



Oregon Paint Stewardship Program 2014 Annual Report

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EXECUTIVE SUMMARY

PaintCare is the representative stewardship organization of the Oregon Architectural Paint Stewardship Program, as set forth by Chapter 459A, Reuse and Recycling, Subsection 820-855 of the 2013 Oregon Laws. That Paint Stewardship Law provides for the establishment of a permanent statewide paint stewardship program, managed by a stewardship organization, to accomplish the following:

1. Establish an environmentally sound and cost-effective architectural paint stewardship program;
2. Undertake responsibility for the development and implementation of strategies to reduce the generation of post-consumer architectural paint;
3. Promote the reuse of post-consumer architectural paint; and
4. Collect, transport and process post-consumer architectural paint for end-of-product-life management, including reuse, recycling, energy recovery and disposal.

Under the Oregon Paint Stewardship Law, PaintCare must submit an annual report to the Oregon Department of Environmental Quality (DEQ) on April 1 of each year. In July 2013, the Paint Stewardship Law was amended from a July 1 – June 30 reporting year to a January 1 – December 31 reporting year, beginning with calendar year 2014. The last PaintCare report covered the period July 1, 2013 – December 31, 2013 to fill the gap between the original and current reporting periods. This report covers the period January 1, 2014 – December 31, 2014.

Annual Report Requirements

Subsection 842(1) (reports by stewardship organization) of the Paint Stewardship Law lays out the requirement of the Annual Report, as follows:

- (a) A description of the methods used to collect, transport, recycle and process postconsumer architectural paint in this state;
- (b) A calculation of the total volume in gallons of post-consumer architectural paint collected by the program, categorized by latex, alkyd and any other type of paint;
- (c) For each permanent collection site and collection event under the program: (A) A calculation of the total volume in gallons of post-consumer architectural paint collected at the site or event; (B) The address or, if no address is available, the physical location of the site or event; (C) A description of whether the site or event is: (i) A permanent collection site located at a retailer; (ii) A permanent collection site or collection event for the program located within the local solid waste collection infrastructure; or (iii) A collection event promoted and paid for by a stewardship organization;
- (d) An estimate of the total weight and disposition of all paint containers collected by the program;
- (e) The total volume of post-consumer architectural paint collected [in this state] under the program, categorized by method of disposition, including reuse, recycling, energy recovery and disposal;
- (f) The data, conversion factors and any changes from prior years in the methodology used to complete the analysis required to comply with paragraphs (b) to (e) of this subsection;

(g) An independent financial audit of the program;

(h) A description of program revenues and costs for the prior year that follows the budget requirements provided in ORS 459A.827 (Plan for architectural paint stewardship program) and that further describes: (A) The total cost of the program during the prior year calculated as a per capita amount for each resident of this state; (B) The cost per gallon of the program during the prior year; (C) The use by the stewardship organization of any revenues from the program during the past year that exceeded the total costs of the program, including a description of the amount held by the stewardship organization in unallocated reserve funds at the end of the reporting period; and (D) If requested by the director, any additional budgetary information necessary for the director to determine whether the stewardship organization must amend the plan under ORS 459A.835 (Approval for amendment or update to plan for architectural paint stewardship program) (1)(d);

(i) An updated budget for the next calendar year that follows the budget requirements provided in ORS 459A.827 (Plan for architectural paint stewardship program);

(j) An evaluation of the operation of the program's funding mechanism;

(k) Samples of educational and outreach materials provided to consumers of architectural paint, an evaluation of the methods used to disseminate those materials and an assessment of the effectiveness of the education and outreach, including levels of waste prevention and reuse;

(l) Documentation of compliance with the requirements of ORS 459A.827 (Plan for architectural paint stewardship program) (2)(b), and 459A.830 (Collection system for post-consumer architectural paint);

(m) A description of the activities undertaken to achieve, and the progress made toward achieving, the program goals as provided for in the program plan; and

(n) Notification to the director of any additional proposed changes to the operation of the program for the following calendar year, or a statement that the stewardship organization intends to continue to implement the program in the manner approved by the director under ORS 459A.832 (Approval or denial of new or updated plans for architectural paint stewardship programs).

2014 Highlights

- This reporting period ended with 145 active drop-off sites, representing a 21% increase in the number of sites over the previous reporting period.
- The addition of these sites provides access within 15 miles to a site for 96% of all Oregon residents, an increase from the previous reporting period.
- Including one-day collection events, 97.2% of Oregon residents live within 15 miles of a location to drop off unwanted paint at least one day a year.
- The program processed 621,173 gallons of post-consumer paint.
- The cost per resident was \$1.20.
- The cost per gallon was \$7.39.
- There are no operational changes proposed for 2015; PaintCare will continue to implement the program as approved under the 2015-2017 Program Plan.

SECTION 1. Collection, Transportation and Processing

459A.842 Reports by stewardship organizations. At a minimum, the report must contain:

(1)(a) A description of the methods used to collect, transport, recycle and process post-consumer architectural paint in this state.

(1)(L) Documentation of compliance with the requirements of 459A.827(2)(b) (Plan for architectural paint stewardship program) and 459A.830 (Collection system for post-consumer architectural paint).

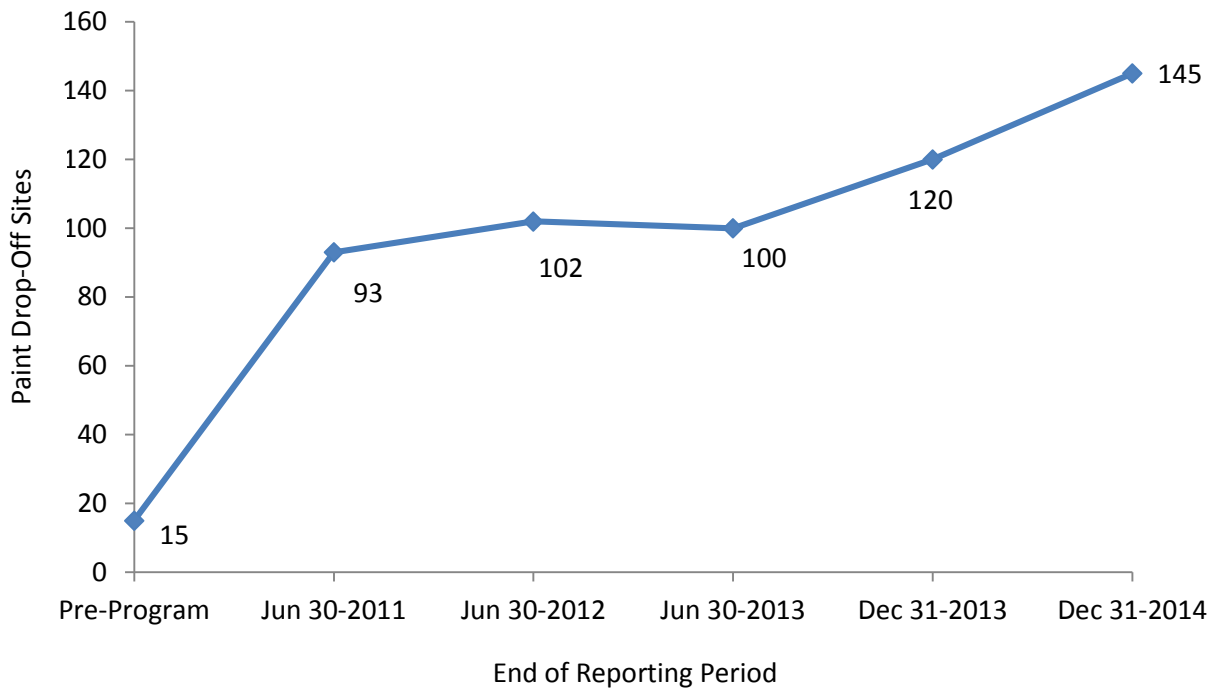
Collection System and Convenience Level

Drop-Off Sites and Events

At the end of calendar year 2014, the Oregon PaintCare program had 145 active drop-off located sites throughout the state, an increase of 25 sites since the end of calendar year 2013. Drop-off sites as of December 31, 2014 are listed in Appendix A.

Figure 1 shows the number of paint drop-off sites prior to the launch of the PaintCare program through the end of 2014.

Figure 1. Permanent Drop-Off Sites





Drop-off sites are predominately retailers, like Madras Paint and Glass in Madras.

Table 1 summarizes PaintCare’s collection infrastructure at the end of each reporting period, including both permanent facilities and one-day collection events. The majority of PaintCare drop-off sites are retail stores that are open five or more days per week. With the large addition of retail stores, the PaintCare program provides a much greater level of convenience than pre-program collection services comprised primarily of household hazardous waste (HHW) programs with limited hours of operation.

Table 1. PaintCare Collection Infrastructure

Sites at End of Report Period	6/30/11	6/30/12	6/30/13	12/31/13	12/31/14	
HHW & Solid Waste Facilities	15	19	19	19	17	12%
Retailers	69	71	68	87	111	76%
ReStores	9	12	13	14	17	12%
Total Sites	93	102	100	120	145	100%

Events During Report Period	6/30/11	6/30/12	6/30/13	12/31/13	12/31/14	
PaintCare-Sponsored	2	6	4	0	3	
HHW/Municipal-Sponsored	57	57	79	30	61	
Total Events	59	63	83	30	64	

In addition to drop-off sites and events, the PaintCare program provided 33 direct pick-ups to 29 commercial and institutional entities, including trade painters, apartment complexes, state universities and other private businesses.

Convenience Level

PaintCare's 145 drop-off sites provided 96% of Oregon residents with a drop-off site within 15 miles of their home, with one site for every 26,421 residents. Coverage is determined by independent, third party GIS analysis. An explanation of the evaluation is provided in Appendix B. The following map shows the locations of the sites and events in Table 1. Table 2 below shows the change in convenience since the start of the program.

2014 Participating Drop-Off Sites and Events

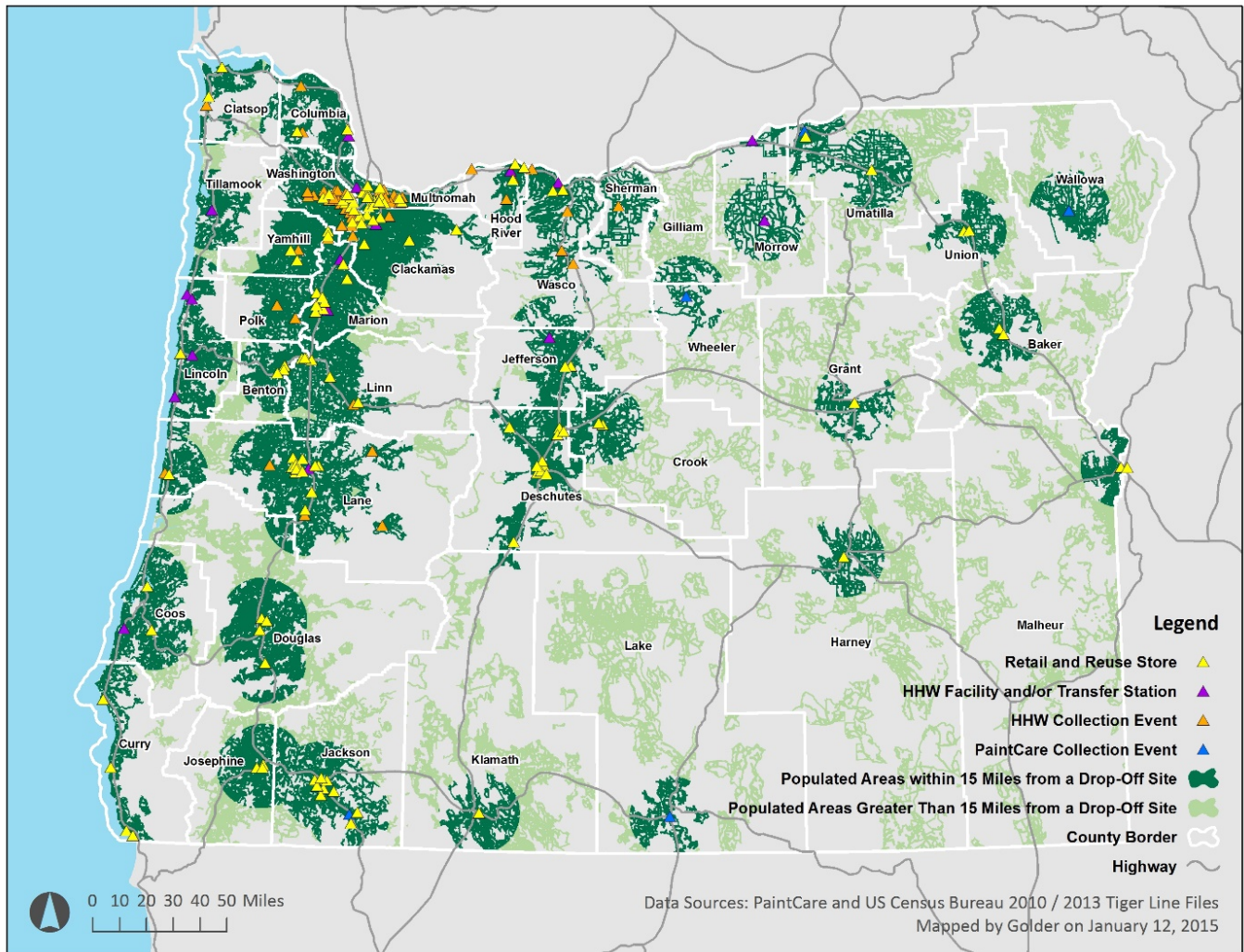


Table 2. Convenience Year-to-Year

	6/30/10	6/30/11	6/30/12	6/30/13	12/31/13	12/31/14
Population within 15 miles of a site	64.7%	93.1%	94.4%	95.0%	95.5%	96.0%
Change from previous reporting period		+28.4%	+1.3%	+0.6%	+0.5%	+0.5%

Underserved Areas

A requirement of the Program Plan is to provide 1-2 PaintCare paint collection events each underserved area of the state – an area that is not serviced, within 15 miles, by a permanent location or other service, such as a HHW collection event. Using GIS data from the map on the previous page, PaintCare identified the underserved areas of the state. 4% of the state’s population lives outside of a 15-mile radius of a permanent drop-off site.

PaintCare contacted local representatives in the identified underserved areas, proposed locally funded or PaintCare funded events, and requested assistance with identifying event site locations and dates. Appendix C provides a summary of the locations in the state that PaintCare, in consultation with the DEQ, selected for holding paint collection events. It also details actual events held/planned in underserved areas, the funding source for paint collection, and the good faith efforts made by PaintCare to reach local representatives to propose and coordinate events.

Paint Collection Procedures

The program enters into collection contracts with all drop-off sites. With the exception of HHW programs, all new permanent sites receive on-site program training and a program procedures manual. The training and manual cover:

- Program and non-program products
- Acceptable containers
- Whom to accept paint from and how much
- CEG determination and log form
- Proper storage
- Spill response procedures and reporting requirements
- Employee training
- How to schedule a pickup
- Required paperwork and retention schedules

Spill-proof paint collection containers



Drop-off site personnel are required to visually inspect, but not open, every container of post-consumer paint brought to their site to confirm that it is a Program Product and then place it in the spill-proof collection containers provided by the program, immediately.

Drop-off sites are visited by the program on a routine basis (generally at least twice per year) to ensure compliance by the site with program requirements, as well with health, safety and environmental standards and/or in response to complaints or compliance issues. There were 244 site visits conducted in 2014.

Transportation and Processing

Transportation

The program continued to utilize the transportation procedures and material tracking systems that were implemented at the start of the program, including contracting with PSC/Stericycle to provide transportation services to drop-off sites, events and large volume direct pick-ups. In addition, Clean Harbors was used for transportation services during this reporting period. PSC/Stericycle and Clean Harbors' paint management methods are detailed in the Oregon Program Plan.

Latex Paint Processing

Metro, Lincoln County Haulers Association (LCHA), Marion County, and PSC/Stericycle continued to provide latex paint management services to the program. Clean Harbors was also used during this reporting period.

