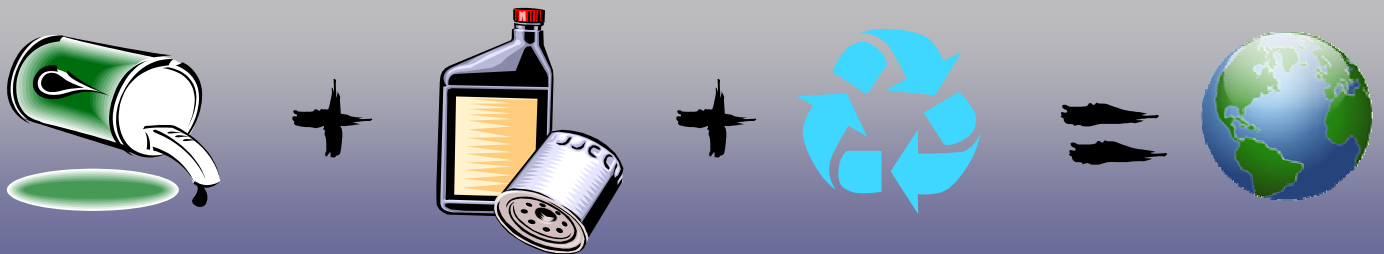


# Alberta Used Oil Management Association

## *Business Plan 2009 – 2011*



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# 1 ACCOUNTABILITY STATEMENT

The Alberta Used Oil Management Association's (AUOMA) Business Plan for the period January 1, 2009 through December 31, 2011 was prepared in accordance with the requirements of the organization's bylaws. All of AUOMA's existing and proposed policies and procedures as of January 2009, and all of the Association's accountability obligations and relationships have been considered in preparing this Budget and Business Plan.

AUOMA is committed to achieving the planned results laid out in this Business Plan.

Approved by the Board of Directors,  
Alberta Used Oil Management Association  
November 21<sup>st</sup>, 2008

## **2 LEGISLATIVE MANDATE**

AUOMA has been incorporated under the Alberta Societies Act since April 22<sup>nd</sup>, 1993 for the purposes set out in the objects of the non-profit industrial association, including the establishment and administration of a waste minimization and recycling program. AUOMA is further bound by regulation under the Alberta Environment Protection and Enhancement Act (Regulation 82/97 and Appendices).

### **The Lubricating Oil Material Recycling and Management Regulations**

AUOMA has been statutorily enabled since April 30<sup>th</sup>, 1997 to collect an Environmental Handling Charge, which forms the basis of the Lubricating Oil Material Recycling and Management Fund (the “Fund”). AUOMA is authorized to disburse funds for the administration and management of its recycling program. AUOMA is accountable to the Minister of Environment pursuant to the enabling regulation.

AUOMA’s regulatory bylaws provide for, among other things, the purposes for which the Fund will be used, the imposition of surcharges by the Association in respect of transactions in lubricating oil materials by wholesalers, and providing for all matters related to the payment of those surcharges to the Association, and registration of lubricant materials wholesalers, including prescribing the amount of any registration fee.

The Lubricating Oil Material Recycling and Management Regulation has an expiry date of June 30, 2009 and is, therefore, subject to review which is currently underway.

## 3 VISION, MISSION AND PROGRAM PARAMETERS

### 3.1 VISION

AUOMA supports practical principles of waste management and environmental stewardship amongst businesses and households in Alberta, enabling balance between the economic, social and environmental parameters of a sustainable, well-functioning society. To this end, AUOMA envisions:

- Every litre of used oil and related materials that can effectively be collected is recycled or reused.
- The collection, recycling and reuse of used oil materials is done through private industry, operating without government subsidization.
- Albertans are aware of the hazards of improper disposal of these used oil materials and cooperate fully in their recycling and reuse.

### 3.2 MISSION

AUOMA's mission is to establish and administer effective and efficient used oil materials waste minimization and recycling programs in Alberta, in keeping with Alberta Environment's mission to assure the effective stewardship of Alberta's environmental systems to sustain a high quality of life.

