



# Colorado Architectural Paint Stewardship Program Plan

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*Submitted to:*

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# 1. Introduction

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## A. Introduction

On June 6, 2014, Governor John W. Hickenlooper signed into law Senate Bill 14-029 – the Colorado Architectural Paint Stewardship Program. This bill is codified in the Colorado Revised Statutes, Title 25 Health-Environmental Control, Article 17 Waste Diversion and Recycling, Part 4 Architectural Paint Stewardship Programs.

The broad goals of the Colorado Paint Stewardship Law (“Law”) are for paint manufacturers to establish a system of paint stewardship that:

- (a) Provides substantial cost savings to household hazardous waste collection programs;
- (b) Significantly increases the number of postconsumer paint collection sites and recycling opportunities for households, businesses and other generators of postconsumer architectural paint; and
- (c) Exemplifies the principles of a product-centered approach to environmental protection, also referred to as product stewardship.

The Colorado Paint Stewardship Program is anticipated to start on July 1, 2015.

## B. Paint Stewardship in the United States

At the urging of state environmental agencies and municipal household hazardous waste programs across the country, a formal effort began in 2002 to bring about an industry-managed paint stewardship system in the U.S. This effort, the Paint Product Stewardship Initiative (PPSI), led by the Product Stewardship Institute out of Massachusetts, involved several years of stakeholder dialogue 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 state and local governments across the country.

The PPSI resulted in the development of a model state law to establish an economically and environmentally-sustainable, industry-designed and implemented postconsumer paint management system. Oregon passed the model legislation in 2009, followed by California in 2010; Connecticut in 2011; Rhode Island in 2012; Maine, Minnesota, and Vermont in 2013; Colorado in 2014; and the District of Columbia in 2015.

## C. Paint Stewardship Program Plan

The Colorado Paint Stewardship Law requires a stewardship organization (or individual producers) to submit to the Colorado Department of Public Health and Environment (CDPHE), on or before January 1, 2015, a Paint Stewardship Program Plan (“Plan”) that includes the following:

1. Contact information for the stewardship organization implementing the program.
2. Lists of producers participating in the program and all their registered brands.
3. Description of the manner in which the program will collect, transport, reuse, recycle, and process postconsumer architectural paint, including energy recovery and disposal, and standards to ensure the use of environmentally sound management practices, including collection standards.
4. Description of the manner in which the program will collect postconsumer architectural paint, including practices that provide convenient collection sites throughout the state. To ensure adequate collection coverage, the program must use demographic and geographic information modeling to determine the number and distribution of collection sites based on the following criteria: (a) at least 90% of Colorado residents must have a permanent collection site within a 15 mile radius of their homes; (b) an additional permanent sites must be provided for every thirty thousand residents of an urbanized area, as defined by the United State Census Bureau, and distributed in a manner that provides convenient and reasonably equitable access for residents within each urbanized area; and (c) for the portion of Colorado residents who will not have a permanent site within a 15 mile radius of their home, the program must provide paint collection events at least once per year. The Plan must also include information on how to serve geographically isolated populations and how the program will measure and report service to those populations. Finally, the information must include a description of how the program will work with existing recyclers and governments that wish to continue to be involved with recycling and collection.
5. Description of how the program will incorporate and fairly compensate service providers for activities that may include: (a) the coverage of costs for collecting postconsumer architectural paint and containers; (b) paint reuse or processing of postconsumer paint at a drop-of site; and (c) transportation, recycling, and proper disposal of postconsumer architectural paint.
6. Provide a list of names, locations, and hours of operation for facilities accepting postconsumer architectural paint for recycling under the program.
7. Identify one or more designated persons responsible for ensuring the program’s compliance with the Paint Stewardship Law and rules promulgated under it, and serving as a contact person for the CDPHE for the program.
8. Describe the manner in which the program will achieve goals for: (a) reducing the generation of postconsumer architectural paint; (b) promoting the reuse of postconsumer architectural paint; and (c) using best practices that are both environmentally and economically sound to manage postconsumer architectural paint. The practices should follow a waste handling hierarchy, which provides a preference for source reduction, then reuse, followed by recycling, energy recovery, and finally waste disposal.

9. Include an education and outreach program that: (a) targets consumers, painting contractors, and paint retailers; (b) reaches all architectural paint markets served by the participating producers; and (c) includes a methodology for evaluating the effectiveness of the education and outreach program on an annual basis, including methods for determining the percentage of consumers, painting contractors, and retailers who are aware of ways to reduce the generation of postconsumer architectural paint opportunities available for the reuse and recycling of postconsumer architectural paint.
10. Demonstrate sufficient funding for the postconsumer architectural paint program described in the Plan through the imposition of a paint stewardship assessment that each producer shall charge retailers and distributors for each container of the producer's architectural paint sold in Colorado. Each producer shall remit the paint stewardship assessment collected to the Program. Each retailer and distributor shall add the amount of the paint stewardship assessment to the purchase price of a container of the producer's architectural paint sold in Colorado. The Program must not impose any fees on customers for the collection of postconsumer architectural paint. To ensure that the Program's funding mechanism is equitable and sustainable, the funding mechanism must provide a uniform paint stewardship assessment that does not exceed the amount necessary to recover program costs and require that any funds generated by the aggregate amount of fees charged to consumers be placed back into the program.
11. Include a proposed budget and description of the process used to determine the Program's paint stewardship assessment.

## **D. Citations**

To provide context, each section of this Plan begins with citations of the relevant sections of the Law that apply to it. A full copy of the Colorado Paint Stewardship Law is included Appendix A.

## 2. Stewardship Organization & Program Contacts

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### Statutory Citation

*Colorado Revised Statute, Title 25. Article 17. Part 4. Architectural Paint Stewardship Program*

*Section 25-17-404 (2) One or more producers, or a stewardship organization contracted by one or more producers, shall submit for approval a paint stewardship program plan to the executive director by January 1, 2015. To be approved, a paint stewardship program plan must:*

*(a) Identify the following: (I) The contact information for the producer or stewardship organization implementing the program.*

*(g) Identify one or more designated persons responsible for: (I) Ensuring the program's compliance with this part 4 and the rules promulgated under this part 4; and (II) Serving as a contact person for the department with respect to the paint stewardship program.*

### A. PaintCare Inc.

On behalf of participating paint manufacturers, PaintCare Colorado LLC is pleased to submit to the Colorado Department of Public Health and Environment the Colorado Paint Stewardship Program Plan.

PaintCare Inc. was formed in 2009 by the American Coatings Association, the primary trade association for the paint and coatings industry. PaintCare Inc. now establishes a separate single-member limited liability company (LLC) as a subsidiary to serve as the representative stewardship organization for architectural paint manufacturers (also referred to as producers) in each state that passes a paint stewardship law. PaintCare Colorado LLC was formed in 2018. Both organizations are 501(c)(3) non-profit entities.

PaintCare representation is open to all architectural paint manufacturers, and they may register with PaintCare at any time. PaintCare currently represents 191 paint manufacturers in its active state paint stewardship programs and will represent participating manufacturers in the Colorado program.

PaintCare's corporate office is in Washington, D.C. State program staff work in the states in which PaintCare programs operate.

PaintCare Inc. and its subsidiaries are overseen by an 11-member unpaid Board of Directors representing architectural paint manufacturing companies.

### B. Program Contacts

The following staff are responsible for ensuring compliance with the Colorado Architectural Paint Stewardship Act and rules promulgated under it:

#### Primary Contact

Kevin Lynch  
Colorado Program Manager  
(720) 481-8858  
klynch@paint.org

#### Secondary Contact

Marjaneh Zarrehparvar  
President & COO  
(202) 719-3683  
mzarrehparvar@paint.org

## 3. Registered Manufacturers and Brands

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### Statutory Citation

*Colorado Revised Statute, Title 25. Article 17. Part 4. Architectural Paint Stewardship Program*

*Section 25-17-404 (2) One or more producers, or a stewardship organization contracted by one or more producers, shall submit for approval a paint stewardship program plan to the executive director by January 1, 2015. To be approved, a paint stewardship program plan must:*

*(a) Identify the following: (I) A list of each producer participating in the program; and (III) A list of all brands covered by the program.*

### Section Overview

This section discusses:

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

#### A. Manufacturer and Brand Registration

Representation by PaintCare is open to all architectural paint manufacturers who are obligated to take part in the Colorado 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 Colorado Law and program through 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, PaintCare will provide the CDPHE with a current list of registered manufacturers and brands. PaintCare will provide an updated list within 30 days of any change after that.