As in previous years, Metro collected latex paint from its two fixed HHW facilities and events in the Portland metropolitan area. Metro also received latex paint collected by PSC/Stericycle from statewide drop-off sites. Under the agreement with Metro, recyclable latex paint is made into new recycled-content latex paint and sold or distributed through a variety of channels. The market for recycled-content paint, particularly for less popular colors, varies from year to year. Any latex paint processed at the Metro paint facility that is not of suitable quality or useful color to recycle back into paint is used for biodegradation, a process used to extract gas from landfills.

Latex paint collected outside the Portland Metro area and deemed unsuitable for recycling at Metro was sent by PSC/Stericycle to Amazon Environmental. Amazon recycles this material into recycled-content paint and a biomass fuel product.

Latex paint collected in Lincoln County by members of the LCHA is segregated into good, recyclable paint and poor quality, non-recyclable paint. Recyclable paint is made into recycled-content paint and sold locally. Unsold recycled-content and non-recyclable paint (and alkyd paint) is transported back to PSC/Stericycle's consolidation facility and managed through PSC/Stericycle and Metro. Similarly, recyclable latex paint collected by Marion County is processed into recycled-content paint and given away locally for free. Non-recyclable latex paint (and alkyd paint) is sent to the County's incinerator for energy recovery.

Alkyd Paint Processing

PSC/Stericycle continued to be the service provider for alkyd paint for all permanent sites with the exception of Marion County transfer stations. In addition, Clean Harbors was used for two events. All alkyd collected by PSC/Stericycle and Clean Harbors goes for fuel blending. Alkyd (along with unusable latex paint) collected by Marion County is utilized for energy recovery at the County's incinerator in the City of Brooks.

Reuse

Metro runs an alkyd paint reuse program under contract for the PaintCare program. In addition, PaintCare partnered with 17 reuse stores to facilitate latex and alkyd paint reuse. Under this program, good, usable paint in its original container is offered back to the public either for free or for a discounted price. Collection sites with reuse programs report the gallons they distributed to the public to PaintCare. However, to be conservative, PaintCare only reports 75% of the volume reported by the drop-off sites to account for the fact that not all paint containers are full.

SECTION 2. Collection Volume and Disposition Methods

459A.842 Reports by stewardship organizations. At a minimum, the report must contain:

(1)(b) A calculation of the total volume in gallons of post-consumer architectural paint collected by the program, categorized by latex, alkyd and any other type of paint.

(1)(c) For each permanent collection site and collection event under the program:

(A) A calculation of the total volume in gallons of post-consumer architectural paint collected at the site or event;

(B) The address or, if no address is available, the physical location of the site or event; and

(C) A description of whether the site or event is:

(i) A permanent collection site located at a retailer;

(ii) A permanent collection site or collection event for the program located within the local solid waste collection infrastructure; or

(iii) A collection event promoted and paid for by a stewardship organization.

(1)(d) An estimate of the total weight and disposition of all paint containers collected by the program.

(1)(e) The total volume of post-consumer architectural paint collected under the program, categorized by method of disposition, including reuse, recycling, energy recovery and disposal.

(1)(f) The data, conversion factors and any changes from prior years in the methodology used to complete the analysis required to comply with paragraphs (b) to (e) of this subsection.

(1)(m) A description of the activities undertaken to achieve, and the progress made toward achieving, the program goals as provided for in the program plan.

Paint Volume – Processed and Collected

A total of 621,173 gallons of paint were processed during 2014. Table 3 show the volume of post-consumer architectural processed in each reporting period since the start of the program.

Table 3. Gallons of Paint Managed by Type and Reporting Period

	July 2010- June 2011		July 2011- June 2012		July 2012- June 2013		July 2013- Dec 2013		Jan 2014- Dec 2014	
	Gallons	%	Gallons	%	Gallons	%	Gallons	%	Gallons	%
Alkyd	117,529	25	150,578	26	162,108	28	99,715	32	186,515	30
Latex	352,136	75	420,227	74	418,585	72	212,624	68	434,657	70
Total	469,665		570,805		580,693		312,339		621,173	

Deriving Processed Volume

As noted in Section 1 of the Report, latex paint was processed by Metro, Amazon, LCHA and Marion County during this reporting period. Oil-based paint was processed by PSC/Stericycle, Clean Harbors and Marion County.

Metro

Metro reported the actual volume of latex paint they processed and made into recycled-content paint and the actual volume of latex paint bulked for use in landfill biodegradation.

Marion County

Marion County all reported the actual volume of latex paint they processed and made into recycled-content paint. An estimate of gallons was provided for oil-based paint and latex paint managed by Marion County for energy recovery, using gross weight of the collection boxes, subtracting estimated packaging and non-program product weight, and dividing by 10 to convert to gallons.

LCHA

LCHA reported the actual volume of latex paint they processed and made into recycled-content paint.

Amazon

The volume of paint processed by Amazon was estimated through a series of calculations: (1) gross weights were obtained for each bin of paint delivered to Amazon, (2) the weight of the empty bins (72 pounds per bin) were subtracted from the gross weight leaving the weight of the paint and paint cans, (3) 16% of the remaining weight was subtracted to remove the weight of the empty paint can, (4) the remaining weight was multiplied by 10 to convert to gallons, (5) Amazon's recycling rate was applied to the gallons figure to approximate the volume of latex paint made into recycled-content paint (54%) and used for biofuel (46%).

PSC/Stericycle

The volume of oil-based paint processed by PSC/Stericycle was estimated using a conversion of 69.57 gallons per bin and 20.81 gallons per drum (loose-packed paint). These conversions come from periodic sampling of bins and drums by PSC/Stericycle.

Clean Harbors

The volume of oil-based paint processed by Clean Harbors was estimated by the same process used by Amazon (steps 1-4).

Reuse

Reuse volumes were estimated by multiplying the count of containers reported (separated by latex and oil-based paint) by 75% to arrive at gallons.

Estimating Collection Volume by Site/Event

Appendix A provides a list of all paint drop-off sites and collection activity reported in gallons – grouped by county/wasteshed.

PSC/Stericycle

The majority of paint drop-off sites and events had their paint transported offsite by PSC for downstream processing. For each site/event, actual volume per bin is not available since their paint is consolidated with

paint from other sites before being processed downstream by Metro or Amazon. To estimate volume per site, steps similar to those outlined for Amazon in the previous section were taken: (1) Gross weights were obtained for every bin of paint picked-up from a site/event and summed up, (2) the weight of the (reusable) empty bins (115 pounds per bin) was subtracted from the gross weight of the bins, leaving net weight, (3) 16% was subtracted from the net weight to remove the weight of empty paint cans, leaving just the weight of the paint, (4) the weight of the paint was multiplied by 10 to convert to gallons, (5) the total gallons was divided by the total number of bins collected across the sites/events, resulting in an average of 53 gallons of paint per bin, (6) the number of bins collected at each site/event was multiplied by 53 to determine the approximate volume of paint collected from the site/event in the year.

Clean Harbors

Two events were serviced by Clean Harbors during this reporting period. The same steps as above were taken to estimate the volume of paint at those events, with one exception: single-use cardboard bins weighing 72 pounds were used at these events instead of reusable bins. Thus, in step 2 above, 72 pounds per bin was subtracted from the gross weight instead of 115 pounds per bin.

Metro

Metro receives latex paint in 5-gallon pails, 1-gallon cans, and 1-quart cans. 5-gallon pails are containerized on pallets, approximately 36 pails per pallet, and cans are containerized in wire basket cages, approximately 140 one-gallon cans or 679 one-quart cans per cage. Each of these full pallets/cages is considered one unit of those pails/cans. Partial containers are rounded to the nearest fraction equivalent of one layer of pails/cans, with pail fractions in thirds, gallon fractions in quarters, and quart fractions in sevenths. For example: a full gallon cage has four rows of approximately 35 cans per row; a cage with 2-1/2 rows would be rounded to 3/4's of a cage of gallons. (This is applicable primarily to paint collected at round ups; most containers from the facilities are shipped full.)

Processing and Inventory: The same container units used for paint received are also used for paint processed (opening, inspecting, and sorting into bulk totes), as well as inventory.

Conversion of Container Units to Estimated Gallons: Pails and cans processed are converted to GCE (gallon can equivalent): a pail is 5 GCE, a gallon is 1 GCE, and a quart is 1/4 GCE.

To determine the volume of paint that is actually in GCE processed: The total GCE processed during a calendar month (# of containers x GCE rate) is compared to the total volume of paint, both recyclable and waste, either accumulated in or produced from bulk totes during the month.

Since some of the paint processed into bulk totes is not produced during the same month, the monthly calculated gallons/GCE can vary significantly. Therefore, especially for purposes of monthly PaintCare reporting, the more accurate and consistent gallons/GCE for the previous 12 months is used. For example: the gallons/GCE for Apr 2015 may be 55%, and for Feb 2015 may be 35%, whereas the average for the 12 month period from May 2014 through Apr 2015 may be 45%, which is consistent with most consecutive 12 month periods. This 12-month average gallons/GCE is then used in calculations to determine the estimated volume of paint in pallet and cage containers. For example: 100 full 1-gallon cages x 140 GCE/cage \approx 14,000 GCE; 14,000 GCE x 45% gals/GCE \approx 6,300 gallons of paint.

Marion County

All paint collected at Marion County was processed by the County. Collection volumes is determined in the same way as processed volume for Marion County.

Lincoln County Haulers Association (LCHA)

Collection volumes is determined in the same way as processed volume for Marion County for the volume of paint processed into recycled-content latex paint. Oil-based paint and other latex paint is collected by PSC/Stericycle.

Paint Disposition

As described in Section I of this report, latex paint is processed into recycled-content paint, used for landfill biodegradation, given away or sold in a reuse program, and used for energy recovery either directly or as a biomass product. Alkyd paint is primarily used for energy recovery, with a small volume given away or sold through reuse programs.

Five gallon buckets of recycled paint at Metro are sold or distributed through local outlets.



Table 4 and Figures 3 and 4 illustrate paint disposition during this reporting period.

Table 4. Summary of Paint Disposition Method by Percentage (and 2014 gallons) by Reporting Year

	July 2010- June 2011	July 2011- June 2012	July 2012- June 2013	July 2013- Dec 2013	Jan 2014- Dec 2014	Jan 2014- Dec 2014 (gallons)
Latex Paint						
Paint to Paint Recycling	57	72	64	66	63	272,875
Biodegradation	28	15	24	26	28	121,190
Paint Reuse	3	3	5	4	4	18,872
Energy Recovery	0	4	5	3	4	18,592
Biomass	4	6	2	1	1	3,128
Cement Additive	8	0	0	0	0	0
Total						434,657
Alkyd Paint						
Fuel Blending/Energy Recovery	97	98	96	97	99	185,515
Paint Reuse	3	2	4	3	1	1,000
Total						186,515

Figure 3. Latex Disposition

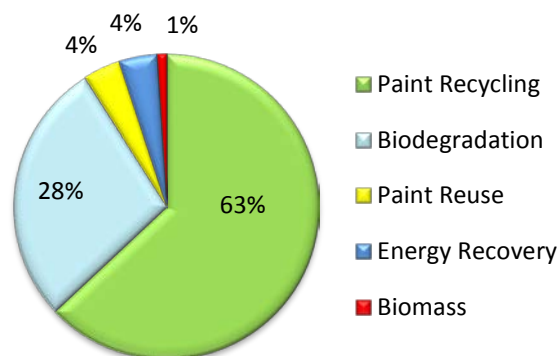
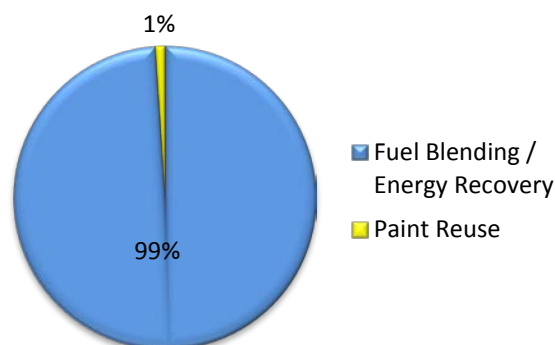


Figure 4. Alkyd Disposition



Container Recycling

Plastic paint pails and metal cans from Metro and Amazon's operations continue to be sent for recycling when feasible. During 2014, the program recycled 46.7 tons of metal cans. Unfortunately, the market for scrap plastic was limited during this reporting period and as a result, no plastic containers were recycled.

Latex Paint Recycling Rate Goal

As noted in the Program Plan, PaintCare has the goal to increase the percentage of latex paint that is recycled by a minimum of 1 percentage point each reporting year, with the goal of reaching 65% by 2014.

In 2014, Metro and Marion County processed 94% of the latex paint for the program. Metro's share was 82% and Marion County's was 12%. There were several other processors of latex paint; however, their influence on the overall recycling rate is statistically insignificant. Changes in Metro's and Marion County's respective recycling rates are the primary driver for variation in the recycling rate during each reporting period, as demonstrated with data from the last three reporting periods:

From July 2012 to June 2013, the overall latex paint-to-paint recycling rate was 63.7%, with Metro reporting a 68.5% rate and Marion County at 54.9%.

From July 2013 to December 2013, the overall rate was 65.9%, with Metro reporting a 64% rate and Marion County at 74.4%.

For calendar year 2014, the overall rate was 62.8%, with Metro reporting a 66.2% rate and Marion County at 54.9%.

Key factors limiting the stewardship program's ability to meet the recycling goal in 2014 were: observed inconsistency in data reported to the program; the program's desire to process paint close to its source in accordance with principles of circular economy; and, inability to control processor operations and quality of paint received. In 2015, PaintCare will review the recycling source data, exclude inconsistencies and analyze progress toward the recycling rate goal in this context.

SECTION 3. Financial Summary, Independent Audit, and Program Budget

459A.842 Reports by stewardship organizations. At a minimum, the report must contain:

(g) An independent financial audit of the program.

(h) A description of program revenues and costs for the prior year that follows the budget requirements provided in ORS 459A.827 and that further describes:

(A) The total cost of the program during the prior year calculated as a per capita amount for each resident of this state;

(B) The cost per gallon of the program during the prior year;

(C) The use by the stewardship organization of any revenues from the program during the past year that exceeded the total costs of the program, including a description of the amount held by the stewardship organization in unallocated reserve funds at the end of the reporting period; and

(D) If requested by the director, any additional budgetary information necessary for the director to determine whether the stewardship organization must amend the plan under ORS 459A.835 (1)(d).

(i) An updated budget for the next calendar year that follows the budget requirements provided in ORS 459A.827.

(j) An evaluation of the operation of the program's funding mechanism.

Independent Financial Audit

An independent financial audit was conducted of the PaintCare program by Rogers & Company PLLC. This independent CPA firm conducted the audit in accordance with auditing standards generally accepted in the United States of America. Those standards require that the firm plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. The audit process includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. The audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. In Rogers & Company's opinion, the financial statements of PaintCare present fairly, in all material respects, the financial position as of December 31, 2014, and the changes in its net assets and its cash flows for the twelve months then ended in conformity with accounting principles generally accepted in the United States of America.

Please see Appendix D for the independent financial audit of the PaintCare program.

Program Revenue and Costs

Revenue

Total revenue for the Oregon program was \$4,331,054 during the twelve month reporting period, consisting of \$4,199,074 in PaintCare fees and other income of \$131,980. Total architectural paint containers sold in Oregon were 5.2 million, equating to a total volume of 8 million gallons of paint. As in previous years, the container size representing the largest share of revenue was the one-gallon container.

Table 5 shows the total number of containers and corresponding revenue for each container size category.