### 3.3 PROGRAM PARAMETERS

In 1997, the Alberta Government announced approval of the Lubricating Oil Material Recycling and Management Regulation establishing the Alberta Used Oil Management Association (AUOMA) as a management board responsible for managing programs to improve the collection and recycling of used oil materials in Alberta. Directors of this board are drawn from its members, retailers, government and other non-government organizations.

AUOMA's Incentive Program features funding through an Environmental Handling Charge (EHC) levied on wholesale suppliers, Return Incentives (RI) to private sector Collectors of used oil materials, and collection coverage assured in all markets through Freight Equalized Zone Pricing for RIs.

The program framework can be summarized as follows:

1. Programs are based on the user pay concept. The payment of EHC is tied to the point of first sale in the province to the consumer/generator rather than on the material return.
2. Programs are designed with a sunset clause that will enable the Association to cease operations once there is a long-term mechanism to sustain high returns on collection and recycling of used oil related materials in the province of Alberta.
3. Programs do not support end uses that result in road oiling and landfilling, and strive to support end uses that balance optimal economic and environmental opportunity.
4. The intent of the AUOMA program is to improve service and increase the collection of used oil materials in those markets not adequately serviced, without negatively impacting the collection and servicing of those markets that were well serviced prior to the program's implementation.

5. AUOMA is subject to regulation but it is not a regulatory authority, and it does not own or control collection or recycling facilities.
6. AUOMA does not interfere in or advise on the business decisions of its registered members/EHC remitters or its registered Collectors and Processors.

## 4 BUSINESS PLAN OVERVIEW

This business plan outlines the direction AUOMA will follow over the next three years.

### 4.1 CORE BUSINESSES

#### **Core Business 1: Program Management**

AUOMA administers used oil material waste minimization and recycling programs directed at the private sector.

#### **Core Business 2: Communications**

AUOMA informs stakeholders of the need and benefit of returning used oil materials for recycling.

#### **Core Business 3: Funds Management**

AUOMA prudently manages Environmental Handling Charge (EHC) and Return Incentive (RI) funds to fulfill its mandate.

### 4.2 GOALS

1. Meaningful accountability to all stakeholders.
2. Optimized program recovery rates.
3. Informed stakeholders, including participating Wholesale Suppliers, Collectors and Processors.
4. Responsible management of used oil materials.

### 4.3 STRATEGIC AREAS AND PERFORMANCE MEASURES

The AUOMA plan is organized around the following three strategic areas:

1. Wholesale Suppliers and EHC.
2. Collectors, Processors and RI.
3. Program Integrity and Growth.

## 5 CORE BUSINESSES IN DETAIL

### 5.1 CORE BUSINESS 1: PROGRAM MANAGEMENT

AUOMA administers used oil material waste minimization and recycling programs directed at the private sector.

#### GOAL 1: MEANINGFUL ACCOUNTABILITY TO ALL STAKEHOLDERS

##### Key Strategies

##### *Wholesale Suppliers and EHC*

#### 5.1.1 MAXIMIZE THE COLLECTION OF EHC

The EHC is collected on the sale of oil, oil filters and oil containers. Through effective communication with members and current program registrants, and AUOMA's remittance enforcement policy, AUOMA will ensure that organizations that are first-sellers of EHC applicable products are registered with AUOMA and complying with the Regulation.

AUOMA will be communicating with its EHC registrants/association membership on an opportunity to include the wholesale supply of automotive glycol products (e.g. antifreeze) and glycol/windshield washer and lubricating oil additives plastic containers in the used oil materials recycling program. These products are showing up in collections for recycling but they are not being tracked or encouraged for collection. Unfunded RIs are being paid out for these ineligible materials. AUOMA will also urge regulatory inclusion for these materials to enable fund management for collection and recycling.

AUOMA administers a material specific data management system that tracks the volumes of EHC applicable materials. This system is used to track sales and assist in ensuring all EHCs are remitted. As well, regular compliance reviews are conducted to ensure the completeness and accuracy of EHC remittances. EHC management remains a collaborative effort with used oil management associations in Canada.