## **B. Private Label Agreements**

Private label agreements (or services) represent products manufactured or distributed by one company for use under another company's label. The products are also referred to as store brands, generic brands, and the agreements are also known as 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 separate lists to assure the confidentiality of private labeling and other agreements.

## **C. 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, distributors and the CDPHE. Retailers and distributors will use the brand lists to learn which brands may be legally sold in Colorado upon implementation of the program. The CDPHE will use the manufacturer list to ensure that any manufacturer selling paint into Colorado is participating in a paint stewardship program, and use the brand list to verify that only registered brands are being sold in the state. The CDPHE can call PaintCare at any time to find out if a manufacturer or brand was recently registered for compliance.

The current lists of registered manufacturers and brands are included in Appendix C and available on PaintCare's website. The lists will be updated and reposted within 30 days of any changes.

## **D. Program Products**

The terms program products, PaintCare products, architectural paint, and paint are used interchangeably in this Plan. In addition, this Plan uses 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. They do not include Industrial Maintenance (IM) coatings, Original Equipment Manufacturing (OEM) coatings, and other specialty coatings. Appendix D provides the full definition and examples of both program and non-program products. This definition is used to determine the products on which manufacturers are to apply the paint stewardship assessment ("PaintCare Fee"), as well as to determine which postconsumer products are accepted by the program's paint drop-off sites.

As needed, PaintCare issues product notices to explain or clarify whether and why certain types of products are a part of the program or not. Examples of these notices are also included in Appendix D.

## 4. Collection Infrastructure

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### Statutory Citation

*Colorado Revised Statute, Title 25. Article 17. Part 4. Architectural Paint Stewardship Program*

*Section 25-17-404 (2) One or more producers, or a stewardship organization contracted by one or more producers, shall submit for approval a paint stewardship program plan to the executive director by January 1, 2015. To be approved, a paint stewardship program plan must:*

*(b) Describe the manner in which the program will collect ... postconsumer architectural paint, including a description of the following: (II) Standards to ensure the use of environmentally sound management practices, including collection standards.*

*(c) Describe the manner in which the program will collect postconsumer architectural paint. At a minimum, a program plan must establish collection practices that: (I) Provide convenient collection sites throughout the state; (II) To ensure adequate collection coverage, use demographic and geographic information modeling to determine the number and distribution of collection sites based on the following criteria: (A) At least ninety percent of Colorado residents must have a permanent collection site within a fifteen-mile radius of their homes; (B) An additional permanent site must be provided for every thirty thousand residents of an urbanized area, as defined by the United States census bureau, and distributed in a manner that provides convenient and reasonably equitable access for residents within each urbanized area, unless the executive director approves otherwise; and (C) For the portion of Colorado residents who will not have a permanent collection site within a fifteen-mile radius of their homes, the plan must provide collection events at least once per year; and (III) Include specific information on how to serve geographically isolated populations and a proposal for how to measure and report service to those populations. This information must include a description of how the program will work with existing ... local governments that wish to continue to be involved in paint recycling and collection.*

*(e) Describe how the paint stewardship program will incorporate and fairly compensate service providers for activities that may include: (I) For services such as permanent collection sites, collection events, or curbside services, the coverage of costs for collecting postconsumer architectural paint and architectural paint containers; (II) The reuse or processing of postconsumer architectural paint at a permanent collection site; and (III) The transportation, recycling, and proper disposal of postconsumer architectural paint.*

*(f) Provide a list of the names, locations, and hours of operation for facilities accepting postconsumer architectural paint for recycling under the program.*

*(h) Describe the manner in which the program will achieve the following goals: (III) Using best practices that are both environmentally and economically sound to manage postconsumer architectural paint. These practices should follow a waste handling hierarchy, which provides a preference for source reduction, then reuse, followed by recycling, energy recovery, and finally waste disposal.*

### Section Overview

This section discusses:

- Who can use the Colorado Paint Stewardship Program
- Paint collection sites and services
- Convenience criteria
- Drop-off site operations

## A. Program Audience

The Colorado PaintCare program will serve the state’s residents, businesses, schools, government agencies and other entities that have leftover, unwanted paint, subject to programmatic limitations.

### **Residential Generators/Renters and Homeowners**

The program will accept any quantity of postconsumer latex or oil-based paint from this group.

### **Conditionally Exempt Small Quantity Generators (CESQGs)<sup>1</sup>**

Painting contractors, small businesses, and other small to medium-sized organizations are typical CESQGs. The program will accept any quantity of postconsumer latex paint from CESQGs and will accept postconsumer oil-based paint at or below the limits applied to hazardous waste generation for CESQGs. To qualify as a CESQGs, among other requirements, a business must generate less than 220 pounds (about 25 gallons) of total hazardous waste per month.

### **Small Quantity Generators (SQGs) and Large Quantity Generators (LQGs)**

The program will accept any quantity of postconsumer latex paint from SQGs and LQGs. The program does not provide for acceptance of postconsumer oil-based paint from SQGs or LQGs at this time. PaintCare is currently evaluating the feasibility of including it in the future in all PaintCare states.

## B. Collection Infrastructure

Colorado has a fairly developed household hazardous waste (HHW) collection system that includes permanent HHW facilities and temporary collection events; however, not all areas of the state are provided service at this time. PaintCare welcomes partnership with all Colorado HHW programs to support and utilize their existing programs for paint collection and will increase paint recycling opportunities in Colorado through the addition of new paint collection sites and services. PaintCare’s collection infrastructure will include:

- Household hazardous waste collection facilities and events
- Retail paint drop-off sites (paint, hardware and building supply stores) and “reuse” stores
- Solid waste transfer stations, recycling centers and landfills (public and private)
- Direct pick-up service for large volumes of paint
- Paint-only collection events

All suitable locations are invited to participate as PaintCare drop-off sites provided they have adequate space for paint collection bins; the space must be secure, inaccessible to the public, large enough to hold at least two paint collection bins, have an impermeable surface, and be out of direct sunlight and rain/snow.

Sites must also comply with PaintCare’s operational requirements, including accepting all program products (latex and oil-based products), having staff available during operating hours, serving both

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<sup>1</sup>CESQG is defined under the federal rules at 40 CFR 261.5

residential and commercial users, and not charging a fee to participants who drop off paint. In addition, sites must be willing to be promoted on PaintCare’s website and through other outreach, and to post and distribute PaintCare point-of-sale outreach materials including a window or site poster advertising their site as a PaintCare paint drop-off site. Some exceptions to these operational requirements may be allowed for HHW programs and other sites and are discussed later in this section.

For all sites, PaintCare provides and covers the cost for paint collection bins, paint transportation and paint processing (end of life management). In addition, sites are provided spill kits, signage, training and training materials.

As discussed in the next sections, many paint retail stores and HHW programs have already expressed interest in partnering with PaintCare to be public drop-off sites. The names and locations of the sites that are in process of being set up by program launch are listed in Appendix E. Prior to program launch, PaintCare will provide the CDPHE with a current list of drop-off sites and provide ongoing updates within 30 days or another timeframe requested by the CDPHE.

Some potential sites may still be unfamiliar with the program and may need to be contacted several times to become aware of the opportunity to act as a collection site and/or will want to wait until after program launch to assess their participation. Therefore, the identification and notification of potential collection sites is an on-going process, and the list is expected to change as additional potential collection sites become aware of the program.

### **C. Household Hazardous Waste Programs**

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

With assistance from the Colorado Association for Recycling (CAFR) and the Colorado Product Stewardship Council (CO PSC), PaintCare identified and met with most of the state’s HHW programs over the last year. Most of these meetings have taken place at the HHW facilities or at the offices of the municipal agency. Through these meetings, PaintCare has had the opportunity to learn about Colorado’s HHW programs, discuss the steps to becoming a PaintCare partner, and highlight the benefits to their program. These benefits include cost savings, offering expanded services to their community, reducing waste, and increasing paint recycling.