Table 5. Paint Sales and Revenue Calendar Year 2014

Container Size	Containers	Gallons	Revenue
Half pint or smaller	80,243	5,015	-
Larger than half pint to smaller than 1 gallon	1,070,026	267,507	374,509
1 gallon	3,136,504	3,136,504	2,352,378
Larger than 1 gallon up to 5 gallons	820,117	4,600,585	1,472,187
Total	5,206,890	8,009,611	\$ 4,199,074

Expenses

- Paint collection, transportation and processing costs (collectively termed Operations for the purpose of the Oregon budget) are the most significant expenses of the program. Collection costs include training materials for sites, site securement (e.g. fencing), spill kits and other miscellaneous supplies needed to maintain operations. Transportation costs include money paid to Clean Harbors, PSC and Metro to pick up bins of Program Products from drop-off sites and deliver them to their own sites, recyclers or disposal facilities. Processing costs include sorting, recycling, and proper disposal.
- Communications expenses include advertising and promotional materials to increase program visibility through education and outreach.
- State agency administrative fees are paid to the Oregon DEQ annually. A plan review fee of \$10,000 covered the submission of the program plan for the years 2015-2017. A fee of \$40,000 for program oversight to cover this 12-month reporting period was paid during the year.
- Administrative costs (as defined by the Oregon DEQ) includes overhead expenses for operating the program such as in-state personnel, travel, auditing, legal, insurance, and other administrative services and supplies along with the portion of PaintCare corporate expenses allocated to the Oregon program. [Note: Oregon's definition of administrative costs is distinct from how PaintCare defines it in its other states. In other states, PaintCare categorizes costs as direct (operations) or indirect (administrative). Direct costs include all in-state operational expenses including paint management costs, in-state staffing, and legal fees. Indirect costs (also referred to as administrative expenses) are costs that do not directly benefit the state program, but are indirectly beneficial to the state program such as corporate staffing, company-wide auditing, and general communications.]

Financial Summary

Table 6 summarizes program revenue and expenses.

Table 6. Financial Summary Calendar Year 2014

Program revenue	
PaintCare fees	4,199,074
Other	131,980
Total revenue:	4,331,054
Program expenses	
Operations	3,726,229 ¹
Communications	345,911
DEQ administrative fee	50,000
Administrative costs	466,652
Total expenses:	\$ 4,588,792
Total change in net assets	(257,738)
Net assets, beginning of year	1,109,679
Net assets, end of year	\$ 851,941

Unallocated Reserve Funds

The net assets (or “accumulated surplus”) of the Oregon program on January 1, 2014 was \$1,109,679. During this reporting period, the change in net assets decreased by \$257,738, resulting in a balance of net assets on December 31, 2014 of \$851,941.

PaintCare has a Reserve Policy to maintain net asset balances in each state program. This policy establishes a minimum threshold of 16% (i.e., at least two months of operating expenses). This accumulated balance allows PaintCare programs to continue to operate in times of either higher than expected post-consumer paint collection or lower than expected retail paint sales – or in a combination of the two. Reserves or “net assets” represent the accumulated surplus of the Program.

As projected in the 2015-2017 Program Plan budget, expenses are expected to exceed revenue for the next few years – this trend began in 2014. An increase in sites and outreach led to an increase in the collection volume of post-consumer paint, which in turn increased collection, transportation and processing expenses.

¹Operations expenses in this presentation of the expenses are \$133,802 higher than the operations expenses in the Independent Financial audit. This is attributable to Marion County’s expenses for 2014; their invoice was received after the audit report was issued. We included it in this summary (and the Supplemental budget that DEQ receives from PaintCare) - it was too late to include it in the Financial Audit.

There were also a number of one-time expenses incurred during this reporting period including drop-off site security support (e.g., storage units for outdoor storage) and assistance from the Product Stewardship Institute to mediate Program Plan approval and local government contracting discussions. In addition, PaintCare grew its corporate support staff in the areas of communications, legal and accounting, contributing to an increase in administrative expenses. Table 7 presents costs per capita (using the US Census Bureau's 2010 Oregon population of 3,831,074) and cost per gallons.

Table 7. Program Metrics Calendar Year 2014

Cost per Capita	\$ 1.20
Cost per Gallon	\$ 7.39

Program Budget for Calendar Year 2015

The budget for the next reporting period, calendar year 2015, is summarized in Table 8 and is the same as the budget presented in the revised Program Plan.

Table 8. Calendar Year 2015 Budget

Revenue	
PaintCare fees	\$ 4,045,000
Other	3,000
Total revenue	4,048,000
Expenses	
Operations	3,538,813
Communications	300,000
DEQ administrative fees	40,000
Administrative costs	374,809
Total expenses	\$ 4,253,622
Unallocated reserve funds	(205,622)

Evaluation of the Operation of the Program's Funding Mechanism

As described in the PaintCare Oregon Program Plan, the program utilizes the assessment rates (PaintCare Fee) shown in Table 9.

Table 9. PaintCare Fee

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

As discussed previously, expenses for this reporting year exceeded revenue, resulting in the use of program reserves. This was anticipated and PaintCare expects to see this continue for the next couple of years due to growth in both operational and administrative activities. Use of reserve funds will be monitored closely and if it falls below the minimal threshold of 16% set in PaintCare’s Reserve Policy, a closer analysis will be performed to ensure the program is planning appropriately (e.g., proposing an increase in PaintCare Fee) to cover future expenses.

SECTION 4. Education and Outreach

459A.842 Reports by stewardship organizations. At a minimum, the report must contain:

(1)(k) Samples of educational and outreach materials provided to consumers of architectural paint, an evaluation of the methods used to disseminate those materials and an assessment of the effectiveness of the education and outreach, including levels of waste prevention and reuse.

(1)(m) A description of the activities undertaken to achieve, and the progress made toward achieving, the program goals as provided for in the program plan.

This section describes PaintCare's outreach and education efforts in Oregon during the reporting period. Samples of outreach materials are included in Appendix E.

Educational Materials Provided to Consumers

Point of Sale Materials

PaintCare updated the program brochure in 2014 and continued to distribute it as well as the minicard and fact sheet about the large volume pick-up service. Materials were distributed by mail and in person by the Oregon program manager. Materials were ordered by retailers, HHW programs and a number of real estate agents and construction companies. Brochure holders for the counter were also made available. PaintCare fulfilled 120 requests, distributing approximately 11,000 program brochures, 2,500 factsheets, and 3,750 minicards.

Program materials are often delivered to PaintCare Sites during site visits, but any retailer or interested party may order additional materials using the form and returning it via email, fax or regular mail. Orders are taken throughout the year and sent out within 2-3 days of placement. Orders may also be placed by phone through PaintCare's hotline.

PaintCare sends an email annually reminding every retailer in Oregon of their responsibilities under the stewardship law to provide information to the consumer at time of sale. Beginning in 2015, PaintCare will annually distribute point-of-sale materials by mail to every known paint retailer in Oregon, with the exception of those distributed by select chains with whom PaintCare has partnered on co-branded materials. PaintCare will work with Oregon DEQ to determine data needed and methods to be used to measure the effectiveness of retailer distribution, with the goal of providing a baseline assessment in a future annual report. An effort began in 2014 to develop a public awareness survey in partnership with the Product Stewardship Institute and state government representatives from states with paint product stewardship programs. This survey may include measurement over time of awareness generated by point of sale materials.

Program Brochure, Mini-Card, and LVP Fact Sheet

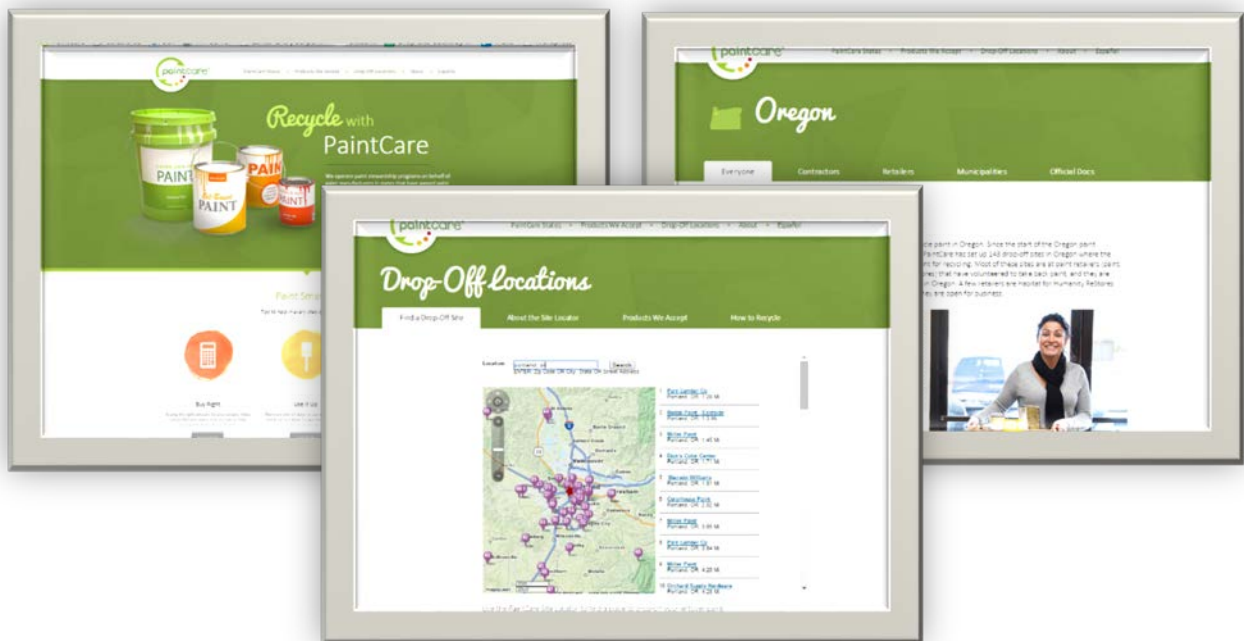


Other Outreach and Advertising

Website

PaintCare's website includes information on all aspects of the program. The reorganized and redesigned site was launched in June 2014. PaintCare's "site locator" is kept up to date and provides a search engine for finding the closest PaintCare site by zip code, city or street address.

The homepage, Oregon page and site locator page of PaintCare's website.



Toll Free Number: 855-PAINT09 (855-724-6809)

PaintCare's toll free number is used on all promotional materials and is answered by a PaintCare employee in Washington, D.C., Monday-Friday, 7am-2:30pm Pacific Time.

Earned Media

PaintCare distributed one press release in April, and two minor press releases related to rural events. In addition stories were pitched to the media through direct contact without issuing press releases during the report period; the program earned the following coverage during the first half of 2014 news items following passage of the legislation making the program permanent. Even though stories were pitched in July, there was no additional press coverage in the second half of the year.

Press Coverage Calendar Year 2014

Date	Media	Outlet	Title
2/3	Online	SustainableBusinessOregon.com	PaintCare Oregon gets permanent status
2/26	Online	RealEstateDaily.com	PaintCare Oregon gets permanent status
2/28	Print	Portland Business Journal	Handling recycling with PaintCare
3/23	Radio	Four stations - Clear Channel Media	Interview with John Erickson and Roy Weedman
4/27	TV & Online	KATU and KGW News and Going Green	Recycling Program helps Portlanders Recycle
3/21	Online	PortlandTribune.com	Spring Cleaning? Don't throw away your paint.
4/20	Online	Oregon Environmental Council	Spring cleaning surprises Tip six: Painting for a breath of fresh air
4/20	Online	The Argus Observer	Ontario no has two drop off sites for old paint
4/23	Print & Online	The Dalles Chronicle	Local business offers paint recycling
6/11	Print & Online	Lake County Examiner	Paint recycling event cleans up
6/19	Online	Albany Democrat-Herald	Painting a reusable picture at ReStore
6/26	Print & Online	Wallowa County Chieftan	Paint recycling effort continues
6/26	Print	Lake Oswego Review/West Linn Tidings	Lake Oswego's PaintCare off to a successful start

Television Advertising

PaintCare began advertising on Cable TV for the first time in Oregon in 2014. Three television spots ran in Portland and Eugene on Comcast Cable. The first spot, Use It Up, featured a woman using up paint for small projects around the house. The second spot, Recycle the Rest, featured a man bringing leftover paint to a retail drop-off site. The third spot featured a man and woman discussing what to consider when figuring out

how much paint to buy. In Q2 (April-June) 2257 spots ran in Portland and 1271 ran in Eugene. In Q3 (July-September) 1904 spots ran in Portland and 1096 ran in Eugene. In Q4 (October-December) 952 spots ran in Portland, and 548 ran in Eugene.

Radio Advertising

PaintCare uses English, Spanish and Public radio advertising as follows:

Radio (English): PaintCare reproduced a radio spot first produced in 2013 of a couple talking about wishing to free up storage space in their home by taking unwanted paint to a drop-off site. The ad was switched to a new series of spots featuring “talking cans of paint” characters named Forrest Green, Malibu Pink and Taxicab Yellow who tell the listening audience that if they (the cans) have been in storage for years and are not going to be used up, then perhaps it’s time to find a PaintCare drop-off site and take them to be recycled. In Q2, the number of radio spots that ran were as follows: 771 in Bend, 966 in Medford, 217 in Grants Pass, and 304 in Klamath Falls. In Q3, 660 ran in Bend, 828 in Medford, 186 in Grants Pass, and 288 in Klamath Falls. In Q4, 329 ran in Bend, 414 in Medford, 93 in Grants Pass, and 144 in Klamath Falls.

Spanish Radio: Starting in April, PaintCare advertised on eight Spanish radio stations. Spanish Radio spots ran in Portland as follows: 154 spots in Q2, 132 in Q3, and 66 in Q4.

Public Radio: PaintCare ran sponsorship messages on Oregon Public Radio stations throughout the state. Public radio mentions promoted general awareness of the PaintCare program and the availability of paint drop-off sites, ending with “Learn more at PaintCare dot org.” The numbers of public radio mentions were as follows: 78 mentions in Q2, 78 mentions in Q3, and 78 mentions in Q4.

Newspaper Advertising

Newspaper advertising was very limited during 2014 in favor of Cable TV and radio advertising. Newspaper ads were used where radio and TV channels had poor coverage or would bleed into other states. The ad to the left below was used in Umatilla, Curry, and Malheur counties. Newspaper was also used for two rural one day collection events, as shown in the example for the event in Lakeville on the right below.

Newspaper Advertisements

paintcare®

We'll take your paint!

Do you know what to do with leftover cans of paint?

With PaintCare, recycling unwanted paint, stain and varnish is simple and convenient. Bring them to your local drop-off site and we'll take it from there.

TO FIND A DROP-OFF LOCATION:
Visit www.paintcare.org or call (855) 724-6809

Leaking, unlabeled and empty containers are not accepted. Sites have limits; please call ahead to check hours and whether the site can accept your amount of paint.

paintcare®

Recycle with PaintCare

Saturday June 7 Lake County Road Department Shops
95574 Highway 140 West Lakeview, OR
9 AM - 2 PM

This event is open to residents and businesses from any place in Oregon. Households may bring any amount of latex or oil-based paint to this event. Businesses have limits: visit www.paintcare.org/enterprise for details.

To find out more about PaintCare, visit www.paintcare.org or call 855-724-6809.

Leaking, unlabeled, and empty containers are not accepted.

Outreach to Realtors

PaintCare developed a direct mail packet for realtors in 2014. The packet includes a cover letter and 10 postcards for realtors to provide to their clients about recycling their paint when they are buying or selling a home. The packet was mailed to 387 realtors in November. A similar project for property managers is being planned for 2015.

Realtor Outreach



Miscellaneous

- PaintCare's Oregon manager continued to send an email newsletter to keep retailers informed about the program. The schedule has changed from a monthly newsletter to every two months.
- Change in outreach firms. October 2014 PaintCare notified Magneto Brand Advertising that their contract would be ending in January 2015. PaintCare has shifted media buying for Oregon to Civilian Agency (based in San Diego, CA). In January 2015 PaintCare hired Beeler Marketing (based in Lake Oswego, OR) to continue public relations efforts to earn press coverage for Oregon (as well as California).
- "Buy Right" Television commercial. In September 2014 PaintCare completed a television commercial for national use about buying the right amount of paint. Production was managed by Portland-based Magneto Brand Advertising and produced in Portland, even though the budget was allocated to all PaintCare states.
- Social Media Facebook. PaintCare started a Facebook page for Oregon as a pilot to experiment with having a social media presence. The page got off to a slow start, but gradually became more popular. At the end of the year, the Facebook account was changed to a national Facebook page. PaintCare's Facebook page had 111 likes at the end of June, 929 at the end of September, and 1800 at the end of December. (As of the date of this report, it has nearly 18,885 likes.)

- Digital. Online advertising included a variety of banner sizes resulting in 1.546 million impressions and 1820 click-throughs to PaintCare’s website in Q2; 1.559 million impressions and 2101 click-throughs in Q3; and 1.383 million impressions and 3699 click-throughs in Q4.

