint that will be collected and recycled and reused during each year of the plan. The performance goals must be based on:

- (i) the most recent collection data available for the state;*
- (ii) the estimated amount of architectural paint disposed of annually;*
- (iii) the weight of the architectural paint that is expected to be available for collection annually; and*
- (iv) actual collection data from other existing stewardship programs.*

The stewardship plan must state the methodology used to determine these goals.

Section Overview

This section discusses:

- Architectural paint sales in the United States and Minnesota
- Studies and data regarding disposal and available collection volumes of post-consumer architectural paint
- Recent collection data for Minnesota and other stewardship programs
- 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, 13.66 million gallons of which will be sold in Minnesota. This represents 2% of national sales, while Minnesota represents 1.7% of the national population.

While the volume of paint sold in Minnesota is based on estimates, assumptions about the mix (relative percentage) of container sizes come from PaintCare data in its other state programs. PaintCare has observed initially that a state's geographic size is a good predictor of container size purchase patterns,

with a small state like Connecticut selling relatively fewer 5-gallon containers when compared to larger states like California and Oregon. Therefore, as a larger state, Minnesota's projected container mix is 3.6% quart containers, 36.5% 1-gallon containers, and 59.9% 5-gallon containers. Container size mix is used to establish the PaintCare Recovery Fee structure presented in Section 8 of this Plan (Budget, Stewardship Fee, and Financial Assurance).

Following implementation, the Program will have actual sales and container mix data from manufacturers participating in the Minnesota PaintCare Program. If actual data differs significantly from estimates, then projections of revenue, post-consumer 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 post-consumer paint received through collection programs is measurable, it is very difficult to determine the total quantity of post-consumer 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 post-consumer 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.

Projected Collection Volume

PaintCare considered the data and studies discussed above to estimate the amount of post-consumer paint anticipated for collection in Minnesota. The assumptions are discussed here and summarized in the table that follows.

- Sales volume will remain relatively stable in Minnesota at approximately 13.66 million gallons annually.
- 10% of architectural paint sold remains leftover and is available for recycling, equaling approximately 1,366,000 gallons.
- Mature paint stewardship programs collect about 70% of leftover paint annually. This value can also be stated as the equivalent of 7% of sales, referred to as the “recovery rate.” (Recovery rate is defined as the volume of paint collected divided by the volume of paint sold in the same year.) Because of the extensive history of public outreach conducted by governmental programs in Minnesota over the past two decades advocating responsible purchase and reuse, it is possible that less than average amounts of post-consumer paint are generated in Minnesota. For this reason, it is expected that a 7% recovery rate is an appropriate maximum goal at Program maturity. A 7% recovery rate in Minnesota represents approximately 956,000 gallons of paint.

Projected Collection Volume and Recovery Rate	Gallons
Volume sold annually	13,662,000
Volume leftover (10% of annual sales)	1,366,200
Projected Recovery Rate at Program maturity (70% of leftover/7% of sales)	956,000

Several factors make recovery rate goals and calculations problematic. They include the following:

- 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 conditions can artificially decrease the recovery rate.

- The variables used to calculate recovery rates are poorly correlated. The time at which consumers decide their 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. Meanwhile, the amount available for collection (estimated 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.
- 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 post-consumer 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.

Baseline Collection Volume

Data provided by the Agency showed that approximately 691,000 gallons of paint was collected through the state’s HHW programs in 2013 with approximately 72% being latex and 28% being oil-based paint. (Data in other PaintCare states shows Minnesota’s collections are consistent with the typical split of 70-90% latex paint and 10-30% oil-based paint.)

Using the 2013 collection volume of 691,000 gallons and 2013 projected sales volumes of 13,662,000 gallons, Minnesota’s current approximate recovery rate of leftover paint is 50%. This rate is used as the baseline from which to set the required 5 year recovery rate goals.

It should also be noted that data provided by individual Minnesota counties/regions to PaintCare shows a trend of HHW programs experiencing declining paint collection volumes from 2010-2013. Data provided by the Agency corroborates this, reporting that collections from all counties have declined by approximately 1.4% since 2010.

The following table lists a sample of Minnesota counties and the volume of paint collected (in gallons) as reported to PaintCare by the counties:

	2010	2011	2012	2013	Change 2010-2013
Hennepin	340,811	323,995	308,900	332,425	-2.5%
WLSSD	19,236	16,213	21,074	20,157	4.6%
Chisago	14,749	15,750	19,857	14,122	-4.4%
Rice	14,431	19,466	15,478	13,895	-3.9%
Waseca	22,140	22,880	22,820	21,600	-2.5%
Olmsted	31,204	31,421	31,833	29,204	-6.8%
Total	442,571	429,725	419,962	431,403	-2.6%

Five-Year Goals: 2015-2019

For the first year of the program, PaintCare believes that collection will complete the rebound from declines seen in Minnesota from 2010-2012 as the collection infrastructure develops and public awareness builds. Over the following three years, collection volume will reflect the growing maturity of program. By 2019, the program will be fully implemented and collection volume will stabilize at 70% of leftover paint.