In addition to individual meetings, with the assistance of the CDPHE, CAFR and CO PSC, PaintCare has reached out to Colorado’s municipal waste programs through the following efforts:

- Held municipal stakeholder meetings about the PaintCare program around the state in Alamosa, Denver, Durango, Fort Collins, Glenwood Springs, Grand Junction and Pueblo.
- Presented and participated in a number of conferences and recycling meetings including the CAFR Annual Conference, the CAFR Annual Membership Meeting, the Solid Waste Association of America’s Colorado Rocky Mountain Chapter Annual Conference, meeting of the North American Hazardous Materials Management Agency’s Colorado Rocky Mountain Chapter, and meetings of the Colorado Product Stewardship Council.

An HHW-tailored PaintCare program fact sheet and interest form was developed and distributed at these meetings and during HHW program visits, and are available on the Colorado page of PaintCare’s website at [www.paintcare.org](http://www.paintcare.org). Current copies of these materials are included in Appendix F.

In February 2015, PaintCare’s HHW contract template was released and PaintCare asked HHW programs to submit their questions about the contract in writing. The questions and PaintCare’s responses were placed in a presentation and distributed to HHW programs and also reviewed in a joint stakeholder meeting with the CDPHE and through a PaintCare-sponsored webinar.

These efforts have resulted in the following jurisdiction with HHW programs – made up of permanent collection facilities, collection events, and door-to-door collection – initiating contract negotiations with PaintCare:

- Aurora, City of
- Boulder County
- Fort Collins, City of
- Clear Creek County
- Denver, City and County
- El Paso County
- Jefferson County
- Larimer County
- Pitkin County
- Southern Ute Indian Reservation
- Summit County
- Weld County

PaintCare will continue its efforts to meet with the remaining HHW programs and to complete the contracting process with all interested HHW programs in an effort to have them set up as a PaintCare partner in time for the start of the Colorado program.

### **Value Added Services**

HHW facilities that become PaintCare drop off sites can also be paid for providing a few additional “value added” services to the PaintCare program. These services include operating a reuse or “swap shop” program, reprocessing latex paint, bulking oil-based paint, and providing local transportation services.

#### Reuse

Several Colorado HHW programs operate reuse or “swap shop” areas where they place good quality leftover paint brought into their facility. This paint is then made available to their customers and local community, as is. This paint management method represent the highest, best use of paint both environmentally and financially. Using paint locally eliminates the need for PaintCare to transport and process it downstream, reducing both program costs and environmental impacts of transportation. To support existing paint reuse programs and to provide incentives for reuse, PaintCare provides (negotiated) compensation to HHW programs, based on the number of containers or gallons given away.

#### Latex Paint Reprocessing

Latex paint reprocessing involves color sorting, combining, and mixing leftover latex paint together to make recycled-content paint. The paint is usually mixed in 30-50 gallons batches, poured off into 5-gallon containers, and given away or sold to HHW customers and the local community. Similar to reuse

programs, local processing is both environmentally and financially preferable to transporting paint from an HHW facility to downstream processing. To support existing paint reprocessing programs and to provide incentives for new recycling activities, PaintCare provides (negotiated) compensation to HHW programs, based on the number of gallons given away (or sold).

#### Oil-Based Paint Bulking

While PaintCare makes paint management simple for HHW programs by only requiring that they loose-pack program products, if an HHW chooses to bulk oil-based paint, it results in lower transportation costs for PaintCare. For HHW programs that provide bulking services for oil-based paint, PaintCare provides (negotiated) compensation based on a per-drum labor rate.

#### Internal Transportation

While PaintCare's transporter(s) must be available to service all PaintCare drop-off sites and collection events, there may be times when it is more cost-effective for a municipal program to transport paint from two or more of their own sites (usually in remote areas) to one of their other locations, or to transport paint from their HHW events back to their permanent facility. In these cases, PaintCare will contract with the municipality for "internal transportation" and provide (negotiated) compensation for the service based on a per-occurrence or per-mile basis.

#### **Exceptions for Household Hazardous Waste Programs**

PaintCare endeavors to partner with sites that can accept all program products, free of charge, from all participants. 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 paint from participants outside of their service area.
- Programs not accepting waste from businesses will not be required to do so.
- Programs already charging an administrative fee to CESQGs for paint collection may continue this practice as long as it is clear to the customers that the fees do not relate to services funded by the PaintCare program. Other drop-off sites, such as retailers, may not charge program participants any fees for the handling of PaintCare products.

## **D. Paint Retailers**

Paint retailers provide the ideal drop-off site because they are located throughout the state, are often centrally located in cities and towns, are open five or more days per week, and have staff familiar with paint products and their safe handling. In addition, their customers are likely to have some leftover paint and often ask store staff for advice on what to do with it.

PaintCare has identified approximately 530 paint retailers in Colorado including paint, hardware, and home improvement stores. Retail stores include independent, co-op, chain and corporate stores – both small and large. Of these stores, approximately 350 were identified as potential partners based on PaintCare's experience in other states.

Although retail participation is entirely voluntary and sites are not compensated, more than 150 paint retailers across Colorado have already expressed interest in participating in the program and close to

130 will be set up to accept paint beginning on the first day of the program. Since January, PaintCare staff have been visiting as many retailers as possible to inform them of the program and new fees that will be applied to architectural paint, answer questions, and recruit them as paint drop-off sites. The following additional efforts were directed at retailers:

### **Retail Mailings and Webinars**

Broad outreach to retailers began in December 2014 through a mailing to all retailers – either as hard copy or electronically to their corporate office. Along with a cover letter, the mailing included a retail-focused fact sheet (“How Will the Colorado Paint Stewardship Program Affect Paint Retailers”) and a copy of a fact sheet for professional painters (“Information for Painting Contractors”) that is made available to retailers for distribution to their painting contractor customers.

A second notification was sent to retailers in January 2015 and included:

- “How Will the Colorado Paint Stewardship Program Affect Paint Retailers” fact sheet (sent in December as well)
- “Information for Painting Contractors” fact sheet (25 copies) to distribute to professional painters and other customers (sent in December as well)
- “How to Become a Drop-Off Site” fact sheet and interest form
- Program poster which includes the (proposed) fee structure and list of program products, to post in their stores for informing customers about the upcoming program
- Information regarding three CDPHE stakeholder meetings (held January, February and March 2015)
- Invitation to three retailer-focused PaintCare webinars (held in February 2015)

A final “starter pack” of program brochures and other point-of-sale education materials was mailed to all paint retailers at the end of May and included:

- General program poster (2 copies) which include the (proposed) fee structure and list of program products, to post in their stores for informing customers about the upcoming program – sent in January as well
- General program brochure (50 copies) to distribute to customers that include the goals of the program, the (proposed) fee structure, list of program products, and other program information
- Mini-card (50 copies) with information about finding a paint drop-off site when the program starts
- “How Will the Colorado Paint Stewardship Program Affect Paint Retailers” fact sheet – sent in December and January as well
- “Information for Painting Contractors” fact sheets – sent in December and January as well
- Order form for additional printed materials (retail stores and other stakeholder may order any of the printed materials, free of charge, at any time)
- Invitation to two additional retailer-focused PaintCare webinars (schedule for June 23 and 25)

Current versions of all of these materials are included in Appendix G. The retail webinars noted above covered the responsibilities and opportunities for retailers under the new Law and provided an opportunity for participants to ask questions.

## **E. “Reuse” Stores**

Habitat for Humanity ReStores and other used building material stores or salvage yards are a unique group of retailers that may be interested in being PaintCare sites. Besides serving as drop-off sites, these stores can operate paint reuse programs by donating or selling good quality leftover paint back to the local community to use, rather than sending it downstream through PaintCare for processing.

PaintCare has learned from its experience in other states that, prior to a PaintCare program, reuse stores that accept donations of paint for resale often turn away unsellable paint or are left with a disposal problem. Reuse stores that sign up with PaintCare are able to accept (more) paint, screen out the best paint for resale, and have the unsellable paint picked up by PaintCare at no charge. PaintCare has identified 22 reuse stores in Colorado. These sites have been notified of the opportunity to become a PaintCare partner.