Post-Consumer Paint Reduction and Public Awareness Goals

During the program planning process, PaintCare and DEQ agreed that additional research would be undertaken during 2015 to determine the best way to establish a baseline and measurement process for the post-consumer paint reduction and public awareness goals described in the Program Plan. A National Project Team made up of state and local government representatives will provide input on processes to establish baselines and measures for these goals.

Survey and Program Evaluation

PaintCare conducted surveys of Oregon residents in 2011 and 2012. In accordance with the first Program Plan, these surveys included questions about awareness of the fees. The survey population was selected based on those who recently bought paint and their awareness of paint drop-off sites, fees and PaintCare.

In June 2013, a new online survey was developed and conducted through Survey Monkey an online surveying company. The audience of the June 2013 survey was 124 people representing the general adult population of Oregon, not just paint purchasers, because PaintCare knows that even those who do not purchase paint or have not purchased paint recently could have old, unwanted paint in their home. The survey was repeated with 264 people in December 2013 and again in 2014 with 319 people. A summary of these three surveys is included in Appendix F.

The survey responses to the most recent survey shows a modest increase in general awareness of paint recycling opportunities (both at HHW programs and paint stores), and imply that people are storing less paint at home.

The Project Team discussed in the previous section will also provide input on PaintCare’s survey questions and methodology for evaluating outreach efforts and program awareness.

2015 Outreach

General 2015 Outreach Plan

PaintCare's 2015 Oregon media plan is designed to inform consumers where to recycle their paint, how to find additional web resources and to increase awareness of the educational elements of the program (e.g., “buy right” and “use it up”). Mediums utilized in the plan match the lifestyle and media consumption patterns of the target audience, are designed to reach the audience throughout the year, and to deliver both educational and awareness messaging. Budget is allocated by population percentage within Oregon and segmented out by market.

There is a continuous statewide presence using highly targeted digital tactics online. Cable television will be used in the early and late parts of the year when viewing levels are highest. Radio traffic announcements, public radio and out-of-home (billboard) advertising are present on the plan between May and August to capture the audience when they are more active outdoors. The plan is rounded out by including print publications, including Oregon Home and 1859. Finally, business-to-business tactics both online and through eBlasts are included to target contractors, painters, construction workers, real estate agents, janitors, property managers and more.

Outreach for Paint Drop-Off Events in 2015

For each local paint drop-off event PaintCare will work with its outreach firm to develop a specific plan that may include flyers, radio, newspaper and social media. Each event and the media will be unique and tailored to the location and available media opportunities. As part of the communication with local contacts, PaintCare will solicit suggestions for outreach for these events.

Appendix A

2014 Paint Collection Volumes by Site (Estimated) - Page 1

<i>County/Wasteshed</i>	<i>Site Name</i>	<i>Location</i>	<i>Site Type</i>	<i>Gallons</i>
Baker	Millers Home Center & Lumber	Baker City	Retail	357
	Thatcher Ace Hardware	Baker City	Retail	877
Benton	Republic Services HHW	Corvallis	HHW	3,860
	Miller Paint #45	Corvallis	Retail	1,308
	Sherwin Williams #8049	Corvallis	Retail	3,517
	Benton Co. Restore	Corvallis	Reuse	2,084
	Benton Co. Restore (Sales)	Corvallis	Reuse	763
Clatsop	City Lumber	Astoria	Retail	2,486
	Sherwin-Williams	Gearhart	Retail	4,672
	Clatsop Co. HHW Event	Seaside	HHW	1,330
Columbia	Columbia County HHW	Clatskanie	HHW	140
	Columbia County Restore	St Helens	Reuse	525
	Columbia Co. Transfer Station	St Helens	TS	6,524
	Columbia County HHW	Vernonia	HHW	105
	Vernonia Hardware	Vernonia	Retail	553
Coos	School/Education Inst.	Coos Bay	LVS	239
	Bayshore Paint	Coos Bay	Retail	4,711
	Beaverhill Transfer Station	Coos Bay	TS	1,771
	Coquille Supply Inc	Coquille	Retail	112
Crook	Crook Co. Transfer Station/HHW	Prineville	HHW/TS	1,387
	Parr Lumber	Prineville	Retail	1,202
	Prineville Restore	Prineville	Reuse	98
Curry	Gold Beach Lumber	Brookings	Retail	106
	Kerr Ace Hardware	Brookings	Retail	1,246
	Gold Beach Lumber	Gold Beach	Retail	657
Deschutes	Deschutes Co. HHW/Recycle Ctr.	Bend	HHW/Rec	10,410
	Commercial Painter	Bend	LVS	1,005
	Rodda Paint Progress	Bend	Retail	2,074
	Sherwin-Williams	Bend	Retail	2,992
	Sherwin-Williams	Bend	Retail	3,888
	Standard Paint/Abbey Carp	Bend	Retail	182
	Bend Restore	Bend	Reuse	3,650
	Bend Restore (Sales)	Bend	Reuse	3,291
	PPG Architectural Coatings	Bend	Retail	155
	La Pine Ace Hardware	La Pine	Retail	3,063
	Sherwin-Williams	Redmond	Retail	1,779
	Redmond Restore	Redmond	Reuse	2,872
	Redmond Restore (Sales)	Redmond	Reuse	726
	Luttons Ace Hardware	Sisters	Retail	2,669
Douglas	Del's Bldg Supply	Myrtle Creek	Retail	604
	Colorcraft	Roseburg	Retail	1,737
	Sherwin-Williams	Roseburg	Retail	2,950
	Heartwood Resources	Roseburg	Reuse	1,048
	Heartwood Resources (Sales)	Roseburg	Reuse	1,274
Grant	John Day True Value	John Day	Retail	322
Harney	Parr Lumber	Burns	Retail	464

2014 Paint Collection Volumes by Site (Estimated) - Page 2

Hood River	Tri County HHW	Cascade Locks	HHW	66
	Tri County HHW	Hood River	HHW	1,266
	Hometown Paint	Hood River	Retail	799
	Hood River Supply	Hood River	Retail	169
	Tri County HHW	Odell	HHW	132
	Tri County HHW	Parkdale	HHW	152
Jackson	Ashland Paintcare Event	Ashland	PC	422
	Sherwin-Williams	Ashland	Retail	1,467
	Miller Paint	Ashland	Retail	4,049
	School/Education Inst.	Medford	LVS	273
	Drake's Piant & Supply	Medford	Retail	5,036
	Glidden Paint	Medford	Retail	1,247
	Miller Paint	Medford	Retail	4,374
	Parr Lumber	Medford	Retail	564
	Sherwin-Williams	Medford	Retail	2,114
	Sherwin-Williams	Medford	Retail	5,341
	Rogue Valley Restore	Medford	Reuse	4,508
Jefferson	Elderly Resident	Crooked River Ranch	LVS	123
	Madras Paint And Glass	Madras	Retail	311
	Jefferson Co Restore	Madras	Reuse	376
	Public Utilities	Warm Springs	LVS	227
	Warm Springs Landfill	Warm Springs	TS	395
Josephine	Commercial Painter	Grants Pass	LVS	52
	Commercial Painter	Grants Pass	LVS	4,179
	School/Education Inst.	Grants Pass	LVS	58
	Glidden Professional Ctr	Grants Pass	Retail	2,477
	Miller Paint	Grants Pass	Retail	2,294
	Sherwin-Williams	Grants Pass	Retail	4,726
Klamath	Sherwin-Williams	Klamath Falls	Retail	5,981
Lake	Lakeview Paintcare Event	Lakeveiw	PC	690
Lane	Cascade Home Center	Cottage Grove	Retail	993
	Cascade Home Center	Creswell	Retail	868
	Lane Co HHW/Recycle Ctr	Eugene	HHW/Rec	15,326
	Commercial Painter	Eugene	LVS	536
	Forrest Paint Retail Store	Eugene	Retail	9,437
	Jerry's Home Improvement Ctr	Eugene	Retail	5,170
	Miller Paint #70	Eugene	Retail	1,057
	PPG/Glidden	Eugene	Retail	419
	Sherwin Williams #8038	Eugene	Retail	2,699
	Sherwin Williams #8574	Eugene	Retail	2,318
	Sherwin Williams #8623	Eugene	Retail	4,834
	Tommys Paint Pot	Eugene	Retail	3,031
	Lane County HHW	Florence	HHW	1,093
	Florence Restore	Florence	Reuse	290
	Florence Restore (Sales)	Florence	Reuse	1,271
	Jerry's Home Improvement Ctr	Springfield	Retail	5,173
	Sherwin Williams #8126	Springfield	Retail	1,888

2014 Paint Collection Volumes by Site (Estimated) - Page 3

Lincoln	North Lincoln Sanitary	Lincoln City	TS	1,952
	North Lincoln Sanitary (Reblend)	Lincoln City	TS	450
	Sherwin Williams #8229	Newport	Retail	495
	Thompson's Sanitary Service	Newport	TS	568
	Dahl Disposal	Toledo	TS	1,202
	Dahl Disposal	Waldport	TS	814
Linn	Albany-Lebanon Sanitation HHW	Albany	HHW	3,358
	Sherwin Williams #8080	Albany	Retail	3,301
	Albany Restore	Albany	Reuse	4,885
	Albany Restore (Sales)	Albany	Reuse	2,817
	Miller Paint #155	Albany	Retail	538
	Lebanon Restore	Lebanon	Reuse	733
	Waste Connections Transfer Station	Sweet Home	HHW	752
	Hoys True Value Hardware	Sweet Home	Retail	843
Malheur	Kinney & Keele True Value	Ontario	Retail	1,383
	Sherwin Williams #8654	Ontario	Retail	393
Marion	Commercial Painter	Keizer	LVS	145
	Sherwin Williams #8609	Keizer	Retail	2,157
	Mt Angel Restore	Mt Angel	Reuse	348
	Marion County Operations	Salem	HHW/TS	72,306
	Sherwin Williams #8014	Salem	Retail	1,886
	Sherwin Williams #8018	Salem	Retail	2,902
	Tommys Paint Pot	Salem	Retail	270
	Mid-Willamette Valley Restore	Salem	Reuse	234
	Mid-Willamette Valley Restore (Sales)	Salem	Reuse	98
	Miller Paint	Salem	Retail	328
	GW Hardware	Woodburn	Retail	1,540
Metro HHW Events	Metro Counties		HHW	142,750
Metro-Clackamas	Canby Restore	Canby	Reuse	385
	Commercial Painter	Clackamas	LVS	702
	Commercial Painter	Clackamas	LVS	615
	Miller Paint	Clackamas	Retail	4,535
	True Value Hardware	Estacada	Retail	593
	Sherwin Williams #8061	Happy Valley	Retail	3,554
	Retirement Facility	Lake Oswego	LVS	116
	School/Education Inst.	Lake Oswego	LVS	379
	Miller Paint	Lake Oswego	Retail	7,330
	Sherwin Williams #8640	Lake Oswego	Retail	3,051
	Sherwin Williams #8029	Milwaukie	Retail	3,260
	Metro-South (Oil Based Only)	Oregon City	HHW	17,692
	Parr Lumber	W Linn	Retail	47
	Welches Mtn Bldg Supply	Welches	Retail	439
Metro-Multnomah	School/Education Inst.	Gresham	LVS	224
	Miller Paint Gresham	Gresham	Retail	9,983
	Sherwin Williams #8074	Gresham	Retail	4,867
	Metro-Central (Oil Based Only)	Portland	HHW	16,278
	Commercial Painter	Portland	LVS	82

2014 Paint Collection Volumes by Site (Estimated) - Page 4

Metro-Washington	Commercial Painter	Portland	LVS	102
	Commercial Painter	Portland	LVS	285
	Commercial Painter	Portland	LVS	305
	Commercial Painter	Portland	LVS	818
	Property Magagement Company	Portland	LVS	149
	Retirement Facility	Portland	LVS	71
	Dick's Color Ctr	Portland	Retail	2,759
	Miller Paint 17th	Portland	Retail	508
	Miller Paint Division	Portland	Retail	449
	Miller Paint Pine	Portland	Retail	6,029
	Parkrose Hardware	Portland	Retail	6,866
	Powell Pant Ctr	Portland	Retail	6,814
	Powell Villa Ace Hdwr	Portland	Retail	553
	Rodda Paint-Eastside	Portland	Retail	4,008
	Sherwin Williams #8239	Portland	Retail	7,826
	Sherwin Williams #8615	Portland	Retail	3,048
	Sherwin Williams #8656	Portland	Retail	2,657
	Portland Restore	Portland	Reuse	3,199
	Portland Restore (Sales)	Portland	Reuse	5,033
	Yolo Colorhouse	Portland	Retail	595
	Suburban Ace Hardware	Aloha	Retail	4,599
	Commercial Painter	Beaverton	LVS	734
	Commercial Painter	Beaverton	LVS	766
	Rodda Paint-Progress	Beaverton	Retail	4,749
	Sherwin Williams #8139	Beaverton	Retail	3,588
	Washington County Restore	Beaverton	Reuse	4,797
	Washington County Restore (Sales)	Beaverton	Reuse	4,500
	Commercial Painter	Cornelius Or	LVS	168
	Commercial Painter	Forest Grove	LVS	560
	Sherwin Williams #8087	Hillsboro	Retail	3,857
	Private Business	North Plains	LVS	411
	Miller Paint Hillsdale	Portland	Retail	7,430
	Miller Paint Murray	Portland	Retail	14,972
	Orchard Supply Hdwr Peterkort	Portland	Retail	1,434
	Sherwin Williams #8613	Portland	Retail	3,303
	Commercial Painter	Tigard	LVS	91
	Commercial Painter	Tigard	LVS	280
	Private Business	Tigard	LVS	136
	Orchard Supply Hardware	Tigard	Retail	2,624
	Apartment Complex	Tualatin	LVS	177
	High Tech Business	Tualatin	LVS	57
	Sherwin Williams #8120	Tualatin	Retail	13,569
Morrow	Morrow County Transfer Station	Boardman	TS	229
	Morrow County Transfer Station	Lexington	TS	476
Polk	Polk County HHW	Dallas	HHW	578
	Polk County HHW	Independence	HHW	705
Sherman	Tri County HHW	Moro	HHW	124

2014 Paint Collection Volumes by Site (Estimated) - Page 5

Tillamook	Tillamook County HHW	Tillamook	HHW	2,443
Umatilla	Smitty's Ace Hardware	Hermiston	Retail	1,457
	Sherwin Williams #8499	Pendleton	Retail	2,914
Union	Miller's Home Center & Lumber	La Grande	Retail	1,681
	Thatchers Ace Hardware	La Grande	Retail	447
Wallowa	Enterprise Paintcare Event	Enterprise	PC	202
Wasco	Tri County HHW	Maupin	HHW	97
	Tri County HHW	Mosier	HHW	106
	Tri County HHW	The Dalles	HHW	1,204
	Sawyer's True Value	The Dalles	Retail	437
	Sherwin Williams #8196	The Dalles	Retail	409
	Tri County HHW	Tygh Valley	HHW	105
Yamhill	Yamhill County HHW	Mcminnville	HHW	1,619
	Sherwin Williams #8085	Mcminnville	Retail	2,795
	McMinnville Restore	Mcminnville	Reuse	3,984
	McMinnville Restore (Sales)	Mcminnville	Reuse	827
	Yamhill County HHW	Newberg	HHW	1,438
	Sherwin Williams #8627	Newberg	Retail	3,637
Total Paint Collected*				674,425
Gallons Reported (Processed)				621,172
Variance				8.6%

Site Type: HHW: Household Hazardous Waste Program
 LVS: Large Volume Site
 Reuse: Used Building Material / Salvage Stores
 Retail: Paint Retailers
 PC: PaintCare Drop-Off Events
 Rec: Recycling Center
 TS: Transfer Station

*Volume collected is an approximate. As discussed in the Section of the Report, when actual gallons are not available, conversion factors are applied to determine the volume of paint per bin and site/event. As a result, the total number of gallons attributed to the collection systems may not match the total number of gallons reported as processed. For 2014, results show a discrepancy (over-estimation) of 8.6%.

