



State of Oregon Department of Environmental Quality

Comments on 2016 Oregon Paint Stewardship Program Annual Report

DEQ has reviewed the Annual Report submitted 4/1/17, and has comments organized by Report section. For clarity, comments below labeled as “**Suggested**” are optional items to aid in readability; those labeled “Correction” or “**Required**” are mandatory changes.

Cover

Correction: **Please change “Solid Waste Policy and Program Development” to “Materials Management Program”, and street address to 700 NE Multnomah St., Suite 600, Portland, Oregon 97232**

Executive Summary

Page 4, 2016 Highlights--

Suggested: In the first bullet point, specify the number of one-day drop off events. Consider adding a highlight point related to Habitat for Humanity (see comment regarding page 22). Consider adding to the highlights a page reference to more detailed discussions of the highlighted issue.

Section 1

Page 6, Table 1—

Suggested: Add a column to show total tons by sector for current year.

Pages 6-8, Convenience Level—

Suggested: for context, add in the first sentence that the 96.3% figure provided by PaintCare represents successfully meeting the 95% minimum requirement in the statute.

Suggested: The maps on pages 7 & 8 have significant overlap, with no narrative link to either. We suggest removing the map on page 7, and showing all collection locations using the map on page 8, but placing it instead in the Appendices, as suggested in the Annual Report Checklist.

Page 9, Underserved Areas, paragraph 2—

Correction: **The text refers to “The appendix”, but does not identify it as Appendix D. Please cite the correct appendix.**

Page 10, Transportation, paragraph 1—

Suggested: To aid the reader, when referring readings to a different document here and elsewhere, include the page numbers of the document (pages 21-22 of the Program Plan in this instance).

Page 11, Reuse—

Required: Please provide details to help the reader understand the success of the reuse program, including the volume of paint sent to Metro and other locations for reuse, how the volume of paint sent for reuse in 2016 compares to prior years, and PaintCare strategy to expand reuse opportunities.

Section 2

Page 12, Paint Volume—

Correction: Please adjust the page reference for “Reconciling Volumes.” Report says page 16, actually on page 15 now (but may move after revisions).

Page 13, Deriving Processed Volume—

Required: Please provide the amounts provided by each entity.

Page 14, Deriving Collected Volume by Site/Event—

Correction: Please site the Appendix at the end of the first sentence. Please adjust the numbering in the Stericycle section; the numbers skip from (4) to (6). Discuss why over 52,000 fewer gallons were collected in 2016 when compared to 2015 (Table 5).

Page 16, Paint Disposition—

Correction: Table 7 shows reuse at 7%, however paragraph three says reuse reached 6 percent. Please reconcile.

Page 17, Latex Paint Recycling Rate Goal—

Suggested: Cite the pages in the Program Plan on how the paint goal was determined, so there is meaning to the 67% stated goal.

Required: Please discuss why the latex recycling rate dropped by 6% and steps anticipated to improve the recycling rate. Please include actions to improve latex paint recycling, if any, PaintCare is taking independent of Metro or in assisting Metro in its efforts.

Page 17, Container Recycling—

Required: Please describe efforts PaintCare is taking with the industry to address improving markets or developing recyclable containers.

Section 3

Page 18, Revenue—

Required: Please specify the source of “other income” to the program. Does this consist of any other income besides payments from Metro?

Pages 20 – 21 Unallocated Reserve Fund Discussion/Evaluation of the Operation of the Program’s Funding Mechanism—

Required: Provide context in this section on the imbalance between revenues and expenses that led PaintCare to request the assessment fee increase. Please provide specific examples in changes in program costs from 2015 to 2016 to better understand why the program ran a deficit of over \$300,000. Identify deviations from budget projections, particularly since PaintCare reports at page 21 that expenses were reduced by 8.1%. Page 20, final line, please clarify that the PaintCare fee schedule request is for September 2017.

Page 22, Program Cost-Effectiveness—

Suggested: Provide a more detailed discussion of the partnership with Habitat for Humanity. How is this partnership part of the cost effective implementation of the PaintCare program? Was recycled paint donated to Habitat? This partnership sounds like a positive outcome from the program that merits discussion in greater detail.

Pages 20-23, Tables 9 and 12—

Suggested: A year to year comparison of 2016 expenses and the 2017 budget will be easier if the data in Table 9 is included alongside the data in Table 12.

Required: Please explain the basis for the anticipated increases in Operations, Communications, and Administrative Costs from 2016 to 2017. Please discuss each of these three program areas independently and with specificity.

Section 4

Page 25, Point of Sale Material Awareness Measurement—

Required: Discuss the plan to follow up with the 76% of retailers who did not confirm knowledge of their obligation to provide information about the paint stewardship program to consumers at the time of sale.

Page 25, Television and Online Video—

Suggested: Details on the PBS segment, i.e, what program, when did/will it air?

Page 26, Post-Consumer Paint Reduction—

Required: What amount is budgeted to implement the study referenced in this section for 2017? In which expense category are research expenses included in the budget? Please provide details giving the reader a better understanding of what the consultant was tasked to do or cite the pages in the Program Plan Amendment.

Page 26, Public Awareness—

Correction: To reduce confusion, either 1) remove the last paragraph regarding survey results that are not relevant to this goal being omitted, or 2) amend the sentence to indicate that the results from any current or previous non-probability based surveys that PaintCare conducts are not recognized by Oregon DEQ as valid metrics of Public Awareness and will no longer be reported in Annual Reports.

Appendices

Appendix B—

Required: (Please clarify elsewhere in the Report). The auditor’s report identifies the Oregon program as organized as a single-member limited liability company. In PaintCare’s response to the October, 2016 Warning Letter, as well as in subsequent discussions at the end of 2016, PaintCare stated that this corporate structure had not been implemented. What is the current status of the Oregon Program’s corporate structure? What are the plans for the LLC that was established?