Year	Gallons Available	Gallons Collected	Recovery Rate of Leftover Paint
2015*	1,366,200	710,424	52%
2016	1,366,200	806,058	59%
2017	1,366,200	901,692	66%
2018	1,366,200	929,016	68%
2019	1,366,200	956,340	70%

* This table assumes a 12 month reporting period from July through June; however, the first “year” of the Program will be 8 months (November 2014 – June 2015). The actual gallons of available and collected paint for the first report will be lower than anticipated for 12 months, but the recovery rate goal remains at 52%.

Next, data from Minnesota on the split between latex and oil-based paint collection volumes, and on reuse volumes, was applied to the 5 year collection goals to project disposition volumes. In addition, experience from paint collection programs in Minnesota and across the country has shown that a minimum of 5% of paint collected is dry and/or otherwise unrecyclable. Thus, 5% of the projected collection volume has been excluded from the annual volumes in the following table.

Year	Recycling and Beneficial Use (Latex)	Fuel Blending and Fuel Incineration (Oil-Based)	Gallons Reused Locally
2015	460,355	179,027	35,521
2016	522,326	203,127	40,303
2017	584,296	227,226	45,085
2018	602,002	234,112	46,451
2019	619,708	240,998	47,817

It should be noted that while the share of sales of oil-based paint has declined in recent years, collection volumes are expected to continue to generally reflect the sales mix from previous years. PaintCare will continue to monitor and report on the development of any change to this trend.

8. Budget, Stewardship Fee & Financial Assurance

Statutory Citation

Minnesota Session Laws 2013, Chapter 114, Section 78, Subd. 5. Stewardship plan content

Sec (9) the proposed stewardship assessment. The producer or stewardship organization shall propose a uniform stewardship assessment for any architectural paint sold in the state. The proposed stewardship assessment shall be reviewed by an independent auditor to ensure that the assessment does not exceed the costs of the product stewardship program and the independent auditor shall recommend an amount for the stewardship assessment. The agency must approve the stewardship assessment/

Sec (10) evidence of adequate insurance and financial assurance that may be required for collection, handling, and disposal operations.

Section Overview

This section discusses:

- PaintCare’s funding mechanism
- Projected cost of the Minnesota PaintCare Program
- PaintCare Recovery Fee structure
- PaintCare Recovery Fee audit
- Financial assurance

Introduction

Key to the success of the Minnesota 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 Minnesota Paint Stewardship Program.

The PaintCare Program works by placing a paint stewardship assessment on containers of architectural paint sold in Minnesota beginning on the Program start date. This assessment is referred to as the *PaintCare Recovery Fee*. The fee must be set at a rate to cover, but not exceed, the cost of implementing the Program.

Funding Mechanism

As the representative stewardship organization, PaintCare will implement and direct all aspects of the Minnesota 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 Minnesota 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 Minnesota.
- (3) When consumers buy architectural paint in Minnesota, the PaintCare Recovery Fee is included in the purchase price. This is how 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), manufacturers report sales and remit to PaintCare the PaintCare Recovery Fees for architectural paint they sold in Minnesota 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 budget and proposed a fee structure that sustains the Program. The budget is based on the assumptions covered in Section 7 of this Plan that resulted in a projected recovery rate of 7% once the program is mature. The following describes the primary elements of the budget:

Revenue

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

Operational Costs

- PaintCare estimates that the Minnesota Program, which will include a large number of well-established county and regional HHW programs, should prepare for a 7% recovery rate once the program is mature.
- In combination, paint transportation and processing costs are the most significant expenses of the Program, accounting for approximately 62% of projected Program costs.
- Collection support is another significant expense and includes the cost of collection containers, spill kits, labor to assist LVP service users pack their paint, and other paint collection related support. Collection support represents approximately 18% of projected costs.
- Communication expenses include advertising and promotional materials to increase Program visibility through education and outreach, and represent approximately 11% of planned expenses.
- Personnel, professional fees and other expenses include the cost of two full-time employees of PaintCare Minnesota, legal costs for developing and negotiating contracts, and other logistical, professional support, and miscellaneous office expenses.
- State administrative fees will be paid by PaintCare to the Agency annually. The Agency has proposed an annual fee of \$78,000 for state FY 2015, with initial set-up costs for FY 2014 of approximately \$124,000. PaintCare has budgeted \$100,000 annually to account for possible future increases.

Administrative Costs

- Administrative expenses (also called indirect costs) are costs that do not directly benefit the Minnesota Program, but rather are indirectly beneficial to the Minnesota 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 States (states where legislation has passed). Minnesota's current allocation, based on relative population size among the seven¹ PaintCare States, is approximately \$220,000. Minnesota's share of the administrative expenses is estimated at approximately 3% of the Minnesota Program budget.