Appendix B

DATE January 12, 2015**PROJECT No.** 1214410013-1000-003-TM-RevC**TO** PaintCare Inc.**CC****FROM** Danielle Lang**EMAIL** danielle_lang@golder.com**TECHNICAL MEMO TO PAINTCARE: GIS METHOD USED TO CALCULATE THE POPULATION
COVERAGE OF THE PAINTCARE SERVICE LOCATIONS IN OREGON**

Introduction

GIS analysis was conducted to determine the population coverage and service levels of PaintCare permanent and supplemental sites in Oregon. PaintCare's service area-based distance criterion requires access to a site within 15 miles for 95% of the state's population, while those geographically underserved areas where population is not within 15 miles of a permanent collection site, at least one collection event is held per year in each these areas. Golder evaluated these criteria using three sets of locations in place on December 31, 2014: (1) the set of 128 permanent year-round retail and reuse stores, (2) the set of 128 permanent year-round retail and reuse stores in addition to the 17 household hazardous waste (HHW) facilities and/or transfer stations, and (3) the set of 128 permanent year-round retail and reuse stores, the 17 HHW facilities and/or transfer stations and the 62 one day HHW events, Metro round ups and PaintCare collection events.

Evaluation Process

All PaintCare collection site addresses were mapped and a service area with a 15-mile radius surrounding each location was calculated using ESRI's ArcMap 10.2 Geographic Information System (GIS) program. Population data for 2010 were downloaded directly from the United States Census Bureau for Census Blocks which are the smallest geographic area/unit for which census data is available.

An overlay analysis was conducted to calculate the percentage of the population living in each Census Block that is within at least one 15-mile service area for current PaintCare service locations (see Figures 1-3, Oregon Service Coverage). The Block level population coverage calculations were then aggregated to State-level population coverage (Population within 15 miles, Table 1).



Table 1: Analysis Results

Site Type	Site Count	Criterion		Population	
		Population within 15 miles	Absolute Service Level	With Access To A Site	With No Access To A Site
Permanent Retail and Reuse Stores	128	94.7%	29,930	3,629,742	201,327
Permanent Retail and Reuse Stores and HHW Facilities	145	96.0%	26,421	3,678,347	152,722
Permanent Retail and Reuse Stores, HHW Facilities and Supplemental Sites and Events	207	97.2%	18,508	3,722,149	108,920

Underserved Areas

Analysis was performed on the state of Oregon to assist PaintCare in determining where to hold collection events to service the remaining underserved population. In order to find locations that will target the largest population, Golder took into account three criteria for underserved areas:

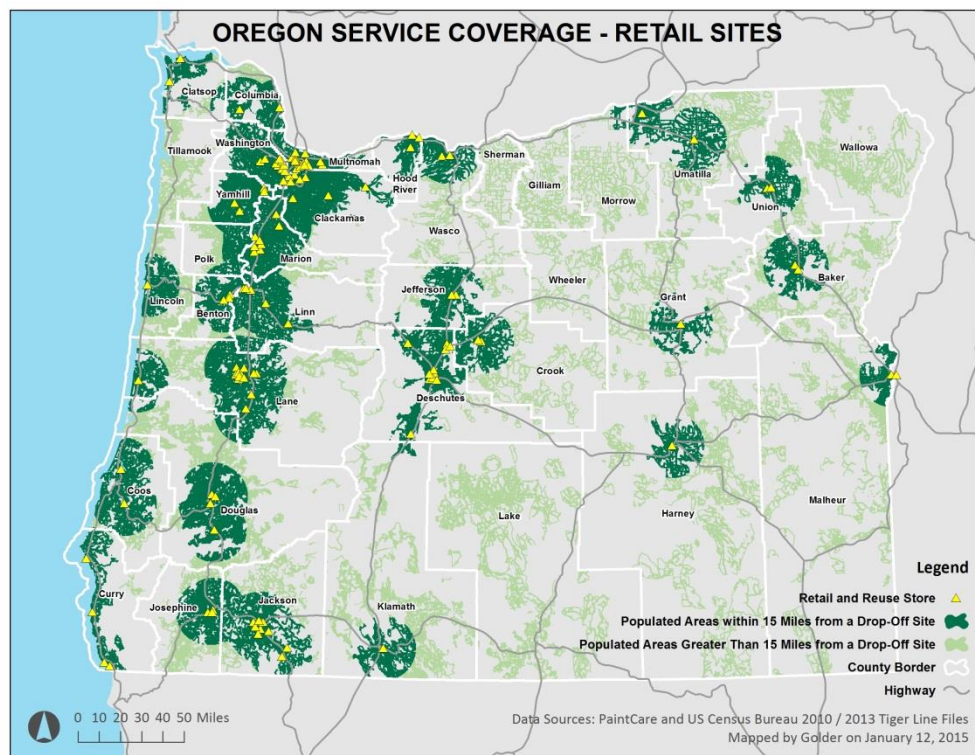
- distance from the nearest permanent collection site, supplemental site or event
- size and distribution of the underserved population
- relative size of the towns located in underserved areas

Distance to the nearest collection site was determined for all of the underserved areas of Oregon, starting at the 15 mile service area. The population of the underserved areas was determined on a Census Tract level. Census Tracts are used in this analysis due to their national standardization and potential linkages to socio- economic data. Using the distance and population of underserved, Golder determined towns that were either central to a general underserved area or were located near a higher populated town.

Based on the three criteria, Golder has recommended potential locations for permanent sites or one-day events (Underserved Areas, Table 2).

Table 2: List of Underserved Areas

	Underserved Areas County (Underserved Population) – Potential Locations
Permanent Sites	<p>Baker County (3,200) – Richland, Durkee, Bridgeport, Unity</p> <p>Benton County (3,069) – Monroe</p> <p>Douglas County (17,114) – Reedsport, Elkton, Yoncalla, Umpqua, Tiller</p> <p>Jackson County (8,656) – Shady Cove, Prospect</p> <p>Josephine County (10,416) – Selma, Cave Junction</p> <p>Klamath County (10,477) – Chiloquin, Malin, Bonanza</p> <p>Lake County (2,809) – Paisley, Silver Lake, Christmas Valley</p> <p>Linn County (5,056) – Lyons, Mill City</p> <p>Malheur County (4,509) – Adrian, Harper, Arock</p> <p>Marion County (2,737) – Gates</p> <p>Tillamook County (5,397) – Wheeler, Manzanita</p> <p>Umatilla County (15,163) – Ukiah, Milton-Freewater, Athena, Adams</p> <p>Union County (3,744) – Elgin</p>

**Figure 1: Oregon Service Coverage – Retail Sites**

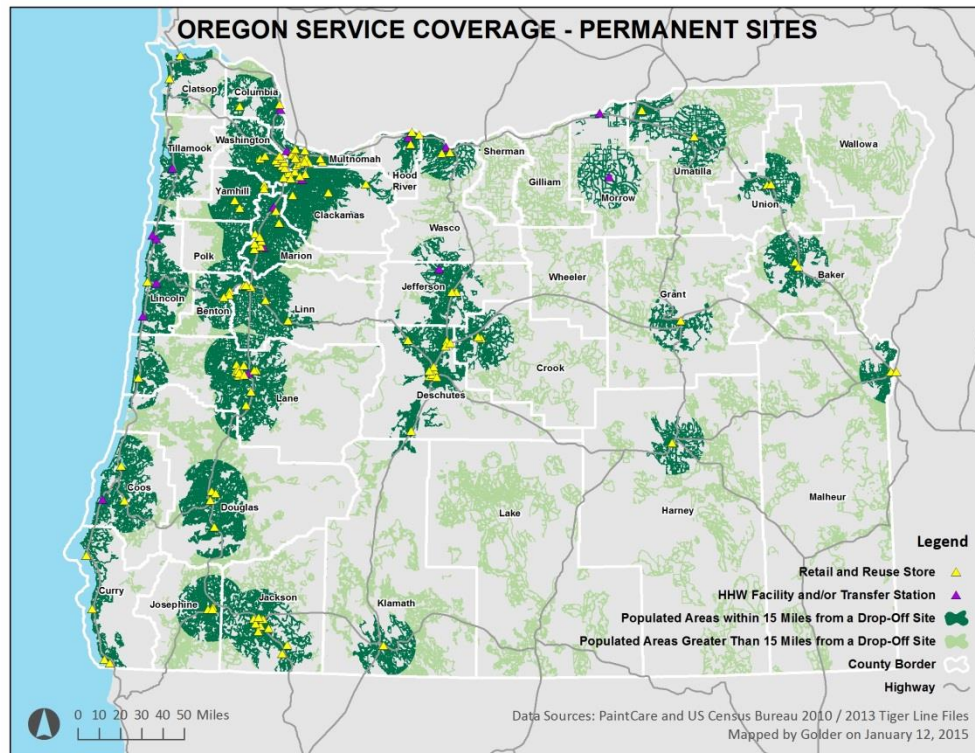


Figure 2: Oregon Service Coverage – Permanent Sites

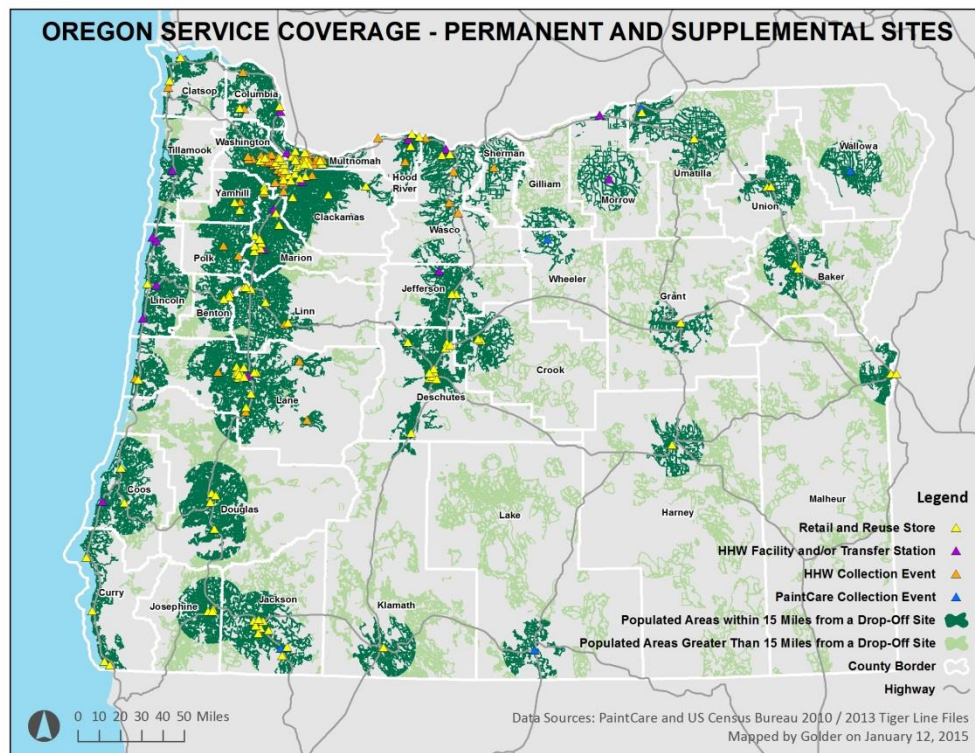


Figure 3: Oregon Service Coverage – Permanent and Supplemental Sites

We trust that this memorandum is sufficiently detailed for your requirements. Please contact us if you have any questions or would like additional information.

GOLDER ASSOCIATES LTD.



Danielle Lang
GIS Technician



Bryan Waller, B.Sc.
Associate, Senior Consultant

DL/AL/BW

\\golder.gds\gal\Burnaby\CAD-GIS\Client\PaintCare\Oregon\99_PROJECTS\12-1441-0013_1000\02_PRODUCTION\Oregon\Report\1214410013-1000-003-TM-RevB-PaintCare_Annual_Report-20150113.docx

Appendix C

Appendix C. PaintCare Events – Page 1

County	City/Area	PaintCare Funded Event Held/Planned	Locally Funded Event Held/Planned	Event Offered, No Event Held/Planned	Date	Location	Notes
Baker	Halfway	X			7/11/15	Mercantile Store	
Benton	Alsea	X			9/12/15	Alsea Community School	
Clackamas	Colton			X	-	-	Could not locate a site in the underserved areas of county due to lack of sufficient time (both PaintCare and Clackamas Co.) to plan an event for rural Clackamas County. Will seek to coordinate event in Colton for 2016. DEQ concurs.
Clatsop	Elsie	X			7/18/15	Oney's Roadhouse	
Coos	Powers	X			5/16/15	Powers County Park	
Crook	Paulina	X			9/12/15	Paulina Transfer Station	Crook Co. is also considering an HHW event for this location for summer 2015.
Curry	Southeast region	X			TBD	TBD	Coordinating with Coos Co. Solid Waste Dept. to determine date and location - Langlois and Agness are locations being considered.
Deschutes	n/a			X	-	-	Deschutes Co. Solid Waste Dept. determined there is no need for an event in their county; population centers are well covered. DEQ concurs.
Douglas	Reedsport	X			6/13/15	Reedsport Transfer Station	
Gilliam	Arlington	X			9/19/15	Port of Arlington	
Grant	Monument	X			9/26/15	Monument City River Park	
Harney	n/a			X	-	-	County officials and local DEQ field rep. advised against event outside of Burns/Hines. DEQ concurs.
Hood River	Cascade Locks	X			2014	105 NE Herman Creek Dr	Tri-County Solid Waste Dept. determined that there isn't a need for

Appendix C. PaintCare Events – Page 2

County	City/Area	PaintCare Funded Event Held/Planned	Locally Funded Event Held/Planned	Event Offered, No Event Held/Planned	Date	Location	Notes
							an additional event in their county; population centers are well covered. DEQ concurs. A Tri-County sponsored, PaintCare funded event was held in Cascade Locks.
Jackson	Shady Cove	X			TBD	TBD	Coordinating with Jackson Co. Solid Waste Department and City of Shady Cove to determine event date/time.
Jefferson	Eastern county			X	-	-	Local representative on SWAC was unable to identify potential locations, population centers have adequate coverage; event in Mitchell will also cover eastern Jefferson County. DEQ concurs.
Josephine	Cave Junction	X			TBD	TBD	Coordinating with Josephine County Solid Waste Department to determine date and time. Potential site is County Road Dept. yard in Cave Junction.
Klamath	Bonanza	X			TBD	TBD	Coordinating with City of Bonanza. No single point of contact as of yet.
Lake	Lakeview	X			6/6/15	Lake Co. Road Dept.	
Lane	Deadwood	X			2014	Oakridge, Florence, Vida, Veneta, Cottage Grove	Coordinating with Lane County Solid Waste Department for date and location. Potential gravel lot/yard in Deadwood maybe used. County is determining site owner. Five county sponsored, PaintCare funded events were held.
Linn	n/a			X	-	-	Efforts to communicate with representatives in Linn County were unsuccessful. However, most of Linn

Appendix C. PaintCare Events – Page 3

County	City/Area	PaintCare Funded Event Held/Planned	Locally Funded Event Held/Planned	Event Offered, No Event Held/Planned	Date	Location	Notes
							County's residents are served by permanent sites. Its small underserved population borders Marion County, so the event PaintCare has scheduled in Detroit is designed to serve as an outlet for both areas. DEQ concurs.
Malheur	Jordan Valley	X			10/3/15	Jordan Valley Rodeo Grounds	Coordinated with local officials to determine date and location.
Marion	Detroit	X			6/13/15	110 Patton Rd.	Event is part of a citywide clean up event.
Morrow	Lexington	X			4/25/14	Morrow County Public Works	Morrow County Solid Waste Department determined that there isn't a need for an additional event in their county; population centers are well covered. DEQ concurs. A county sponsored, PaintCare funded event was held in Lexington.
Polk	Willamina	X			5/10/14	Polk County Public Works (Dallas)	Yamhill and Polk Counties' underserved populations are located in the Willamina area, a town that is on the western border of both. While PaintCare selected it as an event location in coordination with Polk, it will also serve Yamhill. DEQ concurs. A Polk County sponsored, PaintCare funded event was held in Dallas.
Sherman	Moro	X			2014	400 Hood St.	Tri-County Solid Waste Dept. determined that there isn't a need for an additional event in their county; population centers are well covered. DEQ concurs. A Tri-County sponsored,

Appendix C. PaintCare Events – Page 4

County	City/Area	PaintCare Funded Event Held/Planned	Locally Funded Event Held/Planned	Event Offered, No Event Held/Planned	Date	Location	Notes
							PaintCare funded event was held in Moro.
Tillamook	n/a			X	-	-	Due to establishing permanent sites in Manzanita and Pacific City, local representative said no one-day event is needed. DEQ concurs.
Umatilla	Milton-Freewater	X			9/25/15	Humbert Refuse and Recycling	
Union	Elgin	X			5/16/15	Fairgrounds	Part of a citywide clean up event.
Wallowa	Enterprise	X			6/20/15	Enterprise Recycling Ctr.	
Wasco	Maupin, Mosier, Tygh Valley	X			2014	Public Works Department (Maupin), Mosier Community School (Mosier), Tygh Valley	Tri-County Solid Waste Dept. determined that there isn't a need for an additional event in their county; population centers are well covered. DEQ concurs. Tri-County sponsored, PaintCare funded events were held in Maupin, Mosier and Tygh Valley..
Wheeler	Mitchell	X			6/27/15	Wheeler Co. Road Dept.	
Yamhill	Willamina	X			TBD	TBD	Yamhill and Polk Counties' underserved populations are located in the Willamina area, a town that is on the western border of both. While PaintCare selected it as an event location in coordination with Polk, it will also serve Yamhill. DEQ concurs.