##### Key Outcome Measures

- Obtain regulatory sanction to set EHCs through market-driven direction and authority.
- Eligibility of glycol and related products as EHC applicable and seek regulatory approval for inclusion.
- New EHC's with stakeholder support, if/as appropriate.

<u>Collection of EHC</u>	
<u>Year</u>	<u>EHC Revenue</u>
2008 projected	\$15.6 million
2009 budgeted	\$15.6 million
2010 budgeted	\$15.7 million
2011 budgeted	\$15.7 million

## *Collectors, Processors and RI*

### **5.1.2 MAXIMIZE THE FLOW-THROUGH OF EHCS TO RIS**

AUOMA will ensure that the cost of administering the programs will remain low, and a high percentage of the flow-through of EHCs will be to RIs and other program costs. AUOMA will monitor closely its administrative and program costs by tracking all costs and comparing them to budget and previous periods. The Board of Directors will review AUOMA's financial and operations reports at least quarterly.

#### **Key Outcome Measures**

##### **Maximize flow-through of EHCs to RIs**

<b>Year</b>	<b>Percentage*</b>
2008 projected	4.0%
2009 budgeted	3.7%
2010 budgeted	4.2%
2011 budgeted	4.6%

\*Percentage of funds management costs as a percentage of EHC.

## *Program Integrity and Growth*

### **5.1.3 ENCOURAGE A SELF-SUSTAINING USED OIL MATERIAL RECYCLING INDUSTRY**

AUOMA will not own or control collection or recycling facilities. AUOMA will review its program regularly to address potential improvements and to encourage sustained high rates of recovery of used oil materials.

#### **Key Outcome Measure**

- Alberta Environment, Used Oil Management Associations (UOMA) and stakeholders cooperation on cost-benefit of used oil materials recycling opportunities.

### **5.1.4 EFFECTIVE GOVERNANCE**

AUOMA will fulfill its responsibility to deliver effective and efficient administration and to meet its obligations associated with sound corporate governance. AUOMA will continue to maintain and report against a corporate governance framework as laid out in its Director's Manual.

AUOMA will ensure that the documents required as part of the corporate governance framework are prepared, reviewed and reported on annually, in conjunction with AUOMA's Annual Report.

AUOMA has undertaken a governance review, updated its Director's Manual and continues to strive to achieve best practices in self-governance. AUOMA's Board reports to the Minister of Environment on an annual basis and operates also under a Memorandum of Understanding with the Minister on separation of responsibilities.

### **Key Outcome Measures**

- Checklist review of Board responsibilities and actions by Board Committee, and report back to Board on results/amendments.

#### **5.1.5 ENSURE FULL ACCOUNTABILITY**

AUOMA follows a comprehensive accountability framework that ensures it acts according to its mandate and objectives. The accountability framework governs AUOMA in a manner that ensures its mandate is being fulfilled, its objectives are being pursued, and that the members and the Board of Directors are well informed. AUOMA reviews, assesses and reports on project compliance, quarterly financial and operations statements, budgeting, Business Plan and Annual Reports, and an Incentive Program for Collectors and Processors.

AUOMA's policies and protocols forming its accountability framework are under review regularly. For 2009, as part of a Regulatory Review, AUOMA will be determining the magnitude of its impact on used oil material recycling, and making changes to policies and programs, if/as appropriate. AUOMA will continue to be accountable to, and supportive of, its membership.

### **Key Outcome Measures**

- Audit and financial reports.

#### **5.1.6 MAINTAIN PROGRAM CONSISTENCY**

Program consistency between affiliate used oil materials associations in British Columbia, Alberta, Saskatchewan, Manitoba and Quebec allows national and international members the ability to collect and remit the EHC with minimal computer software adjustments, minimal training of a new provincial program and minimal additional changes to internal procedures to ensure compliance. A significant common membership encourages national collaboration on recycling objectives.

By liaising with the other used oil recycling associations and ensuring effective communication with members, AUOMA will ensure any changes or updates to the program are consistent with the other four provinces.

AUOMA remains the only member of a national group of used oil management associations (UOMA) which is unable to collaborate on joint Annual General Meetings held out-of-province because of restrictions in Alberta's Societies Act. For a large national, common registered membership between associations, this is inconvenient and inefficient. AUOMA has tried to remedy the matter with the Alberta Government but to no avail. It will continue its efforts.