## **F. Transfer Stations, Recycling Facilities, Landfills**

A fact sheet (and interest form) tailored for solid waste transfer stations, recycling facilities, and landfills was developed and distributed at the municipal meetings and conferences that PaintCare attended over the past year, and is available on PaintCare’s website. Current copies of these materials are included in Appendix H. Additional efforts continue to identify, inform and recruit these sites – both municipal and private. Like HHW sites and reuse stores, these facilities are also encouraged to operate paint reuse programs and are offered compensation.

### **Exceptions for Transfer Stations, Recycling Facilities and Landfills**

Similar to HHW programs, PaintCare recognizes that transfer stations, recycling centers and landfills may have some operational or funding restrictions, and exceptions may be made to accommodate them. The use of these facilities is sometimes limited to local residents and businesses. Although PaintCare allows anyone to drop off paint at any PaintCare site, these sites will be allowed to limit participation and only service their own customers or community if needed.

## **G. One-Day Paint Collection Events**

Paint collection events will be held annually or as needed in “unserved” areas of the state – those that do not have access to a site within 15 miles or in “underserved” areas – those that have some convenient drop-off sites, but too few for the population in the area. PaintCare’s paint-only collection events will not be restricted by county or other boundaries; participants from any place in Colorado will be allowed to use the events.

## **H. Large Volume Pick-Up Service**

The Large Volume Pick-Up Service (“LVP Service”) will be offered to painting contractors, other businesses, and households with large volumes of paint – generally more than 300 gallons. Under this service, approved users will receive a direct pick-up at their business or home. Approval for use of the



LVP Service is determined by PaintCare. Users of the service will be asked to provide specific information about their volume of paint, paint type (latex vs. oil-based), and container sizes. Once an entity is approved for pick-up, they will be put in direct contact with PaintCare’s transporter to schedule an appointment.

## I. Convenience Criteria

To ensure that the program provides adequate and convenient paint collection opportunities throughout the state, the Colorado Paint Stewardship Law requires PaintCare to use demographic and geographic information modeling to determine the number and distribution of paint drop-off sites based on the following criteria:

**Distance.** At least 90% of Colorado residents must have a permanent collection site within a 15-mile radius of their homes.

**Density.** An additional permanent site must be provided for every 30,000 residents of an Urbanized Area, as defined by the United States census bureau, and distributed in a manner that provides convenient and reasonably equitable access for residents within each Urbanized Area.

**Unserved Populations.** For the portion of Colorado residents who will not have a permanent collection site within a 15-mile radius of their homes, the program must provide a paint collection event at least once per year.

Geographic Information System (GIS) modeling was used to determine the appropriate minimum number and best distribution of paint drop-off sites to meet the Colorado convenience criteria. Appendix I contains a description of the methodology used and analysis conducted by PaintCare’s consultant, Golder Associates, an engineering firm with expertise in geographic mapping and analysis, to conduct the GIS analysis.

Application of the distance and density criteria results in approximately 172 optimally located permanent drop-off sites (see map in Appendix I)<sup>2</sup>. PaintCare recognizes that non-retail sites (e.g., HHW facilities and municipal transfer stations) are not always available to all residents within 15 miles of the site and therefore builds its convenience models using only retail stores because they are available to all participants.

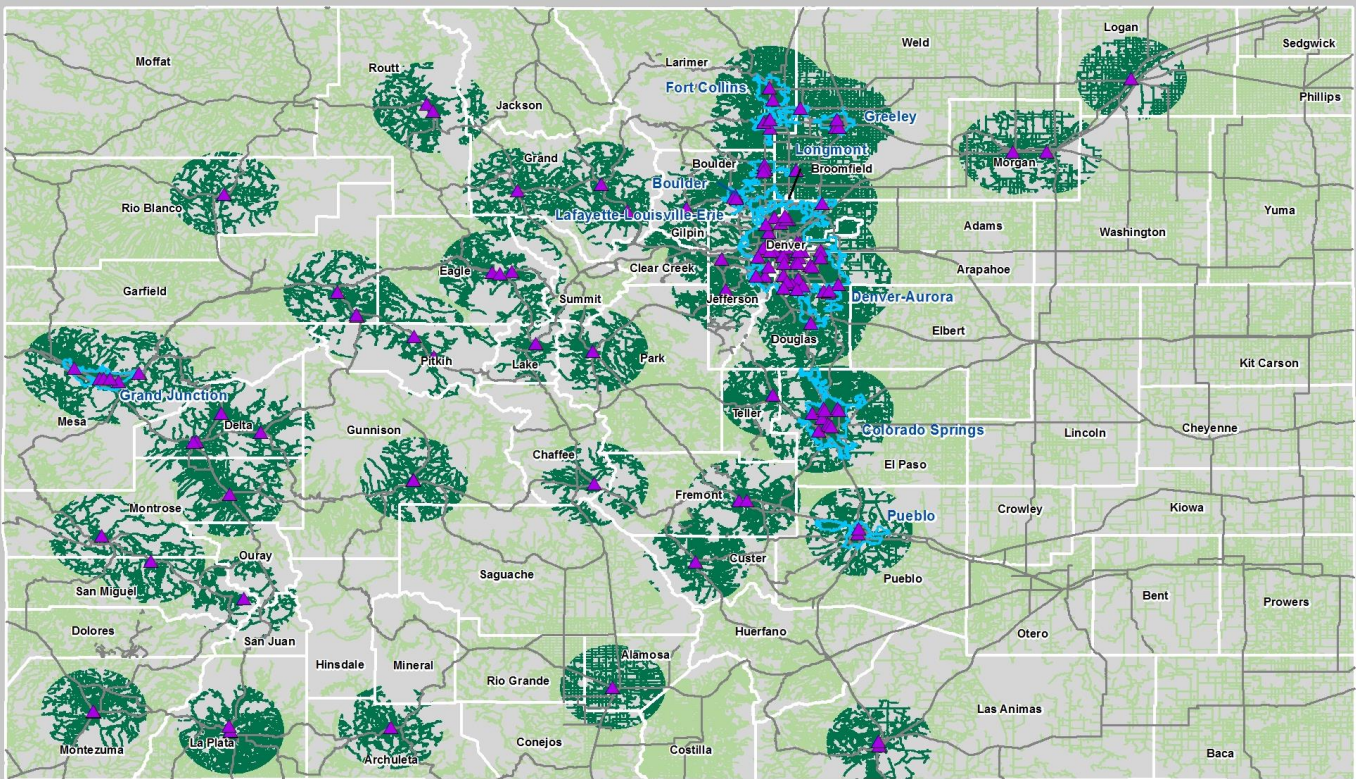
The following map on the following page shows the locations of the 130 retail stores that are in process of being set up for paint collection by program launch. Preliminary GIS analysis of these sites indicates that 93.5% of the state’s population will have a site within 15 miles of their residence – satisfying the program’s convenience criterion for distance. To meet the program’s density criterion, additional sites will be needed in several areas of the state including Denver and Colorado Springs.

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<sup>2</sup>The map in Appendix I illustrates the optimal 172 locations (based on addresses of actual, potential, retail partners) needed to meet the distribution and density criteria. The map is for illustrative purposes to provide an approximation 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, but rather the best combination of sites if PaintCare hand-selected retail sites to meet the minimum 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 172 sites.

## PaintCare Retail Drop-Off Sites

### COLORADO POPULATION DENSITY IN URBANIZED AREAS



#### Reading the Map

- Purple triangles represent the location of retail drop-off sites.
- Dark green areas surrounding sites represent populated areas within a 15 mile radius of a site.
- Light green represent populated areas outside a 15 mile radius of sites.
- Grey areas represent unpopulated areas.
- Blue borders indicates Urbanized Areas.
- White lines indicates county borders.
- Grey lines indicates highways.

#### Baseline Goal

PaintCare aims to meet the baseline goal of 172 sites within six months of the start of the program 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 will continue to recruit additional drop-off sites in an effort to maximize convenience for Colorado residents.

PaintCare’s GIS consultant also identified areas of the state where few or no retail stores are available and made recommendations for areas where paint collection events may need to be held. PaintCare will work with the CDPHE and local municipal representatives in these communities to confirm the need for an event, locate an appropriate site, and promote the event. After the program starts, PaintCare will continually monitor and evaluate its collection infrastructure to locate unserved and underserved areas in need of paint collection events and additional services.