NOTE: Columbia, Lincoln, Multnomah and Washington Counties have coverage via permanent drop-off locations.

Appendix D

PaintCare Inc.

Financial Statements
and Independent Auditors' Report

Twelve Month Period Ended December 31, 2014

PaintCare Inc.

Financial Statements
Twelve Month Period Ended December 31, 2014

Contents

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INDEPENDENT AUDITORS' REPORT

To the Board of Directors
PaintCare Inc.

We have audited the accompanying financial statements of PaintCare Inc. ("PaintCare"), which comprise the statement of financial position as of December 31, 2014, the related statements of activities and cash flows for the twelve month period then ended, and the related notes to the financial statements.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with accounting principles generally accepted in the United States of America; this includes the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with auditing standards generally accepted in the United States of America. Those standards require that we plan and perform an audit to obtain reasonable assurance about whether the financial statements are free of material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Opinion

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of PaintCare as of December 31, 2014, and the changes in its net assets and its cash flows for the twelve month period then ended in accordance with accounting principles generally accepted in the United States of America.

Other Matter

Our audit was conducted for the purpose of forming an opinion on the financial statements as a whole. The supplemental information included on page 14 is presented for purposes of additional analysis and is not a required part of the financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the financial statements. The information has been subjected to the auditing procedures applied in the audit of the financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the financial statements or to the financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the information is fairly stated in all material respects in relation to the financial statements as a whole.

Handwritten signature of Rogers & Company LLC in black ink.

Vienna, Virginia
March 31, 2015

PaintCare Inc.

Statement of Financial Position
December 31, 2014

Assets

Current assets:

Cash	\$ 6,703,969
Accounts receivable, net	4,365,803
Investments	26,907,880
Prepaid expenses	63,240

Total current assets 38,040,892

Property and equipment, net 302,081

Total assets \$ 38,342,973

Liabilities and Net Assets

Liabilities

Current liabilities:

Accounts payable and accrued expenses	\$ 4,965,103
Due to affiliate	643,040

Total current liabilities 5,608,143

Total liabilities 5,608,143

Net Assets

Unrestricted 32,734,830

Total net assets 32,734,830

Total liabilities and net assets \$ 38,342,973

PaintCare Inc.

Statement of Activities
For the Twelve Month Period Ended December 31, 2014

Operating Revenue and Support

Paint recovery fees	\$ 44,564,745
Investment loss	(35,751)
Other income	<u>137,091</u>

Total operating revenue and support	<u>44,666,085</u>
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Expenses

Program and delivery services:

Oregon	4,271,394
California	20,248,542
Connecticut	2,288,876
Rhode Island	336,301
Vermont	801,704
Minnesota	807,273
Maine	13,123
Colorado	<u>33,867</u>

Total program and delivery services	<u>28,801,080</u>
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General and administrative	<u>2,737,646</u>
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Total expenses	<u>31,538,726</u>
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Change in Net Assets	13,127,359
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Net Assets, beginning of period	<u>19,607,471</u>
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Net Assets, end of period	<u><u>\$ 32,734,830</u></u>
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PaintCare Inc.

Statement of Cash Flows
For the Twelve Month Period Ended December 31, 2014

Cash Flows from Operating Activities

Change in net assets	\$ 13,127,359
Adjustments to reconcile change in net assets to net cash provided by operating activities:	
Depreciation and amortization	14,127
Net realized and unrealized loss on investments	192,237
Change in allowance for doubtful accounts receivable	34,397
Change in operating assets and liabilities:	
(Increase) decrease in:	
Accounts receivable	522,752
Prepaid expenses	(17,730)
Increase (decrease) in:	
Accounts payable and accrued expenses	2,132,544
Accrued interest	(56,700)
Due to affiliate	416,671
	<hr/>
Net cash provided by operating activities	<hr/> 16,365,657 <hr/>

Cash Flows from Investing Activities

Purchase of investments	(27,205,887)
Proceeds from sale of investments	105,770
Purchases of property and equipment	(261,515)
	<hr/>
Net cash used in investing activities	<hr/> (27,361,632) <hr/>

Cash Flows from Financing Activity

Principal payments on notes payable	(900,000)
	<hr/>
Net cash used in financing activity	<hr/> (900,000) <hr/>

Net Decrease in Cash (11,895,975)

Cash, beginning of period 18,599,944

Cash, end of period \$ 6,703,969

PaintCare Inc.

Notes to Financial Statements December 31, 2014

1. Nature of Operations

PaintCare Inc. ("PaintCare"), a not-for-profit 501(c)(3) organization, was created in October 2009 by the American Coatings Association (ACA), who, working with state and local government stakeholders, passed the first ever paint product stewardship law in the United States in the state of Oregon in 2009 with implementation of the Oregon Program beginning July 1, 2010. Similar legislation has subsequently been passed in other states. The legislation pilots an industry-led, end-of-life management program for post-consumer paint, which PaintCare operates. The PaintCare Board is made up of architectural paint manufacturers and participation in PaintCare is not limited to ACA members, but open to all architectural paint manufacturers. There are no dues or registration fees associated with PaintCare.

2. Summary of Significant Accounting Policies

Basis of Accounting and Presentation

PaintCare's financial statements are prepared on the accrual basis of accounting. Unrestricted net assets represent funds that are not subject to donor-imposed stipulations and are available for support of PaintCare's operations. At December 31, 2014, all net assets were unrestricted. The accompanying financial statements represent the results of operations for the period from January 1, 2014 to December 31, 2014.

Accounts Receivable

Accounts receivable are recorded at net realizable value and represent amounts due from post-consumer paint recovery fees. PaintCare provides an allowance for bad debts using the allowance method, which is based on management's judgment considering historical information. Accounts are individually analyzed for collectability, and will be reserved based on individual evaluation and specific circumstances. When all collection efforts have been exhausted, the accounts are written off against the related allowance. At December 31, 2014, an allowance of \$56,652 was recognized.

Investments

Investments are stated at fair value, based on quoted market prices. All realized and unrealized gains and losses are included in the accompanying statement of activities.

PaintCare Inc.

Notes to Financial Statements December 31, 2014

2. Summary of Significant Accounting Policies (continued)

Property and Equipment

Property and equipment with a projected useful life ranging from three to ten years and in excess of \$1,000 are capitalized and recorded at cost. Depreciation and amortization are computed using the straight line method over the estimated useful lives of the individual assets, ranging from three to ten years.

Communications Costs

PaintCare holds communication-related contracts for advertising, marketing, and consumer awareness. Communications costs are charged to operations when incurred. Communications expenses were \$3,627,540 for the twelve month period ended December 31, 2014.

Revenue Recognition

PaintCare recognizes revenue from post-consumer paint recovery fees at the time architectural paint product is sold by a manufacturer participant of the paint product stewardship program. Manufacturer participants in the program pay the PaintCare recovery fee to PaintCare based on the amount of program products they sell on a monthly basis.

Program participants report their monthly unit sales of paint through a secure, HTTPS online system using their unique user ID and password. The participant must pay a paint recovery fee per unit sold according to the following fee schedule:

Half pint or smaller		No charge
Larger than half pint to smaller than 1 gallon	\$	0.35
1 gallon	\$	0.75
Larger than 1 gallon to 5 gallons	\$	1.60

As the PaintCare recovery fee is added to the wholesale price of paint and passed through uniformly to the retail purchase price of paint—so that the manufacturer, distributor, and/or retailer is made whole—in some cases, distributors or retailers have elected to undertake the obligation of the manufacturer for these fees. Thus, PaintCare has allowed remitter agreements in the program, whereby a distributor or retailer reports and remits directly to PaintCare on behalf of a participant manufacturer's brand or brands. Reports and payments are due by the end of the month following the reporting period.

PaintCare Inc.

Notes to Financial Statements December 31, 2014

2. Summary of Significant Accounting Policies (continued)

Revenue Recognition (continued)

Revenue from all other sources is recognized when earned.

Functional Allocation of Expenses

The costs of providing the various program and supporting activities have been summarized on a functional basis in the accompanying financial statements. Accordingly, certain costs have been allocated among the programs and supporting services benefited. Programs are categorized by the states where services are conducted.

Use of Estimates

The preparation of financial statements in conformity with accounting principles generally accepted in the United States of America requires management to make estimates and assumptions that affect the amounts reported in the financial statements and accompanying notes. Actual results could differ from those estimates.

Subsequent Events

In preparing these financial statements, PaintCare has evaluated events and transactions for potential recognition or disclosure through March 31, 2015, the date the financial statements were available to be issued.

3. Concentration of Credit Risk

Financial instruments that potentially subject PaintCare to significant concentrations of credit risk consist of cash and investments. PaintCare maintains cash deposit and transaction accounts, along with investments, with various financial institutions and these values, from time to time, may exceed insurable limits under the Federal Depositary Insurance Corporation (FDIC) and Securities Investor Protection Corporation (SIPC). PaintCare has not experienced any credit losses on its cash and investments to date as it relates to FDIC and SIPC insurance limits. Management periodically assesses the financial condition of these financial institutions and believes that the risk of any credit loss is minimal.

PaintCare Inc.

Notes to Financial Statements December 31, 2014

4. Accounts Receivable

Accounts receivable related to the following programs were due as follows at December 31, 2014:

California	\$ 3,219,069
Minnesota	355,175
Oregon	340,884
Connecticut	332,795
Rhode Island	100,991
Vermont	<u>73,541</u>
Accounts receivable	4,422,455
Less: allowance for doubtful accounts	<u>(56,652)</u>
Total accounts receivable, net	<u><u>\$ 4,365,803</u></u>

5. Investments and Fair Value Measurements

PaintCare follows Financial Accounting Standards Board (FASB) Accounting Standards Codification (ASC) 820, *Fair Value Measurements and Disclosures*, for its financial assets. This standard establishes a fair value hierarchy that prioritizes the inputs to valuation techniques used to measure fair value. Fair value measurement standards require an entity to maximize the use of observable inputs (such as quoted prices in active markets) and minimize the use of unobservable inputs (such as appraisals or other valuation techniques) to determine fair value. The categorization of a financial instrument within the hierarchy is based upon the pricing transparency of the instrument and does not necessarily correspond to the entity's perceived risk of that instrument.

The inputs used in measuring fair value are categorized into three levels. Level 1 inputs consist of unadjusted quoted prices in active markets for identical assets and liabilities and have the highest priority. Level 2 is based upon observable inputs other than quoted market prices, and Level 3 is based on unobservable inputs. Transfers between levels in the fair value hierarchy are recognized at the end of the reporting period.

In general, and where applicable, PaintCare uses quoted prices in active markets for identical assets to determine fair value. This pricing methodology applies to Level 1 investments. Level 2 inputs include government securities, which are valued based on quoted prices in less active markets.

PaintCare Inc.

Notes to Financial Statements
December 31, 2014

5. Investments and Fair Value Measurements (continued)

The following table presents PaintCare's fair value hierarchy for those assets measured on a recurring basis as of December 31, 2014:

	Level 1	Level 2	Level 3	Total
<hr/>				
Investments:				
Equities:				
Energy	\$ 609,305	\$ -	\$ -	\$ 609,305
Materials	284,534	-	-	284,534
Industrials	801,990	-	-	801,990
Consumer discretionary	971,723	-	-	971,723
Consumer staples	1,792,088	-	-	1,792,088
Health care	1,276,694	-	-	1,276,694
Financials	880,613	-	-	880,613
Information technology	897,250	-	-	897,250
Telecommunication				
service	309,344	-	-	309,344
Utilities	14,038	-	-	14,038
Mutual funds:				
Exchange traded funds	2,482,838	-	-	2,482,838
Mid/small U.S. equity	45,882	-	-	45,882
Fixed income	4,755,482	-	-	4,755,482
Corporate bonds	4,158,934	-	-	4,158,934
Cash equivalents	1,511,683	-	-	1,511,683
Government securities:				
U.S. Treasury	-	4,012,533	-	4,012,533
U.S. Agency	-	2,102,949	-	2,102,949
	<hr/>			
Total investments	\$ 20,792,398	\$ 6,115,482	\$ -	\$ 26,907,880
	<hr/>			

Investment loss consisted of the following for the twelve months ended December 31:

Interest and dividends	\$ 156,486
Net unrealized loss	(148,783)
Net realized loss	(43,454)
	<hr/>
Total investment loss	\$ (35,751)
	<hr/>

PaintCare Inc.

Notes to Financial Statements December 31, 2014

6. Property and Equipment

PaintCare held the following property and equipment at December 31, 2014:

Software	\$ 268,405
Computer equipment	36,911
Furniture	<u>16,009</u>
Total property and equipment	321,325
Less: accumulated depreciation and amortization	<u>(19,244)</u>
Property and equipment, net	<u><u>\$ 302,081</u></u>

7. Note Payable

PaintCare has entered into promissory notes payable with member companies in order to fund start-up costs incurred in connection with expanding their paint recovery fee program into new states. Initially, each note was negotiated at different times during 2012 and 2013 with an interest rate of 3.6% per annum. The total balance of the notes was due in 2015; however, PaintCare repaid the total outstanding balance in 2014.

8. Related Party

ACA, a related party, is a separate, 501(c)(6) nonprofit organization working to advance the needs of the paint and coatings industry and the professionals who work in it. Through advocacy of the industry and its positions on legislative, regulatory, and judicial issues at the federal, state, and local levels, it acts as an effective ally, ensuring that the industry is represented and fairly considered. ACA also devotes itself to advancing industry efforts with regard to product stewardship, through its signature Coating Care[®] resources, and focuses on advancements in science and technology through its technical conferences and journals, as well as online training opportunities. ACA incorporated PaintCare for the sole purpose of implementing programs for post-consumer architectural paint. ACA maintains a controlling interest in PaintCare through the ability to appoint its Board of Directors.

In February 2011, ACA and PaintCare entered into an affiliation agreement whereby ACA provides staffing, an office, office equipment and furniture, supplies, and other administrative support services. The term of the agreement is for one year and automatically renews for one-year terms unless canceled by either party.

PaintCare Inc.

Notes to Financial Statements December 31, 2014

8. Related Party (continued)

For the twelve month period ended December 31, 2014, the total administrative fees charged by ACA to PaintCare were \$735,208. At December 31, 2014, PaintCare owed ACA \$643,040, which is recorded as due to affiliate in the accompanying statement of financial position.

9. PCA Paint Stewardship, Inc.

Product Care Association (PCA) is a Canadian nonprofit industry association that manages product stewardship programs for household hazardous and special waste on behalf of its members across Canada. PCA incorporated PCA Paint Stewardship, Inc. (PCA-USA) as a nonprofit organization in order to expand its work in managing product stewardship programs into the United States. PCA is the sole member of PCA-USA.