### **Key Outcome Measures**

- Affiliation with national used oil management associations.
- Continued program development in keeping with national standards.
- Measure of leadership in setting national program standards.
- Amendment to the Societies Act enabling out-of-province, joint AGMs with other UOMAs.

## GOAL 2: OPTIMIZED PROGRAM RECOVERY RATES

### Key Strategies

#### *Wholesale Suppliers and EHC*

##### **5.1.7 PROMOTE INCREASE IN RECOVERY RATES**

AUOMA is committed to promoting recovery rates (percentage of recoverable used oil materials generated, that are collected under AUOMA's program) of used oil, oil filters and oil containers in Alberta to achieve optimal recovery but strive to maintain at least an 80% recovery rate.

Through effective communication with Collectors, Processors and oil material Generators and managed RIs, AUOMA will work to continue to achieve a growth in the recovery rate. AUOMA will continue to monitor the incentive program to stimulate the collection and recycling of used oil materials. Where necessary, AUOMA will introduce changes to the incentive program to meet its objectives.

AUOMA maintains a database of return collection facilities that will accept used oil materials from consumers. The database can be accessed by the public via a toll-free number or through AUOMA's website.

### Key Outcome Measures

- Stakeholder-assisted research on consumed-in-use lubricating oil volumes and proportions.
- Diligence on collections and processing, and accuracy in reporting, to ensure optimal recovery rates.
- EHC and RI levels at appropriate levels and relationship to optimize recovery of used oil materials.

#### *Collectors, Processors and RI*

##### **5.1.8 ENCOURAGE COLLECTING AND RECYCLING INDUSTRY PARTICIPATION**

The programs in place are required in order to improve service, increase the collection of used oil materials and enhance the collection system infrastructure, in particular for used oil filters and oil containers.

AUOMA will ensure communication with Collectors and Processors through meetings with Collectors and Processors. Regular reviews of RIs, zone allocations and any other issues that face the Collectors and Processors in Alberta and other provinces will ensure collecting and processing industry participation in the program.

### Key Outcome Measure

- Collectors and Processors meeting to review program policies and procedures as presented in a revised C&P Manual, to garner C&P input and buy-in on policies, procedures and accurate reporting.

## *Program Integrity and Growth*

### **5.1.9 APPROPRIATE MEASUREMENT TOOLS**

AUOMA will utilize meaningful measurement tools to monitor and report on recovery rates.

AUOMA administers a material specific data management system that tracks the volumes of used oil materials collected and processed, and identifies the zone from which it was collected. This system is used to evaluate recovery rates and geographical coverage of the collection of used oil materials to assist in the enhancement of the program, as required in AUOMA's goals.

By utilizing the measurement tools that have been put in place, AUOMA is able to track the current recovery rates for comparison to the planned recovery rates.

#### **Key Outcome Measures**

- Consumed-in-use study.
- Used oil filters and plastic containers surveys to determine possible changes to measures for recovery.
- Application of Federal Government standards to AUOMA performance on recovery rates, as appropriate.

### **5.1.10 MAINTAIN APPROPRIATE RECOVERY RATES IN ALL ZONES**

AUOMA will ensure all areas of the province are achieving adequate recovery rates.

AUOMA has divided the province into 6 zones for the purpose of implementing freight-equalized RI rates as well as to facilitate tracking of regional recovery rates. As sales volumes by zone cannot be accurately determined, recycle rates by zone cannot be calculated accurately. AUOMA monitors recycle rates in three ways to best ascertain regional recovery:

- Calculate province-wide recycle rates by material.
- Yearly comparative of number of collection facilities by zone.
- Compare rural collection percentage against a long-term objective for each material.

#### **Key Outcome Measure**

- A measurement of used oil materials rural collections to ascertain level of accuracy in zoned recovery rates. Determine improvements, if/as appropriate.
- A pilot project with BCUOMA and able Collectors and Processors to test mobile, downloadable electronic data processing of collections.
- Alberta Environment-AUOMA collaboration on tracking end-uses of used oil, oil filters and oil containers to ensure agreement on end uses and accuracy of data on end uses.
- Recovery rate targets by product and collection year (see [Appendix I](#)).

