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Howard Levenson
Department of Resources Recycling and Recovery
1001 I Street
PO Box 4025, MS 13A
Sacramento, CA 95812
Submitted via email: Paint@CalRecycle.ca.gov

SUBJECT: Comments on PaintCare Annual Report

Dear Mr. Levenson:

On behalf of the 22 rural county members, the Rural Counties' Environmental Services Joint Powers Authority (ESJPA) appreciates the opportunity to provide comments on the PaintCare Annual Report. The ESJPA supported and has been involved in the Architectural Paint Recovery Program and the development of the associated regulations. Currently, only a few of our members are participating in the PaintCare program but we are hopefully that the current barriers to participation will be resolved in one way or another.

Our primary concerns with the submitted annual report include the following issues:

- It was difficult to reconcile the annual report with the approved plan
- The Executive Summary description regarding “Partnering with Household Hazardous Waste Programs” does not accurately reflect the historical or the current status activities
- No discussion of the challenges for including “big box” stores into the PaintCare program
- The geographic distribution goal is insufficient to provide service to rural communities
- Agreement with the flaws in the baseline data
- The financial reporting should clearly indicate that no paint fee funds were used for the PaintCare suit with CalRecycle
- The program financial reporting does not clearly indicate estimated startup related costs versus expected continuing operational costs

Please contact me at (510) 703-0898 or lsweetser@rcrcnet.org with any questions.

Larry

Larry Sweetser
ESJPA Consultant

Enclosure

cc: Members, Rural Counties' Environmental Services Joint Powers Authority
Mary Pitto, Program Manager, Rural Counties' Environmental Services Joint Powers Authority

ESJPA Comments on PaintCare Annual Report

Annual Report Comparison with Approved Plan

The approved program plan includes many tables for anticipated volumes to be collected and estimated budget categories while the submitted annual report includes those categories of information but in different formats that are not consistent with the approved plan. This inconsistency makes accurate comparisons impossible. For example, the approved plan’s budget on page 26 states:

<i>Operational costs:</i>		
<i>Transportation</i>	9,717,725	14,838,453
<i>Processing</i>	1,865,904	4,157,766
<i>Communications</i>	3,500,000	3,500,000
<i>Reusable totes</i>	1,150,000	600,000
<i>Legal fees</i>	875,000	100,000
<i>CalRecycle administrative fee</i>	600,000	375,000
<i>Program support</i>	1,747,383	1,496,150
<i>Total operational costs:</i>	19,456,012	25,067,369

The annual report financial statement indicates:

Expenses	
Program and delivery:	
Transportation and processing	4,140,248
Communication	2,374,681
Legal fees	333,852
State agency administrative fees	372,032
Collection support	513,353
Other program expenses	425,486
Total program and delivery	8,159,652

“Partnering with Household Hazardous Waste Programs”

We appreciate PaintCare’s continued efforts to partner with our rural members.

The annual report indicates that:

“An effort was made by a coalition of local governments to negotiate contracts with PaintCare through a multi-jurisdiction process. However, given the great variety of operational and contracting needs of the state’s household hazardous waste (HHW) programs, individual contract negotiations were found to be the most effective means to establish partnerships.”

The coalition of local government efforts was to address issues of common concern and recommendation on language to address those concerns so that individual jurisdictions would not waste precious funds to address the same issues. The HHW community has a historically collaborative process assisting each other with full

realization that each jurisdiction needs to implement their own contracts due to specific individual requirements and needs.

The second sentence implies that individual contracts were the “most effective means to establish partnerships”. Given the significant concerns regarding PaintCare’s proposed insurance and liability contract provisions and the limited number of municipal agreements signed within the first year, a municipal contract is not the “most effective” means to participate. Currently, significantly more jurisdictions are signing or preparing contract amendments with their current HHW service provider rather than a municipal contract.

PaintCare has contributed significant resources to providing a variety of “partnership” options and the report should reflect that effort and current practice and not favor the municipal contract.

“Big Box” Store Challenges

PaintCare has devoted significant efforts to enlist smaller paint retail outlets. Due to the delays in municipal partnerships, most of paint collection locations are at those stores. The “Big Box” stores have been extremely reluctant to participate in any product stewardship efforts. The annual report does not address this challenge in any way and it should be mentioned.

PaintCare Redefinition of “Permanent” Household Hazardous Waste Program

While it is understandable for PaintCare to identify the differences for their efforts between permanent HHW programs that operate infrequently and temporary events operating on a frequent basis, redefining the term “permanent” facility will result in significant confusion in terms of current and potentially future permitting and approval of these facilities. Identifying a temporary HHW facility as a permanent PaintCare site or the inverse usage should not be done. PaintCare can develop another means to identify those differences.

Geographic Distribution Goal Fails to Serve Rural Communities

We appreciate PaintCare’s continued efforts recruit rural communities beyond the stated geographic distribution goal. Rural residents are accustomed to traveling 15 miles or more for services.

Our concern is that the annual report indicates, “PaintCare will continue to add sites as needed to also achieve its population density goal of one site for every 30,000 residents of a population center”. This statement is extremely disturbing since it implies that once PaintCare reaches that goal, they are done. That distribution will not provide adequate service to our rural jurisdictions that contribute to the paint fee but would receive no benefit.

Baseline data flaws

We share PaintCare’s concern on flaws in the baseline data. This issue will continue to plague the collection of paint and other future HHW by product stewardship efforts. This issue can be worked on as we go forward.

Financial Reporting

The financial reporting should clearly indicate that no paint fee funds were used for the PaintCare suit with CalRecycle.

In order to evaluate the financial impact of the PaintCare program, the program financial reporting should clearly indicate estimated startup related costs versus expected continuing operational costs.