On April 1, 2010, PaintCare entered into an agreement with PCA-USA for the purpose of providing administrative and operational support for the Oregon Architectural Paint Stewardship Pilot Program. The agreement commenced on April 1, 2010 and was scheduled to terminate on June 30, 2014, calling for a monthly management fee of \$16,667. Effective April 1, 2013, the terms of the agreement were amended as PCA-USA transitioned the majority of the administrative and operational activities to PaintCare. The amendment moved up the termination date to December 31, 2013 and decreased the monthly management fee to \$5,556. A subsequent amendment extended the termination of this agreement back to the original termination date of June 30, 2014. For the twelve month period ended December 31, 2014, management service fees under this agreement totaled \$33,473.

In addition to the contract described in the preceding paragraph, PCA-USA contracts with independent subcontractors to perform the collection, transportation, processing, and recycling services of post-consumer paint at pre-determined rate schedules. Contracts with the two largest subcontractors extended through December 31, 2013 with one-year renewal options. These contracts were extended and terminated on June 30, 2014. PCA-USA invoices PaintCare on a monthly basis to recover the payments made by PCA-USA to the subcontractors. Expenses related to the subcontractor activity are recorded in program and delivery expenses. For the twelve month period ended December 31, 2014, expenses related to the subcontractor activity were \$1,551,752.

PaintCare Inc.

Notes to Financial Statements December 31, 2014

10. Income Taxes

PaintCare is recognized as a tax-exempt organization under Internal Revenue Code (IRC) Section 501(c)(3), and is exempt from income taxes except for taxes on unrelated business activities. No tax expense is recorded in the accompanying financial statements for PaintCare, as there was no unrelated business taxable income. Contributions to PaintCare are deductible as provided in IRC Section 170(b)(1)(A)(vi).

Management evaluated PaintCare's tax positions, and concluded that PaintCare's financial statements do not include any uncertain tax positions.

SUPPLEMENTAL INFORMATION

PaintCare Inc.

Schedule of Activities, Organized by Program
For the Twelve Month Period Ended December 31, 2014

	Oregon	California	Connecticut	Rhode Island	Vermont	Minnesota	Maine	Colorado	General and Administrative	Total
Operating Revenue and Support										
Paint recovery fees	\$ 4,199,075	\$ 35,133,195	\$ 3,715,135	\$ 612,785	\$ 466,690	\$ 437,865	\$ -	\$ -	\$ -	\$ 44,564,745
Investment (loss) income	(5,111)	(84,974)	(3,876)	(331)	313	1,451	202	205	56,370	(35,751)
Other income	137,091	-	-	-	-	-	-	-	-	137,091
Total operating revenue and support	4,331,055	35,048,221	3,711,259	612,454	467,003	439,316	202	205	56,370	44,666,085
Expenses										
Program and delivery services:										
Collection support	84,441	1,958,395	340,029	61,962	123,531	54,634	-	-	-	2,622,992
Transportation and processing	3,507,986	14,486,140	1,496,119	203,189	464,599	179,597	-	-	-	20,337,630
Communications	345,911	2,708,842	277,981	35,050	90,100	167,809	374	1,473	-	3,627,540
Legal fees	22,875	182,082	1,160	-	-	70,976	-	-	-	277,093
State agency administrative fees	50,000	252,673	60,000	2,500	-	172,357	-	-	-	537,530
Other program expenses	260,181	660,410	113,587	33,600	123,474	161,900	12,749	32,394	-	1,398,295
Total program and delivery services	4,271,394	20,248,542	2,288,876	336,301	801,704	807,273	13,123	33,867	-	28,801,080
General and administrative:										
Legal fees	-	-	-	-	-	-	-	-	378,225	378,225
Administrative fees	-	-	-	-	-	-	-	-	735,208	735,208
Insurance	-	-	-	-	-	-	-	-	111,627	111,627
Other expense	-	-	-	-	-	-	-	-	1,512,586	1,512,586
Total general and administrative	-	-	-	-	-	-	-	-	2,737,646	2,737,646
Total expenses	4,271,394	20,248,542	2,288,876	336,301	801,704	807,273	13,123	33,867	2,737,646	31,538,726
Change in Net Assets (Deficit) Before Allocation of General and Administrative Activities	59,661	14,799,679	1,422,383	276,153	(334,701)	(367,957)	(12,921)	(33,662)	(2,681,276)	13,127,359
Allocation of General and Administrative Activities	(183,596)	(1,785,320)	(171,281)	(50,442)	(29,987)	(254,180)	(63,659)	(142,811)	2,681,276	-
Total Change in Net Assets (Deficit)	(123,935)	13,014,359	1,251,102	225,711	(364,688)	(622,137)	(76,580)	(176,473)	-	13,127,359
Net Assets (Deficit), beginning of period	1,109,679	18,747,547	24,328	(85,435)	(25,727)	(134,224)	(28,697)	-	-	19,607,471
Net Assets (Deficit), end of period	\$ 985,744	\$ 31,761,906	\$ 1,275,430	\$ 140,276	\$ (390,415)	\$ (756,361)	\$ (105,277)	\$ (176,473)	\$ -	\$ 32,734,830

Appendix E



Oregon Paint Stewardship Program

Each year about 650 million gallons of architectural paint is sold in the United States. Did you know that about 10 percent goes unused and is available for recycling?

Oregon's Paint Stewardship Law requires the paint manufacturing industry to develop a financially and environmentally sustainable program to manage postconsumer architectural paint. The program includes: education about buying the right amount of paint, tips for using up remaining paint and setting up convenient recycling locations throughout the state.

PaintCare is a non-profit organization established by paint manufacturers to run the program in Oregon and any state with a paint stewardship law.

PaintCare Products

These products have fees when you buy them and are accepted for free at drop-off sites:

- Interior and exterior architectural paints: latex, acrylic, water-based, alkyd, oil-based, enamel (including textured coatings)
- Deck coatings, floor paints (including elastomeric)
- Primers, sealers, undercoaters
- Stains
- Shellacs, lacquers, varnishes, urethanes (single component)
- Waterproofing concrete/masonry/wood sealers and repellents (not tar or bitumen-based)
- Metal coatings, rust preventatives
- Field and lawn paints

Leaking, unlabeled and empty containers are not accepted at drop-off sites.

⊘ Non-PaintCare Products

- Paint thinners, mineral spirits, solvents
- Aerosol paints (spray cans)
- Auto and marine paints
- Art and craft paints
- Caulk, epoxies, glues, adhesives
- Paint additives, colorants, tints, resins
- Wood preservatives (containing pesticides)
- Roof patch and repair
- Asphalt, tar and bitumen-based products
- 2-component coatings
- Deck cleaners
- Traffic and road marking paints
- Industrial Maintenance (IM) coatings
- Original Equipment Manufacturer (OEM) (shop application) paints and finishes

For information about recycling and proper disposal of non-program products, please contact your garbage hauler, local environmental health agency, household hazardous waste program or public works department.



Recycle

with PaintCare



OREGON

Places to Take Old Paint

Paint recycling is more convenient with PaintCare. We set up paint drop-off sites throughout Oregon. To find your nearest drop-off site, use PaintCare's search tool at www.paintcare.org or call our hotline at (855) 724-6809.

How to Recycle

PaintCare sites accept all brands of old house paint, stain and varnish – even if they are 20 years old! Containers must be five gallons or smaller, and a few types of paint are not accepted. See back panel for a list of what you can recycle.

All PaintCare drop-off sites accept at least five gallons of paint per visit. Some sites accept more. Please call the site in advance to make sure they can accept the amount of paint you would like to recycle.

Make sure all containers of paint have lids and original labels, and load them securely in your vehicle. Take them to a drop-off site during their regular business hours. We'll take it from there.



What Happens to the Paint?

PaintCare will make sure that your leftover paint is remixed into recycled paint, used as a fuel, made into other products or properly disposed.

Who Can Use the Program?

Residents bringing paint from their home can bring as much latex or oil-based paint as the site is willing to accept.

Businesses (painting contractors and others) can use this program with one restriction: If your business produces more than 220 pounds (about 20-30 gallons) of hazardous waste per month, you may use the drop-off sites for your latex paint only and not for your oil-based paint. Contact PaintCare to learn more about this restriction.

Large Volume Pick-Up

If you have at least 300 gallons of paint to recycle at your business or home, ask about our free pick-up service. Please call for more details or to request an appointment.

PaintCare Fee

PaintCare is funded by a fee paid by paint manufacturers for each can of paint they sell in the state. Manufacturers pass the fee to retailers, who then apply it to the price of paint. Stores can choose whether or not to show the fee on their receipts. Fees are based on the size of the container as follows:

- \$ 0.00 Half pint or smaller
- \$ 0.35 Larger than half pint to smaller than 1 gallon
- \$ 0.75 1 Gallon
- \$ 1.60 More than 1 gallon up to 5 gallons

Not a Deposit

The fee is not a deposit – it is part of the purchase price. The fees are used to pay the costs of running the program: recycling, public education, staffing and other expenses.

Contact Us

Please visit www.paintcare.org or give us a call at (855) 724-6809 to find a drop-off site or learn more.



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



Recycle with PaintCare

Buy right.
Use it up.
Recycle the rest.

*PaintCare is the non-profit
product stewardship organization
established by the American
Coatings Association to represent
architectural paint manufacturers.*

We're working to provide environ-
mentally sound and cost-effective
paint recycling programs in states
with paint stewardship laws.

To find a site near you, please call
(855) 724-6809 or visit www.paintcare.org

www.paintcare.org



Oregon Paint Stewardship Program

Information for Painting Contractors

Oregon's Paint Stewardship Program began July 2010.

Oregon's paint stewardship law requires paint manufacturers to set up and operate a paint stewardship program for the state. This program is funded by a fee on each container of architectural paint sold in the Oregon. The program sets up drop-off sites at retail stores and other locations across the state where residents and businesses are able to take most types of leftover paint for recycling, free of charge.

Paint Stewardship

The American Coatings Association (ACA) worked with various stakeholders interested in the management of postconsumer paint to develop a Paint Stewardship Program in the United States. PaintCare Inc. is a non-profit organization established by ACA to implement the program on behalf of paint manufacturers in states that adopt paint stewardship laws. "PaintCare States" include California, Colorado, Connecticut, Maine, Minnesota, Oregon, Rhode Island, and Vermont.

The main goals of the program are to decrease paint waste and recycle more postconsumer paint by setting up convenient drop-off sites in each PaintCare state.

Fees and Funding

As required by state law, a paint stewardship assessment ("PaintCare Fee") must be added by manufacturers to the wholesale price of all architectural paint sold in the state. This fee is paid by manufacturers to PaintCare to fund setting up drop-off sites for leftover, postconsumer paint, and for the transportation, recycling, and proper disposal of that paint. The fees also pay for consumer education and program administrative costs.

The fees are based on container size as follows:

\$ 0.00 – Half pint or smaller

\$ 0.35 – Larger than half pint to smaller than 1 gallon

\$ 0.75 – 1 Gallon

\$ 1.60 – Larger than 1 gallon up to 5 gallons

The law also requires that each distributor and retailer include the PaintCare Fee with their sale price of architectural paint sold in the state. Displaying the fee on invoices and receipts is not mandatory for distributors or retailers; however, PaintCare encourages them to show the fee and list it as "PaintCare Fee" to aid in customer and dealer education and to ensure transparency.

Notice for Painting Contractors

It is expected that contractors will pass the fees on to their customers in order to recoup the fees they pay on the product.

When estimating jobs, contractors should take these fees into account by checking with your suppliers to make sure the quotes for paint products include the fees. You should also let your customers know that you will be including these fees in your quotes.



New Paint Drop-Off Sites

PaintCare has established more than 140 paint drop-off sites across Oregon. Most of these sites are at paint stores. Other sites include certain solid waste transfer stations, recycling centers, and government-run household hazardous waste programs. Participation as a drop-off site is voluntary.

Use of Retail Drop-Off Sites by Businesses

Retail drop-off sites provide a convenient and no cost recycling option for painting contractors and other businesses (as well as for households). Businesses that generate less than 220 pounds of hazardous waste* per month may use these sites to recycle all program products (both water and oil-based) with some restrictions on quantities per month.

Larger businesses (those that generate more than 220 pounds of hazardous waste per month) may use the drop-off sites for their water-based program products only; they are not able to use the sites for oil-based paint or other solvent-based products.

**220 pounds is about 20-30 gallons. When counting how much hazardous waste you generate in a month, oil-based paint counts (because by law it is a hazardous waste), but latex and other water-based paint does not count toward the 220 pound monthly total.*

Pick-Up Service for Large Volumes

Businesses with at least 300 gallons of postconsumer paint to recycle may qualify to have their paint picked up by PaintCare at no additional cost. To learn more about this service or to request an appointment, please call (855) 724-6809.

What Products Are Covered?

The products accepted at PaintCare drop-off sites are the same products that have a fee when they are sold. PaintCare Products include interior and exterior architectural coatings sold in containers of 5 gallons or less. However, they do not include aerosol products (spray cans), industrial maintenance (IM), original equipment manufacturer (OEM), or specialty coatings.

PAINTCARE PRODUCTS

- Interior and exterior architectural paints: latex, acrylic, water-based, alkyd, oil-based, enamel (including textured coatings)
- Deck coatings, floor paints (including elastomeric)
- Primers, sealers, undercoaters
- Stains
- Shellacs, lacquers, varnishes, urethanes (single component)
- Waterproofing concrete/masonry/wood sealers and repellents (not tar or bitumen-based)
- Metal coatings, rust preventatives
- Field and lawn paints

NON-PROGRAM PRODUCTS

- Paint thinners, mineral spirits, solvents
- Aerosol paints (spray cans)
- Auto and marine paints
- Art and craft paints
- Caulking compounds, epoxies, glues, adhesives
- Paint additives, colorants, tints, resins
- Wood preservatives (containing pesticides)
- Roof patch and repair
- Asphalt, tar, and bitumen-based products
- 2-component coatings
- Deck cleaners
- Traffic and road marking paints
- Industrial Maintenance (IM) coatings
- Original Equipment Manufacturer (OEM) (shop application) paints and finishes

MORE INFORMATION

(855) 724-6809 or (855) PAINT09
www.paintcare.org or info@paintcare.org

PAINTCARE INC.
1500 RHODE ISLAND AVENUE N.W.
WASHINGTON, DC 20005



Large Volume Pick-Up (LVP) Service

PaintCare offers a free pick-up service to painting contractors, property managers, and others with large amounts of leftover architectural paint.

Who is PaintCare?

PaintCare Inc. is a non-profit organization established by the American Coatings Association to operate paint stewardship programs on behalf of paint manufacturers in states that pass paint stewardship laws.

Paint Drop-Off Sites

In states with a paint stewardship program, PaintCare's primary effort is to set up conveniently located drop-off sites—places where residents and businesses may take their unwanted paint for no charge. Sites set their own limits on the volume of paint they accept from customers per visit (usually from 5 to 20 gallons). To find a drop-off site near you, please use PaintCare's site locator at www.paintcare.org or call (855) 724-6809.

Large Volumes Pick-Ups

For those that have accumulated a large volume or stockpile of paint, PaintCare also offers a pick-up service. Large volume means at least 300 gallons, measured by container size (not content). On a case-by-case basis, PaintCare may approve a pick-up for less than 300 gallons if there are no drop-off sites in your area. After two or three pick-ups, you may be switched to a regular service (see next page).

Drums and Bulked Paint Are Not Accepted

PaintCare only accepts paint in containers that are 5 gallons or smaller in size. Leave paint in original cans with original labels; do not combine or bulk paint from small cans into larger ones. If you have unwanted paint in drums or containers larger than 5 gallons, please contact a licensed paint recycling company or a hazardous waste transportation company to assist you.

HOW TO REQUEST A LARGE VOLUME PICK-UP

1. Sort and count your paint

We need to know the number of each container size and the type of products you have, sorted into two categories: (1) water-based paints and stains and (2) oil-based paint and stains and any other program products (sealers and clear top-coat products, such as varnish and shellac).

2. Fill out the LVP Request Form and send it in

Fill out a paper or electronic version of the "Large Volume Pick-Up Request Form" and return it to PaintCare by email, fax, or regular mail. (Visit www.paintcare.org or call PaintCare for the form.)

Scheduling

After reviewing your form, PaintCare staff will either approve your site for a pick-up or inform you of the best place to take your paint if you do not meet the volume requirement. If you qualify for a pick-up, you will be put in contact with our licensed hauler to schedule a pick-up. It may be several weeks before your pick-up occurs.