## Some Assumptions for Recovery Rates

- Sales of lubricating oil and filters will continue to mirror the economic activity in the province. Oil container sales will grow at a much lower rate.
- Growth in collections will be only moderately higher than sales as all products approach maturity.
- As collections reach maturity, discretionary costs will be scaled back and tailored to maintain the target levels of recovery.
- New and traditional markets for used oil will continue to maintain a supply/demand balance.
- Current economic downturns will impact demand for recycled materials.
- Program costs will be managed within the EHC/RI model.

### 5.1.11 MONITOR ACCEPTABLE MARKETS FOR PROCESSED USED OIL MATERIALS

AUOMA's program does not pay RIs for road oiling or landfilling. AUOMA will monitor end uses to ensure its program requirements are being met. The association will work with stakeholders on promoting effective and practical end use of recycled products that meet optimal market and environmental objectives.

AUOMA, UOMA, Alberta Environment and stakeholders need to ascertain the impact of economic downturns on the used oil materials recycling industry and determine any appropriate measures to sustain the industry.

#### **Key Outcome Measure**

- Alberta Environment, UOMA and stakeholders cooperation on cost-benefit of used oil materials recycling opportunities.

## 5.2 CORE BUSINESS 2: COMMUNICATIONS

AUOMA informs stakeholders of the need and benefit of returning used oil materials for recycling.

### GOAL 3: INFORMED AND PARTICIPATING WHOLESALE SUPPLIERS, COLLECTORS AND PROCESSORS

#### Key Strategies

##### *Wholesale Suppliers and EHC*

#### 5.2.1 ENCOURAGE PUBLIC AND INDUSTRY AWARENESS

AUOMA will increase public awareness through “Make Every Drop Count”, “Shifting into High Gear” and other promotions. This will be accomplished through partnering with key stakeholders in order to reach a broad and diversified audience. AUOMA will participate in providing a consistent message across Western Canada by also partnering with British Columbia Used Oil Management Association (BCUOMA), Saskatchewan Association for Resource Recovery Corp. (SARRC), Manitoba Association for Resource Recovery Corp. (MARRC), and the Société De Gestion Des Huiles Usagées (SOGHU) in the development of an integrated communications strategy.

#### Key Outcome Measures

- EHC remitters/members survey on new applicable products.
- EHC remitters/members survey on EHC levels and adjustments.
- Select EHC remitter/member opinion on methods to better collect used oil materials from public at commercial and retail outlets.

##### *Collectors, Processors and RI*

#### 5.2.2 COMMUNICATE WITH REGISTERED COLLECTORS AND PROCESSORS GROUP

As Collectors and Processors are an integral part of the AUOMA program, management will continue to exchange opinions with the Collector and Processor group on program improvements.

#### Key Outcome Measures

- Meet C&P registrants and discuss:
  - Mutual promotional opportunities.
  - Website and other promotional media.
  - Follow-up on summer Ambassador survey of collection facilities with C&P registrants.
  - Facilities/equipment upgrade to encourage better use of public used oil materials collection sites.

### **5.2.3 ASSIST ACCESS FOR GENERATORS TO REGISTERED COLLECTORS**

AUOMA will continue to assist access for Generators to Registered Collectors of used oil products by regularly updating the website database for Registered Collectors. The RIs have been set by zones and by used oil material to ensure that Collectors have an incentive to service all markets in Alberta. Through communication with Collectors and Generators, AUOMA will work to ensure that communication linkages with Generators are adequate.

#### **Key Outcome Measures**

- At C&P Registrants meeting, include discussion on:
  - Generator relationship with Collectors to address certain collection difficulties.
  - Need for signage/notices at Generator collection sites.
  - Better informed Public and Generators about used oil materials collection and recycling.
- An improved, Collector-assisted Generator database to facilitate reliable, current contact with Generators.