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

## J. Site Visits and Monitoring

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

## K. Drop-Off Site Operations

All PaintCare drop-off sites must have an agreement in place with PaintCare, follow all procedures in PaintCare’s operational guidelines, and operate in accordance with applicable federal, state and local environmental laws, regulations and permits.

### Drop-Off Site Training

All drop-off sites receive an in-person, on-site training regarding PaintCare program operations and is provided a training binder that is reviewed during the training and that includes a training log to be signed by all employees at the site who handle paint for the program. Training topics include:

- History and goals of paint stewardship programs
- Identification of program products
- Safe handling and storage of program products
- Spill clean-up and reporting
- Procedures for scheduling a paint pick-up
- Screening for generator status to determine if a business qualifies to use the program for oil-based paint
- Record keeping



Additional details about site requirements and site training can be read in the retail Drop-Off Site Guidelines and training slides in Appendix J. Both of these documents are included in the training binder left with sites following their training.

### Collection Volumes

Drop-off sites may set their own limit for the amount of paint they will accept, as long as the limit is no less than five gallons per customer per day.

### Paint Storage Bins

Drop-off sites will be provided with paint storage bins to place postconsumer paint received through the program. These bins will be US DOT approved reusable boxes (below left) or single-use cubic yard boxes (below right), 55-gallon drums, or other appropriate containers. Drop-off sites will be required to keep bins in a secure location that does not have public access.



### 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 product identifications.

PaintCare's transporters and downstream processors will manage any incidental non-program products that they receive. They will notify PaintCare of any incident and identify the specific drop-off site from where the non-program products originated and the quantity and type that were found. Depending on the severity of the contamination, PaintCare may do one or 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) in extreme cases, remove the site from the program.

## 5. Materials Management

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### Statutory Citations

*Colorado Revised Statute, Title 25. Article 17. Part 4. Architectural Paint Stewardship Program*

*Section 25-17-404 (2) One or more producers, or a stewardship organization contracted by one or more producers, shall submit for approval a paint stewardship program plan to the executive director by January 1, 2015. To be approved, a paint stewardship program plan must:*

*(b) Describe the manner in which the program will ... transport, reuse, recycle, and process postconsumer architectural paint, including a description of the following: (I) Energy recovery and disposal; and (II) Standards to ensure the use of environmentally sound management practices, including collection standards.*

*(c) Describe the manner in which the program will collect postconsumer architectural paint. (III) ... This information must include a description of how the program will work with existing recyclers ... that wish to continue to be involved in paint recycling and collection.*

*Describe how the paint stewardship program will incorporate and fairly compensate service providers for activities that may include: (III) The transportation, recycling, and proper disposal of postconsumer architectural paint.*

*(h) Describe the manner in which the program will achieve the following goals: (III) Using best practices that are both environmentally and economically sound to manage postconsumer architectural paint. These practices should follow a waste handling hierarchy, which provides a preference for source reduction, then reuse, followed by recycling, energy recovery, and finally waste disposal.*

### Section Overview

This section discusses:

- Paint transportation
- Paint processing
- Insurance and financial assurance

#### A. Paint Transportation

An effective transportation system is required to ensure that the paint collection infrastructure operates efficiently. PaintCare will contract for all paint transportation services. Transporters may include both private and public entities. Transporters must meet all applicable state and federal DOT rules and regulations and must track postconsumer paint from the point of collection (at drop-off sites or event) to its final destination. Transporters must have experience in scheduling pick-ups and routing to maximize efficiency, taking into account the number of stops, location, volume of paint to be collected, and projected weight of loads. Transporters, subsequent processors, and both of their records, will be subject to audits by PaintCare.

Following a formal bid process that began in February 2015, PaintCare selected and is negotiating agreements with Clean Harbors and Veolia to service retail and other new paint drop-off sites. In addition, in an effort to minimize operational changes to existing HHW and other paint collection systems, PaintCare is negotiating agreements with the following service providers to continue their

current paint collection and transportation services: GreenSheen Paint, Southern Colorado Services and Recycling, and Waste Management. As the program grows, additional transporters may be added if needed.

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 each drop-off site. Transporters will deliver empty paint storage bins and other supplies (e.g., spill kits) to PaintCare drop-off sites and events and pick up full bins in a timely manner –five days in urban areas and ten days in rural areas. The longer time period in the rural areas is to maximize the efficiency of the route and pick up from multiple locations, yet still serve the location in a reasonable amount of time.

All sites (both rural and urban) will be asked if they can accommodate more than the minimum number of paint collection bins. It is less expensive and more efficient to pick up several bins from one location than to serve the same location several times and pick up only one bin each time. However, many sites have limited storage space, and with these sites, long-term or large volume storage is not an option.

## B. Paint Processing

Either through its transporters or directly, PaintCare will contract for processing and proper end-of-life management of postconsumer paint collected in the program. Prior to releasing the transportation and processing RFP, PaintCare met with all existing paint recyclers in Colorado and some out of state recyclers, informed them of the RFP and contracting process, and offered to connect them to interested transporters to become subcontractors. The following processors are currently under consideration:

**Oil-based paint processors.** Clean Harbors and Veolia

**Latex paint processors.** Amazon Environmental, GreenSheen Paint, Old Western Paint, Southern Colorado Services and Recycling, and Waste Management

As the program grows, additional processors may be added if needed.

The following summarizes the management options PaintCare intends to use for postconsumer paint collected in the program. These options are prioritized by highest, best use:

### Latex Paint

1. Reuse
2. Recycling back into paint or into another product
3. Beneficial use
4. Appropriate disposal

### Oil-Based Paint<sup>3</sup>

1. Paint reuse
2. Energy recovery through fuel blending or fuel incineration

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<sup>3</sup> While it is possible to recycle oil-based paint back into paint, no processor offers this option at this time.

The condition of paint when it is received by the program will determine how it will be managed. If containers are not sealed well and stored properly (indoors, out of rain or freezing temperatures), latex and oil-based paint can harden or dry out or otherwise be spoiled by mold, rusting cans, or multiple freeze/thaw cycles making some or all of the contents of an individual container of the paint unusable or not recyclable. Ultimately, the method of storage and the timing of the decision to recycle leftover paint are determined by the consumer. The program encourages the return of unwanted postconsumer paint in a timely manner in an effort to reduce the age and improve the condition of the paint.

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

### **Latex Paint Management**

**Reuse.** As discussed previously, the program will implement and support latex paint reuse programs where possible and provide monetary compensation to sites that give away (or sell) reusable paint to the public. Paint reuse programs 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. Drop-off sites will seek to obtain participant acknowledgement through a waiver or logbook entry before the paint is taken for reuse.

**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 often used for graffiti abatement.

**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.

**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).

**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 Paint Management**

**Reuse.** As with latex paint, the Program will support oil-based paint reuse where possible. Reuse programs benefit the community and reduce the lifecycle impact of the postconsumer paint. Users of “previously owned” oil-based paint will be notified that the suitability of the product cannot be guaranteed. Drop-off sites will seek to obtain participant acknowledgement through a waiver or logbook entry before the paint is taken away for reuse.

**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.

**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.

### C. Non-Program Products and Empty Containers

**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. Non-program products will be recycled or disposed of as hazardous waste by PaintCare’s service providers rather than returned to a drop-off site.

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

### D. 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 itself also carries Pollution Liability, Commercial General Liability and Excess Umbrella Coverage to cover any liability PaintCare may incur.

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.