On the Day of Your Pick-Up

Sort your products into the two categories noted above and store them in an area that has easy access. If the paint is a far distance from where the hauler parks, the



path between should be at least four feet wide to accommodate movement of the boxes.

Please plan to have staff available to pack the paint cans into the boxes. The hauler may be able to provide some assistance, but we require your staff to be present and provide labor to pack boxes. Once your paint is properly packed and loaded onto the hauler's truck, you will sign a bill of lading and receive a copy for your records. Your paint will then be taken to an authorized processing facility for sorting and recycling.

Note: Paint must be in original containers and not leaking.

Repeat Service for Large Volume Users

For businesses that generate large volumes of unwanted paint on a regular basis, a service for recurring direct pick-ups is available. With this service, you will be provided with empty bins, then request a pick-up when at least three bins are filled. PaintCare will provide onsite training on how to properly pack the paint, and you will be required to sign a contract with PaintCare.

Limits on Businesses

If your business generates more than 220 pounds (20-30 gallons depending on the type) of hazardous waste per month, you may use PaintCare's programs (drop-off sites and the pick-up service) for water-based program products only. You will not be able to use the program for oil-based products.

If your business generates less than 220 pounds of hazardous waste per month, you may use PaintCare programs for both water-based program products and oil-based program products. As a business, you will need to certify that you meet this requirement.

Note: When calculating how much hazardous waste you generate in a month, do not count latex paint.

If You Have Products We Don't Accept

The program does not accept all paints (such as aerosols and automotive finishes) or other hazardous waste. If you have solvents, thinners, pesticides, or any non-PaintCare products (see list to right for examples), we recommend that residents contact their local household hazardous waste (HHW) program. Some HHW programs allow businesses to use their program for a modest fee. Otherwise, businesses should contact a licensed hazardous waste transportation company.

What Products Are Covered?

Architectural paints ("PaintCare Products") are defined as interior and exterior architectural coatings sold in containers of 5 gallons or less. However, they do not include aerosol products (spray cans), industrial maintenance (IM), original equipment manufacturer (OEM), or specialty coatings.

PAINTCARE PRODUCTS

- Interior and exterior architectural paints: latex, acrylic, water-based, alkyd, oil-based, enamel (including textured coatings)
- Deck coatings, floor paints
- Primers, sealers, undercoaters
- Stains
- Shellacs, lacquers, varnishes, urethanes
- Waterproofing concrete/masonry/wood sealers and repellents (not tar or bitumen-based)
- Metal coatings, rust preventatives
- Field and lawn paints

NON-PAINTCARE PRODUCTS

- Paint thinners, mineral spirits, solvents
- Aerosol paints (spray cans)
- Auto and marine paints
- Art and craft paints
- Caulking compounds, epoxies, glues, adhesives
- Paint additives, colorants, tints, resins
- Wood preservatives (containing pesticides)
- Roof patch and repair
- Asphalt, tar, and bitumen-based products
- 2-component coatings
- Deck cleaners
- Traffic and road marking paints
- Industrial Maintenance (IM) coatings
- Original Equipment Manufacturer (OEM) (shop application) paints and finishes

MORE INFORMATION

(855) 724-6809 or (855) PAINT09
www.paintcare.org or info@paintcare.org

PAINTCARE INC.
1500 RHODE ISLAND AVENUE NW
WASHINGTON, DC 20005



Dear Oregon Realtor:

Do your clients ask:

What should we do with old paint?

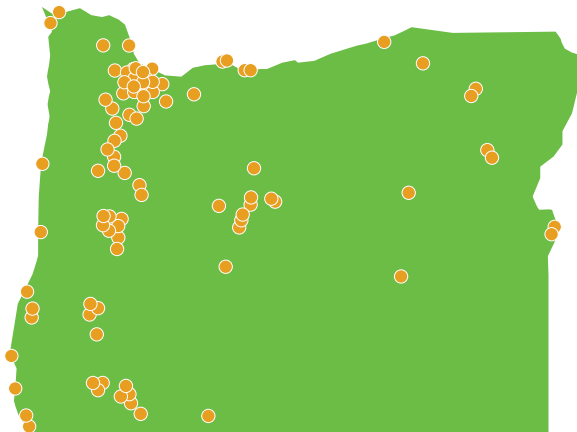
With more than 130 Oregon paint stores, transfer stations and household hazardous waste programs now participating as PaintCare drop-off locations, the answer is easy:

Recycle it FOR FREE with PaintCare.

Enclosed are a few cards and a sample brochure available from PaintCare to help you and your customers find a place to recycle old paint.

- Participating retailers and others locations accept at least 5 gallons of paint per visit from any Oregon resident or business. Many sites accept more.

PaintCare also offers a free pick-up service for cleaning out large volumes of paint (minimum of 300 gallons).



FOR MORE CARDS OR INFORMATION:

info@paintcare.org (855) 724-6809 www.paintcare.org



Do you want the old paint the sellers left behind? Probably not. *But we do!*

The sellers thought you would use it for touchups. Maybe you will use it up. If not, now's the time to recycle that old paint. Whether it's from last week or 20 years ago, you can recycle most paint, stain and varnish at one of the many PaintCare sites throughout the state.

PaintCare is a nonprofit organization formed by paint companies to make it more convenient to recycle old paint in states with paint stewardship laws.

Find a drop-off location near you, and see what we accept:

www.paintcare.org
(855) 724-6809



SELLER



Do the people buying your house want your old paint?

Probably not. *But we do!*

While getting your property ready to sell, you probably found some old paint. Unless you know somebody will use it up, now's the time to recycle it. Whether it's from last week or 20 years ago, you can recycle most paint, stain and varnish at one of the many PaintCare sites throughout the state.

PaintCare is a nonprofit organization formed by paint companies to make it more convenient to recycle old paint in states with paint stewardship laws.

Find a drop-off location near you, and see what we accept:

www.paintcare.org
(855) 724-6809



Appendix F

Oregon Paint Usage & Disposal Surveys

Online surveys were conducted using SurveyMonkey. Blue numbers indicate the number of people who responded.

	June 2013		December 2013		December 2014	
	Percent	Count	Percent	Count	Percent	Count
1. How much leftover paint is in your home?		124		264		319
None	3.2	4	7.6	20	27.3	87
Less than 1 gallon	7.3	9	12.5	33	11.0	35
1-5 gallons (would fit in a cardboard box)	58.9	73	51.5	136	38.2	122
5-15 gallons (would fit in a shopping cart)	28.2	35	25.0	66	17.9	57
15-30 gallons (would fit in two shopping carts)	0.8	1	3.0	8	1.6	5
More than 30 gallons	0.0	0	0.0	0	0.3	1
Yes, but I don't know how much	1.6	2	0.4	1	3.8	12
2. Where did the paint come from? (check all that apply)		124		264		224
I did some painting myself and had some leftover	80.6	100	73.9	195	76.3	171
I hired someone to paint and they left it behind.	27.4	34	30.3	80	29.9	67
I found it in my home/business when I moved in	22.6	28	23.1	61	29.5	66
I am a painting contractor and it is from one of my jobs	0.0	0	0.4	1	0.9	2
Other	5.6	7	3.8	10	3.1	7
3. What did you do with leftover paint? (check all that apply)		124		264		308
Poured it down the drain	0.8	1	0.8	2	1.0	3
Put can(s) of liquid paint in the trash	4.0	5	3.8	10	4.2	13
Dried out the paint and put it in the trash	25.0	31	21.6	57	26.6	82
Stored it in the basement or garage intend to use	66.9	83	62.1	164	47.7	147
Stored it in the basement or garage, don't know what to do	20.2	25	16.7	44	NA	NA
Took it to a paint store	4.8	6	7.2	19	11.7	36
Took it to a household hazardous waste event or facility	31.5	39	36.4	96	40.6	125
Gave it away to a family, friend or community organization	8.1	10	8.7	23	14.3	44
Left it behind when I moved	4.0	5	6.4	17	12.3	38
I don't know	1.6	2	2.7	7	5.5	17
I have never stored or disposed of leftover or unwanted paint	NA	NA	NA	NA	11.4	35
Other (please specify)	3.2	4	5.7	15	1.0	3
4. If you had unwanted paint, what would you do with it?		124		264		316
Pour it down the drain	0.0	0	0.0	0	0.6	2
Put can(s) of liquid paint in the trash	3.2	4	1.9	5	1.6	5
Dry out the paint and put it in the trash	14.5	18	11.7	31	10.4	33
Take it to a paint store	10.5	13	8.3	22	14.6	46
Take it to a household hazardous waste event or facility	50.0	62	56.1	148	50.9	161
Give it away to a family, friend or community organization	13.7	17	7.6	20	10.8	34
I don't know	5.6	7	9.5	25	7.6	24
Other (please specify)	2.4	3	4.9	13	3.5	11
5. Did you know that paint can be recycled?		124		264		313
Yes	63.7	79	68.9	182	65.5	205
No	36.3	45	31.1	82	34.5	108

June 2013		December 2013		December 2014	
Percent	Count	Percent	Count	Percent	Count

6. Have you ever taken paint to be recycled or disposed?

If yes, when?

	124		264		313	
No	53.2	66	45.5	120	53.0	166
Yes, at some point during the past year	16.1	20	18.9	50	11.8	37
Yes, more than one year ago	30.6	38	35.6	94	35.1	110

7. Do you know where to take unwanted paint?

	123		261		313	
No	52.8	65	39.8	104	51.4	161
Yes	47.2	58	60.2	157	48.6	152
If yes, where? (please specify)		44		109		93

Responses to "If yes, where?" for December 2014:

Benjamin Moore or Sherwin Williams	Metro paint (3)
Bring recycling	Metro paint in Oregon City
City dump recycling center	Metro paint recyclers
City or paint store	Metro recycling (5)
County facility	Metro or places that collect for them
County office or paint store	Metro south transfer
Expo center	Metro transfer station
Garbage company's storage	Metro waste recycling location
Habitat for Humanity	Multnomah county recycling
Habitat restore	My recycling service picks up paint curbside
Haz mat disposal site	Oregon City recycle center
Haz waste drop	Our governmental hazardous waste facility
Haz waste facility	Paint recycling store in Portland
Hazardous waste center	Paint store (12)
Home Depot	Paint store only takes it on certain days per year
Home improvement center	Paint store or Metro
I haven't taken it anywhere	Paint store or recycling center
I would google local paint recycling places	Paint store or waste event
Landfill has area for paint disposal	Paint store Sherwin Williams
Local hardware store	Polk County has an event
Local Home Depot	Portland dump
Local landfill	Pride Disposal in Sherwood
Local Metro dump and recycling location	Public waste facility for a charge
Local recycler	Recycle / haz disposal site in my region
Local recycling center	Recycle center (2)
Local transfer station recycles it	Recycle disposal place
Local waste management facility	Recycling center or paint store
Local waste recycling program	Recycling station
Marion County recycling for graffiti	Restore
Marion County waste	School
Metro (4)	Sherwin Williams in Lake Grove
Metro (local recycler)	Transfer yard
Metro and Miller paint store	True Value
Metro hazardous waste	Waste Management
Metro hazardous waste facility	Waste transfer facility (2)
Metro or county dump with recycling area	

June 2013		December 2013		December 2014	
Percent	Count	Percent	Count	Percent	Count

8. How far is the closest paint store?

	124		264		313	
Less than 1 mile	16.9	21	17.8	47	23.6	74
1-5 miles	67.7	84	65.9	174	52.3	170
5-10 miles	9.7	12	12.1	32	8.3	26
10-20 miles	2.4	3	3.0	8	5.4	17
20-30 miles	3.2	4	0.8	2	1.9	6
Not sure	0.0	0	0.4	1	6.4	20

9. How far would you drive to get rid of unwanted paint?

	124		264		313	
20-30 miles	10.5	13	4.9	13	11.2	35
10-20 miles	21.0	26	22.0	58	22.0	69
5-10 miles	37.9	47	40.5	107	30.0	94
1-5 miles	22.6	28	29.9	79	24.0	75
Less than 1 mile	2.4	3	1.1	3	4.5	14
Not sure	5.6	7	1.5	4	8.3	26

10. What county do you live in?

	124		264		233	
Baker	0.8	1	0.4	1	0.0	0
Benton	0.8	1	1.9	5	2.1	5
Clackamas	12.9	16	13.3	35	12.9	30
Clark	0.0	0	0.0	0	0.4	1
Clatsop	0.8	1	0.8	3	0.9	2
Columbia	1.6	2	0.8	2	1.3	3
Coos	0.8	1	1.1	3	0.9	2
Crook	0.0	0	0.0	0	0.0	0
Curry	0.8	1	0.4	1	0.4	1
Deschutes	4.0	5	3.4	9	3.0	7
Douglas	0.8	1	0.8	2	2.6	6
Hood River	0.0	0	0.4	1	1.7	4
Jackson	3.2	4	4.2	11	3.4	8
Jefferson	0.0	0	0.4	1	1.7	4
Josephine	1.6	2	2.3	6	2.1	5
Klamath	0.8	1	1.5	4	0.9	2
Lake	0.0	0	0.4	1	0.0	0
Lane	12.9	16	9.1	24	8.2	19
Lincoln	1.6	2	0.0	0	0.9	2
Linn	0.8	1	1.1	3	1.3	3
Malheur	0.0	0	0.0	0	0.4	1
Marion	8.1	10	8.0	21	5.6	13
Multnomah	25.0	31	27.3	72	28.8	67
Polk	1.6	2	1.5	4	2.6	6
Umatilla	1.6	2	1.1	3	0.9	2
Union	0.0	0	0.4	1	0.4	1
Wallowa	0.0	0	0.4	1	0.4	1
Wasco	0.0	0	0.8	2	0.4	1
Washington	18.5	23	15.5	41	13.7	32
Yamhill	0.8	1	2.3	6	2.1	5
Not Sure	0.0	0	0.4	1	*	77

11. How would you describe the place where you live?	124		264		312	
Urban / Major City	29.0	36	31.1	82	29.8	93
Suburban	36.3	45	34.1	90	34.0	106
Small City or Town	18.5	23	16.7	44	23.4	73
Rural / Countryside	14.5	18	18.2	48	12.5	39
Other (please specify)	1.6	2	0.0	0	0.3	1
12. Where do you live?	124		264		310	
Single-family house	96.8	120	91.3	241	75.5	234
Two or Three-family house	0.0	0	3.0	8	2.3	7
Condominium or apartment building with many units	2.4	3	4.5	12	19.0	59
Manufactured or Mobile Home	NA	NA	NA	NA	3.2	10
Other (please specify)	0.8	1	1.1	3	0.0	0
13. Do you paint professionally?	124		264		319	
Yes	0.0	0	0.4	1	2.5	8
No	100.0	124	99.6	263	97.5	311
14. What is your age?	124		264		310	
Under 21	1.6	2	0.4	1	1.9	6
21-40	16.1	20	18.6	49	28.7	89
41-60	41.9	52	40.5	107	36.1	112
Over 60	39.5	49	38.6	102	33.2	103
Prefer not to say	0.8	1	1.9	5	0.0	0
15. Gender	124		264		310	
Male	50.8	63	45.1	119	44.2	137
Female	48.4	60	53.8	142	55.8	173
Prefer not to say	0.8	1	1.1	3	0.0	0
16. Educational Level	124		264		310	
Some High School	0.8	1	0.4	1	0.3	1
High School Graduate	5.6	7	6.1	16	5.2	16
Some College, Vocational, Trade, or Technical	25.8	32	23.5	62	33.5	104
4 year degree or higher	64.5	80	68.6	181	60.0	186
Prefer not to say	3.2	4	1.5	4	1.0	3
17. What is your household income?	124		264		310	
Less than \$50K	22.6	28	17.0	45	29.7	92
\$50 – 100K	37.9	47	36.4	96	37.7	117
\$100 – 150K	16.9	21	22.7	60	13.9	43
Over \$150K	6.5	8	8.7	23	6.1	19
Prefer not to say	16.1	20	15.2	40	12.6	39

Notes:

1. Questions 2 and 3 allowed more than one answer; percentages are based on the number of people.
2. NA indicates that the survey conduct did not ask the question.
3. There were no respondents from Gilliam, Grant or Harney Counties