Program Surplus/Deficit

- PaintCare has adopted a policy to maintain reserves in each state program equivalent to between two and three months of operating expenses, with a target of three months, or 25% of the annual expenses (estimated at \$1,700,000 for Minnesota). Reserves are defined as "net assets" and represent the accumulated surplus (or deficit) of the Program from the inception. Maintaining a modest reserve of 25% of the annual expenses provides the Program with the flexibility to absorb fluctuations in sales volume while still maintaining expected Program services. PaintCare has budgeted for an annual surplus of 3% in the first year of the Minnesota Program. However, this surplus is not sufficient to fully recoup the pre-Program costs by the end of year one. It is anticipated that the Program may fully recoup the pre-Program costs during year two and at that point will begin to build the net asset reserve towards the target of \$1,700,000 which will require several years of operations.

¹ Since submission of the March 3, 2014 Program Plan, Colorado has become the eighth PaintCare state. However, to be consistent with the financial information that was provided in February 2014 for the Independent Financial Audit that accompanies this Plan, we are leaving the budget as presented in the original Plan submission.

PaintCare Recovery Fee

The result of anticipated Program costs, combined with projected sales and container size mix, is the following proposed PaintCare Recovery Fee (stewardship assessment) structure. As described later in this section, an independent audit conducted on behalf of the Agency supports the proposed PaintCare Recovery Fee structure.

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

The proposed fees structure for Minnesota is the same as in the five PaintCare States currently under operations – California, Connecticut, Oregon, Rhode Island and Vermont.

Program Budget

Revenue	
Container size: Larger than half pint to smaller than 1 gallon	\$688,559
Container size: 1 gallon	3,739,941
Container size: Larger than 1 gallon to 5 gallons	2,618,710
Total revenue	7,047,210
Expenses	
Paint transportation and processing	4,257,094
Collection containers/collection support	1,168,850
Communications	750,000
Personnel, professional fees and other	315,720
State administrative fees	100,000
Total direct expenses	6,591,664
Allocation of corporate activity	220,289
Total expenses	6,811,953
Change in net assets	235,257
Pre-Program cost*	(443,081)
Ending net assets	\$ (207,824)

* 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.

Audit of the PaintCare Recovery Fee

As required by the Minnesota Law, PaintCare shall propose a uniform paint stewardship assessment and such assessment shall be reviewed by an independent auditor to ensure that the assessment does not exceed the costs of the Program. The Agency must approve the stewardship assessment.

For the proposed assessment structure, PaintCare contracted with HRP Associates Inc., the same firm used for the pre-program audit of the Connecticut, Vermont, and Rhode Island programs.

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

- PaintCare’s solicited pricing bids for paint transportation services.
- PaintCare’s solicited pricing bids for paint processing (recycling) services.
- 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 I 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 program costs to administer the Paint Stewardship Program.”

Insurance and Financial Assurance

PaintCare requires all contractors – drop-off sites, transporters, processors, etc. – to carry insurance appropriate to the services provided for the PaintCare Program. While the specific amount and terms may vary from contractor to contractor, they may include:

- Commercial General Liability Insurance
- Commercial Automobile Liability Insurance
- Workers' Compensation Insurance
- Environmental Pollution Liability Insurance
- Endorsements to name PaintCare as an additional insured on the required insurance coverage (other than Workers’ Compensation)

Because contractors have widely different insurance policies (e.g., commercial insurance vs. self-insurance, etc.), PaintCare evaluates (often with the assistance of outside legal counsel) the insurance terms in each contract on a case-by-case basis to ensure that the contractor maintains insurance of the types and in the amounts appropriate for the services the contractor provides to the PaintCare program.

PaintCare also requires all contractors to comply with all federal, state and local laws. If financial assurance requirements are applicable to a PaintCare contractor, then they must be in compliance with those laws. PaintCare does not require financial Assurance over and above applicable law.

9. Annual Report and Financial Audit

Statutory Citation

Minnesota Session Laws 2013, Chapter 114, Section 78, Subd. 5. Stewardship plan content

Subd. 12. Stewardship reports. Beginning October 1, 2015, producers of architectural paint sold in the state must individually or through a stewardship organization submit an annual report to the agency describing the product stewardship program. At a minimum, the report must contain:

- (1) a description of the methods used to collect, transport, and process architectural paint in all regions of the state;*
- (2) the weight of all architectural paint collected in all regions of the state and a comparison to the performance goals and recycling rates established in the stewardship plan;*
- (3) the amount of unwanted architectural paint collected in the state by method of disposition, including reuse, recycling, and other methods of processing;*
- (4) samples of educational materials provided to consumers and an evaluation of the effectiveness of the materials and the methods used to disseminate the materials; and*
- (5) an independent financial audit.*

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 to the Agency by October 1 of each year for the previous reporting period.

The Annual Report will include, at a minimum:

- A description of the methods used to collect, transport, and process architectural paint in all regions of the state.
- The weight of all architectural paint collected in all regions of the state and a comparison to the performance goals and recycling rates established in the stewardship plan.
- The amount of unwanted architectural paint collected in the state by method of disposition, including reuse, recycling, and other methods of processing.
- Examples and discussion of education and outreach efforts and materials used in reporting year and planned for the following year
- An independent financial audit.

Financial Audit

PaintCare undergoes an annual, independent financial audit of the organization as a whole. PaintCare conducts a competitive selection 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 financial audit of the Minnesota Paint Stewardship Program.

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.