## 6. Education and Outreach

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### Statutory Citation

*Colorado Revised Statute, Title 25. Article 17. Part 4. Architectural Paint Stewardship Program*

*Section 25-17-404 (2) One or more producers, or a stewardship organization contracted by one or more producers, shall submit for approval a paint stewardship program plan to the executive director by January 1, 2015. To be approved, a paint stewardship program plan must:*

*(h) Describe the manner in which the program will achieve the following goals: (I) Reducing the generation of postconsumer architectural paint; (II) Promoting the reuse of postconsumer architectural paint.*

*(i) Include an education and outreach program that must: (I) Target consumers, painting contractors, and paint retailers; (II) Reach all architectural paint markets served by the participating producers; and (III) Include a methodology for evaluating the effectiveness of the education and outreach program on an annual basis, including methods for determining the percentage of consumers, painting contractors, and retailers who are aware of: (A) Ways to reduce the generation of postconsumer architectural paint; and (B) Opportunities available for the reuse and recycling of postconsumer architectural paint.*

*Section 25-17-405 (4) As part of the education and outreach program set forth in section 25-17-404 (2)(i), a producer shall distribute paint stewardship program information to all retailers offering the producer's architectural paint for sale. The information may include the following:*

*(a) Signage that is prominently displayed and easily visible to the consumer;*

*(b) Written materials that may be provided to the consumer at the time of purchase or delivery or both and templates of those materials for reproduction by the retailer; and*

*(c) Promotional materials including advertising materials that reference the architectural paint stewardship program.*

### Section Overview

This section discusses:

- Outreach methods, messages, and target audiences
- Phased outreach approach and lessons learned from PaintCare programs in other states
- Input and lessons learned from paint retailers
- Supporting outreach efforts of municipal programs
- Site locator tool
- PaintCare hotline
- Evaluation process
- Promotion of “Buy Right” and “Use it Up”
- Examples of outreach materials

## A. Methods

PaintCare is committed to providing robust and effective education and outreach for the Colorado 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, fact sheets)
- Online and social media (e.g., webpage, banner ads, Facebook)
- Direct, face-to-face communications (e.g., home shows, retail site visits, presentations)

## B. Messages

### **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 postconsumer 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 a PaintCare site 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 Fee and what is it for?
- Which products are accepted in the program and which products are not?

## C. Target Audiences

PaintCare’s outreach and education strategy will focus appropriate messages to 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, waste transfer stations, recycling centers and landfills
- 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 information most requested.
- 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 in addition to calculating square footage of the walls, such as the texture of the surface to be painted, quality and coverage rate of the paint, 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 will be available than previously and also available statewide.
- Promote using up leftover paint.
- Promote the Large Volume Pick-Up Service to businesses with large volumes of leftover paint so they can request a direct pick-up of all of their leftover paint 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 real estate agents usually don't generate leftover paint themselves, they are in an excellent position to help educate home buyers, sellers, as well as the professional painters who help get the homes ready to sell.

### **HHW Programs, Transfer Stations, Recycling Facilities and Landfills**

PaintCare has developed fact sheets and interest forms to explain how these facilities can become PaintCare drop-off sites and the benefits of participating in the program.

### **Paint Retailers**

PaintCare has developed print materials for use by all paint retailers to educate store staff and the general public (regardless of whether or not they are drop-off sites) about the program. Retailers are provided PaintCare materials at no charge. Examples include:

- Brochures and mini-cards that help the public find drop-off sites and explain the program.
- Signage that promotes general awareness of the program, explains the PaintCare Fee, and how to find a paint drop-off site.
- Fact sheets (available from PaintCare's website or as printed copies) and designed for a variety of audiences and subjects (e.g., general information, how to become a paint drop-off site, how to request a large volume pick-up).

It is the responsibility of PaintCare to provide outreach and education materials to retailers of paint. Year-round, retailers may order printed materials using PaintCare’s order form or by phone. Drop-off sites also receive materials from PaintCare staff during site visits. Finally, electronic files of materials are always available from PaintCare’s website for retailers who wish to print them.

As discussed previously, retailers will receive several notification from PaintCare before the start of the program, as well as a starter pack of printed materials. In addition, PaintCare will contact paint retailers in Colorado annually by mail or email, as elected by the retailer. The annual mailer will include:

- Reminder of statutory obligations to provide information on the program to customers.
- Reminder of how to request additional print materials, and how to access them online.
- Updates and samples of new print materials.

PaintCare will also remind retailers annually that PaintCare’s outreach messaging about buying the right amount of paint for a job recommends to customers that they consult with retail store staff.

### **Translated Materials**

PaintCare has identified the need to translate the program brochure and various fact sheets into Spanish. Translated materials are also available at any time to retailers and electronic copies will be posted on PaintCare’s website. PaintCare will consider translating materials to other languages upon request.

## **D. Phasing in Outreach**

PaintCare has learned through launching 6 other state programs that at the start of a new state program, it is important to balance the need to inform the public about the new program (that there is a new fee on paint and that there are new paint drop-off sites) with the need to allow the drop-off sites time to become familiar and comfortable with program operations.

For Colorado residents with municipal HHW programs (facilities and events), using the HHW program often requires acting in a timely manner as the number of operating days and hours are 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 the program because they assumed that the program would be limited in some way. However, with PaintCare there is no immediacy to using the retail drop-off sites as they are permanent and available year-round.

PaintCare will conduct a statewide outreach to all areas of the state (reaching all architectural paint markets served by the participating producers as required by the Law) about the program and options, but the outreach will be phased in gradually in order to avoid overwhelming sites and frustrating customers and retailers. For safety reasons, when paint storage bins become full, sites cannot accept more paint until the full bins are replaced with empty ones. If customers are then turned away, they becomes unhappy with the program and with the retailer, the retailer also becomes frustrated turning customers 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. Once the retailers that are serving as drop-off sites are more comfortable with 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 – informing those people who may not see any news stories that the PaintCare Fee is being added to their new paint purchases. PaintCare knows that professional painters and other consumers who purchase paint frequently will notice the new fee and be more concerned and vocal than those who buy paint infrequently. To address this group, PaintCare will work with painting contractors and their associations to inform them in advance of the program and fees, and has already started to provide fact sheets 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.

## **E. Stakeholder Meetings with Retailers**

Experience in other PaintCare states demonstrated that it is difficult to get retailers to use written materials about the PaintCare program, despite offering and delivering them free of charge. To address this, PaintCare 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 program.

PaintCare held two meetings with retailers: In California in June 2012, several months prior to the start of that program (PaintCare’s second program), and in Oregon in 2013, almost three years after the start of that program. At these meetings, retailers reviewed PaintCare point-of-sale materials (posters, brochures, etc.) and provided 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 included:

- Messages should be simple and not abstract in any way, e.g., “Recycle with PaintCare” was recommended to replace “From Basement to Beautiful, from Garage to Glorious.”
- Retailers requested a simple and small card to hand to 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 because it oversimplified the purchasing process and was likely to result in incorrect estimates. Instead, retailers suggested PaintCare educate consumers to seek advice about buying the right amount of paint from store staff.
- Retailers need to provide advance notice to their commercial customers (mostly professional painters) to provide them ample time to prepare for the new fees and incorporate the fees into their bids/estimates prior to the start of the program.
- After the first year of the program, there are not many complaints about fees and the focus should be shifted more to information about drop-off site and other recycling services, and less on the fees.
- Drop-off sites like being listed in newspaper ads and seeing their name in print.

Much of the input received from retailers has been incorporated into PaintCare outreach materials and strategy and PaintCare continues to solicit and encourage feedback from paint retailers about the program's print materials and other promotional efforts.

## **F. Joint Outreach with Municipal Programs**

PaintCare promotes HHW and other municipal PaintCare drop-off sites through its outreach efforts if they wish to be promoted. PaintCare's has also established a process for municipalities to coordinate joint outreach projects, through which PaintCare assists local municipalities with funding, scriptwriting, graphic design for print, radio and other media. To initiate a project, the municipality completes a form 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. Municipalities may propose any project that includes a PaintCare message using any medium. The "Joint Outreach Project" fact sheet and proposal form are included in Appendix K.

## **G. Site Locator Tool**

PaintCare is committed to providing accurate, up-to-date information regarding paint recycling options available to the public and has developed 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 HHW programs as locations where the public can bring leftover paint. In PaintCare States, it lists only PaintCare drop-off sites, including HHW programs that partner with PaintCare.

## **H. PaintCare Hotline**

PaintCare operates a weekday hotline to assist the public with finding the nearest drop-off site and to answer questions about the program. The primary hotline staff person speaks English and Spanish.

## **I. Evaluation of Outreach**

PaintCare will conduct a consumer awareness survey each year to evaluate the effectiveness of the education and outreach efforts. The surveys will target the consumers (general public), painting contractors, and retailers. The survey may be conducted on one, two or all three of these populations each year. The results of each survey will be reported in the Annual Reports. At a minimum the questions will ask if the target populations are aware of ways to reduce the generation of postconsumer paint, and opportunities for reuse and recycling of postconsumer paint. Other questions may vary from one survey to another.

## **J. Promotion of (Paint) Waste Reduction and Reuse**

PaintCare will develop print materials, webpage content and/or media campaigns for two specific goals. The results of the awareness surveys mentioned above will measure progress towards these goals:

- Encourage (paint) waste reduction by recommending that people buy the right amount of paint and suggesting tools to achieve this.
- In addition to supporting reuse programs at HHW facilities and reuse stores, encourage paint reuse by recommending to the public and painting contractors that they give their unwanted paint to others who can use it, such as schools, churches and non-profits, or bring it to a site with a reuse program.

## K. Examples of Outreach Materials

Top row: Program Brochure, Mini-card, General Program Poster, Drop-Off Site Poster  
 Middle row: Mobile App, Site Locator Tool on PaintCare Website  
 Bottom row: Newspaper Ads

This section displays various outreach materials for the PaintCare program. At the top left is a 'Recycle with PaintCare' brochure for Oregon, featuring images of paint cans and a 'Recycle with PaintCare' logo. Below it is a mobile app interface showing a map of Oregon with drop-off sites marked. To the right is a 'Oregon Paint Recycling Program' brochure detailing the program's purpose, acceptable products (like latex, oil-based, primer, stains, and sealers), and a fee schedule based on container size. Further right is a large 'Drop-Off locations' website screenshot showing a map and a list of sites. At the bottom right is a 'Recycle your paint here.' poster with a list of acceptable and not acceptable products, and a 'Recycle with PaintCare' logo.

This section shows the PaintCare mobile app interface. It includes an 'App Store Icon' and several screenshots of the app's content, such as instructions on how to use the app, a map of drop-off sites, and information about the program's benefits and rules.

This section shows a screenshot of the PaintCare website's 'Drop-Off locations' page. The page features a search bar, a map of California with drop-off sites marked, and a list of site details including name, address, and phone number.

This section shows a newspaper advertisement for PaintCare. The headline reads 'PAINT RECYCLING MADE easy'. The ad features a woman holding paint cans and provides contact information for four local drop-off sites: Sherwin-Williams, Vista Paint, Dunn-Edwards, and another Vista Paint location. It also includes the website 'www.paintcare.org' and the phone number '(855) 724-6809'.

This section shows another newspaper advertisement for PaintCare. The headline reads 'We'll take your paint!'. The ad features a woman holding paint cans and provides information about the program's services, including the number of locations in Connecticut and the website 'www.paintcare.org'.



## 7. Program Budget & Paint Stewardship Assessment

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### Statutory Citation

*Colorado Revised Statute, Title 25. Article 17. Part 4. Architectural Paint Stewardship Program*

*Section 25-17-404 (2) One or more producers, or a stewardship organization contracted by one or more producers, shall submit for approval a paint stewardship program plan to the executive director by January 1, 2015. To be approved, a paint stewardship program plan must:*

*(j) (I) Demonstrate sufficient funding for the architectural paint stewardship program described in the plan through the imposition of a paint stewardship assessment that each producer shall charge retailers and distributors for each container of the producer's architectural paint sold in Colorado. Each producer shall remit the paint stewardship assessments collected to the paint stewardship program. Each retailer and distributor shall add the amount of the paint stewardship assessment to the purchase price of a container of the producer's architectural paint sold in Colorado. The paint stewardship program must not impose any fees on customers for the collection of post-consumer architectural paint. (II) To ensure that a paint stewardship program's funding mechanism is equitable and sustainable, the funding mechanism must: (A) Provide a uniform paint stewardship assessment that does not exceed the amount necessary to recover program costs; and (B) Require that any funds generated by the aggregate amount of fees charged to consumers be placed back into the program.*

*(k) Include a proposed budget and a description of the process used to determine the paint stewardship assessment required by paragraph (j) of this subsection (2).*

### Section Overview

This section discusses:

- PaintCare's funding mechanism
- Projected paint sales and collection volumes
- Paint stewardship assessment and independent audit
- Annual budget

#### A. Introduction

Architectural paint manufacturers – through representation by PaintCare – have established a sustainable funding system to cover the cost of implementing the Colorado Paint Stewardship Program.

The PaintCare program works by placing a paint stewardship assessment on qualifying containers of architectural paint sold in Colorado beginning on the program's start date. This assessment is referred to as the *PaintCare Fee*. The PaintCare Fee is set at a rate to cover, but not exceed, the cost of implementing the Colorado program. All revenue generated by fees on Colorado paint sales is spent on the Colorado program.

## B. Funding Mechanism

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

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

## C. 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 2012 with updates in 2014 by Decision Metrics, Inc., a research firm that specializes in coatings industry analysis and economic forecasting. Decision Metrics utilizes 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 2012 study estimated sales for 2010-2013. The 2014 study estimated sales for 2013-2016.

Studies and experience of HHW programs have shown that consumers typically wait several years before recycling or disposing of unwanted HHW products, including paints. For this reason, in developing assumptions about the volume of paint that will be returned in Colorado over the next few years, PaintCare used 2010 sales data as its baseline, rather than current projections. In contrast, to project revenue over the next few years, 2016 projected sales were used since revenue will be true to the year the paint is sold.

As noted, the volume used to project paint sales in Colorado in the past and future are estimates. Assumptions about the number of units sold in each container size are also estimates, but are derived from an average of actual Oregon and California paint sales since their programs began. PaintCare has observed that a state's geographic size is a 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, Colorado's projected container mix was modeled from Oregon and California. Container size mix can be important in the resulting revenue because the PaintCare Fee varies based on the container size.

Following implementation, the program will know the actual sales volume and container size mix in Colorado from manufacturer reporting and fee payments. If actual sales differ from the estimates used to develop the projected budget, then the estimated revenue, postconsumer paint collection volumes, and related costs may need to be revised. If this results in the need to change the fee structure, approval would be required from the CDPHE.

## **D. Paint Collection Volumes**

Paint is designed to be fully consumed through application to walls, buildings and other surfaces. Although the amount of postconsumer paint received through collection programs is measurable, the actual quantity of postconsumer paint that is leftover, unwanted and available for collection at any one time is unknown. The lag time between the purchase of paint and the decision that the remaining volume is unwanted, and the additional time taken to recycle or dispose of it, 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. All of these factors make it difficult to determine how much postconsumer paint is available for collection.

### **Postconsumer Paint Volume Studies and Projections**

In preparing for paint stewardship programs in other states and in Colorado, PaintCare considered a number of studies that estimated postconsumer volumes (see Appendix L for a list of studies and their key findings). The summary of these studies is that approximately 10% of paint is leftover and of that 7% is available for collection. These numbers are consistent with data from mature programs in Canada and PaintCare’s Oregon Program which has been operating for almost 5 years old.

The following assumptions and data were used in deriving the anticipated revenue and volume of postconsumer paint to be collected annually in Colorado once the program is at a steady state or “mature.” This information is also summarized in the table on the next page.

- Sales volume will remain relatively stable in Colorado at approximately 14.2 million gallons annually (based on 2016 sales projections) – this volume is used to project revenue.
- 10% of architectural paint sold remains leftover and is available for recycling, equaling approximately 1.17 million gallons (based on 2010 sales estimates) – – this volume is used to project collection volumes.
- Mature paint stewardship programs collect about 7% of leftover paint annually. This value can also be stated as the equivalent of 7% of sales, referred to as the “recovery rate” (volume collected divided by volume sold). Note that once the program is active, PaintCare will use actual collection volumes for the numerator. Sales volume from a previous time period (2010 in this case) will be used for the denominator.

### Projected Collection Volumes and Recovery Rate

| Description  | Gallons    |
|--|------------|
| Annual sales volume for revenue projections<br>(2016 estimated sales)                                    | 14,200,000 |
| Annual sales volume for collection volume projections<br>(2010 estimated sales)                          | 11,700,000 |
| Annual volume leftover<br>(10% of 2010 estimated sales)  | 1,170,000  |
| Annual collection volume once the program is mature<br>(70% of 2010 leftover volume or 7% of 2010 sales) | 760,000    |

#### E. Program Budget and Paint Stewardship Assessment

PaintCare has developed a budget and proposed a fee structure to sustain the Colorado program once it is mature. It is PaintCare’s experience from other states that it takes several years for a program to reach a steady state of paint collection and costs. As described in the Outreach and Education section of this Plan, because PaintCare is cautious in publicizing the program in the first year, outreach and resulting paint collection volumes increase gradually over the first few years of the program. Conversely, the program has already and will continue to build up pre-program expenses. These are expenses for activities that support the program from the time legislation passed to the time the program launches and funding becomes available. It includes personnel and travel expenses, legal costs, and state administrative fees. The reduced costs at the start of the program resulting from a soft launch will allow pre-program expenses to be paid off in the early years of the program.

The proposed budget that follows is based on the assumptions covered previously and that result 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 Colorado is based on estimates of 2016 sales, while the mix of containers sold, by size, is based on a combination of actual sales data from Oregon and California.

##### Operational (In-State) Expenses

- In combination, paint transportation and processing are the most significant expense of the program, and are estimated to be approximately 75% of Colorado’s total program costs. Transportation and processing costs for the Colorado program are based on vendor pricing provided through the RFP process discussed in Section 5.
- Collection support is another significant expense and includes the cost of paint storage bins, spill kits, set up fees for PaintCare paint collection events, labor to assist LVP service users pack their paint, payments for HHW value-added services, and other paint collection-related support. Collection support represents approximately 7% program costs.
- Communication expenses include advertising and promotional materials to increase awareness of the program. They represent approximately 9% of program costs.

- Personnel, professional fees and other expenses include the cost of two full-time, in-state employees of PaintCare Colorado, professional fees for GIS analysis, legal costs for developing contracts, and other logistical, professional support, and miscellaneous office expenses. These add up to approximately 3% of program costs.
- State administrative and oversight fees will be paid by PaintCare to the CDPHE annually. These fees are estimated to be \$120,000 annual – approximately 2% of program costs.

**Administrative (Corporate or Indirect) Expenses**

- Administrative expenses (also called indirect expenses) are those that are not specific to Colorado, but rather indirectly support the Colorado program. Administrative costs include corporate staffing (e.g., PaintCare’s Executive Director and communications team), IT support, company-wide auditing fees, company-wide legal fees, and other general services that support all PaintCare states.

Administrative costs are allocated among all PaintCare states (states where paint stewardship legislation has passed) based on their relative populations. At the time of this Plan, Colorado represents 8.6% of the combined population of the nine PaintCare states. Total administrative costs are estimated to be \$3 million annually, or approximately \$258,000 annually for Colorado. Administrative expenses are approximately 4% of the program budget.

**Paint Stewardship Assessment**

The result of the anticipated program costs, combined with projected sales and container size mix, is the following proposed paint stewardship assessment (PaintCare Fee) structure.

| Container Size                                    | Fee     |
|---|---------|
| Half pint or smaller                              | \$ 0.00 |
| Larger than half pint up to smaller than 1 gallon | \$ 0.35 |
| 1-2gallon   | \$ 0.75 |
| Larger than 2 gallon up to 5 gallons              | \$ 1.60 |

The proposed fee structure for the Colorado PaintCare program is the same as the fee structure approved and currently used in all six PaintCare States with active programs – California, Connecticut, Oregon, Minnesota, Rhode Island and Vermont – and also proposed for Maine. (The budget and fee structure for the District of Columbia has not yet been developed.)

**Audit of the Stewardship Assessment**

As noted previously, to ensure that the Program’s funding mechanism is equitable and sustainable, the Colorado Paint Stewardship Law requires a uniform paint stewardship assessment that does not exceed the amount necessary to recover program costs. To evaluate and support the proposed fee structure, PaintCare commissioned an independent audit. Similar audits were required for PaintCare’s programs in Connecticut, Minnesota, Rhode Island and Vermont, and the same firm that conducted the audits in those states – HRP Associates Inc. – was used for the Colorado audit.

HRP reviewed (a) the transportation and processing RFP and bid results; the proposed budget and assumptions used to determine costs for paint collection, paint transportation, paint processing,

outreach and education, personnel, legal fees, corporate costs and other budget elements; and assumption made about paint sales and the resulting revenue. HRP Associates’ audit results are available in Appendix M and conclude with:

*“PaintCare’s anticipated expenses took into account the costs for collection, transportation, processing, collection containers, one-day event setup fees, communications (education and outreach), personnel & professional fees, state oversight, and travel, in addition to corporate budget expenses. The expenses and assumptions made are acceptable and within industry standards.”*

**Program Budget**

**Revenue**

|   |            |
|---|------------|
| Container size: Larger than half pint up to smaller than 1 gallon | \$ 795,200 |
| Container size: 1-2 gallon  | 4,047,000  |
| Container size: Larger than 2 gallon up to 5 gallons              | 2,635,520  |
| <hr/>   |            |
| Total revenue   | 7,477,720  |
| <hr/>   |            |

**Expenses**

|  |            |
|--|------------|
| Paint transportation and processing                  | 5,489,846  |
| Storage containers/collection support                | 497,256    |
| Communications                                       | 650,000    |
| Personnel, professional fees and other               | 249,670    |
| State administrative fees                            | 120,000    |
| Total direct expenses                                | 7,006,772  |
| <hr/>  |            |
| Allocation of corporate activity (indirect expenses) | 258,000    |
| <hr/>  |            |
| Total expenses                                       | 7,264,772  |
| <hr/>  |            |
| Change in net assets                                 | \$ 212,948 |
| <hr/>  |            |

## 8. Annual Report and Financial Audit

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### Statutory Citation

*Colorado Revised Statute, Title 25. Article 17. Part 4. Architectural Paint Stewardship Program*

*Section 25-17-405 (3) (a) On or after March 31 of the second year of a paint stewardship program's implementation, and annually thereafter, one or more participating producers, or a stewardship organization contracted by one or more producers, shall submit a report to the executive director describing the progress of the paint stewardship program. The paint stewardship program report must include the following information from the preceding calendar year:*

*(I) A description of the method or methods used to reduce, reuse, collect, transport, recycle, and process postconsumer architectural paint.*

*(II) The total volume, in gallons, and type of postconsumer architectural paint collected, with the data broken down by: (A) Collection site; and (B) Method of waste handling used to handle the collected postconsumer architectural paint, such as reuse, recycling, energy recovery, or waste disposal.*

*(III) The total volume, in gallons, of postconsumer architectural paint sold in Colorado by the producer or producers participating in the paint stewardship program.*

*(IV) For the education and outreach program implemented in compliance with section 25-17-404 (2)(i): (A) Samples of any materials distributed; and (B) A description of the methodology used and the results of the evaluation conducted pursuant to section 25-17-404 (2)(i)(III). The results must include the percentage of consumers, painting contractors, and retailers made aware of the ways to reduce the generation of postconsumer architectural paint, available opportunities for reuse of postconsumer architectural paint, and collection options for postconsumer architectural paint recycling.*

*(V) The name, location, and hours of operation of each facility added or removed from the list developed in accordance with section 25-17-404 (2)(f).*

*(VI) Any proposed changes to the paint stewardship program plan. The executive director shall review any proposed changes set forth in the annual report in accordance with the review procedures for a revised plan, as set forth in section 25-17-404 (3).*

*(VII) A copy of an independent third party's report auditing the paint stewardship program. The audit must include a detailed list of the program's costs and revenues.*

### Section Overview

This section discusses:

- Content of the Annual Report
- Content and process for the annual financial audit

## **A. Annual Report**

PaintCare will submit an Annual Report to the CDPHE by March 31 of each year covering the previous calendar year.

The Annual Report will include, at a minimum:

- A description of the methods used to reduce, reuse, collect, transport, recycle and process postconsumer architectural paint.
- The volume of architectural paint sold in Colorado in the reporting year.
- The name, location, and hours of operation of the program's paint drop-off sites.
- The volume of postconsumer architectural paint collected, broken down by site and disposition method.
- Samples of education and outreach materials distributed, and a description of the evaluation process and its results.
- A copy of the independent third party audit of the program, including details of the program's costs and revenues.

## **B. 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.

While the audit is conducted of the organization as a whole, it will also serve as the annual financial audit of the Colorado 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.