#### ***Program Integrity and Growth***

### **5.2.4 PROMOTE ADEQUATE RETURN COLLECTION FACILITY COVERAGE**

The intent of the AUOMA program is to improve service and increase the collection of used oil materials in those markets not adequately serviced, without negatively impacting the collection and servicing of those markets that were well serviced prior to the program's implementation. AUOMA will continue its agreement with the Alberta Used Oil Recycling Corporation (AUORC) until December 31<sup>st</sup>, 2009, in managing 53 rural collection facilities.

Summer student "ambassadors" have been engaged to survey rural collection facilities to ascertain the level of service at each. Their 2008 report covered facilities in four of AUOMA's six zones and provided valuable insight to the facilities. The ambassadors will continue their work in summer 2009.

#### **Key Outcome Measures**

- Survey of municipalities on Eco-Centre/municipal recycling centre services.
- AUORC direction on-going collection service.
- Report of the summer student Ambassadors on rural used oil materials collection facilities.
- Trade show, event and media promotions of AUOMA's programs and used oil materials collection facilities.
- Multi-media promotions on used oil materials recycling.

## Return Collection Facility Coverage

AUOMA strives to ensure a minimum number of return collection facilities are available for all three materials in all zones. The most current data for 2008 is as follows:

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Number of Collection Facilities				
Zone	Used Oil	Oil Filters	Oil Containers	Total
1	121	117	100	129
2	64	76	64	87
3	18	25	25	30
4	39	35	44	47
5	32	31	31	34
6	12	11	12	16
	<u>286</u>	<u>295</u>	<u>276</u>	<u>343</u>

## **5.3 CORE BUSINESS 3: FUNDS MANAGEMENT**

AUOMA prudently manages Environmental Handling Charge (EHC) and Return Incentive (RI) funds to fulfill its mandate. Professional fund managers are engaged to provide direction and security on fund accounts.

### **GOAL 4: RESPONSIBLE MANAGEMENT OF USED OIL MATERIALS**

#### **Key Strategies**

##### *Wholesale Suppliers and EHC*

#### **5.3.1 COMPLIANCE WITH REGULATIONS**

AUOMA will ensure that its fund management policies and procedures are in compliance with governing Regulations.

#### **Key Outcome Measure**

- Input to and direction from 2009 Regulatory Review on fund management.

##### *Collectors, Processors and RI*

#### **5.3.2 ENSURE HIGH LEVEL OF PROGRAM COMPLIANCE**

Through the development of policies and procedures, AUOMA will exercise due diligence in ensuring only those Collectors and Processors that meet the program terms and conditions receive funding through the AUOMA program.

#### **Key Outcome Measure**

- C&P Manual update and new program audit of Collectors and Processors.

##### *Program Integrity and Growth*

#### **5.3.3 PROGRAM APPROVED END-USES**

AUOMA does not support end uses that result in road oiling or landfilling.

#### **Key Outcome Measure**

- Alberta Environment, UOMA and stakeholders cooperation on cost-benefit of used oil materials recycling opportunities.

## 6 FINANCIAL PLAN

### 6.1 REVENUES AND EXPENDITURES

AUOMA's fiscal year-end is December 31<sup>st</sup>.

#### Budget

	<b>2008 projection</b>	<b>2009 budget</b>	<b>2010 budget</b>	<b>2011 budget</b>
	(In 000's)	(In 000's)	(In 000's)	(In 000's)
<b>Revenue:</b>				
<b>Environmental Handling Charge</b>	15,637	15,614	15,660	15,706
<b>Interest and investment income</b>	158	200	191	176
<b>Registration fees</b>	2	1	1	1
<b>Total Revenue*</b>	15,797	15,815	15,852	15,833
<b>Expenditures:</b>				
<b>Program Management Costs:</b>				
<b>Return Incentives</b>	14,679	15,280	15,655	16,035
<b>Incentives for return collection facilities</b>	78	50	-	-
<b>Communications and public relations</b>	264	295	310	325
<b>Compliance Reviews</b>	72	55	58	61
<b>Management/Administration Contracts</b>	53	52	54	58
<b>Legal</b>	31	10	10	11
<b>Consulting</b>	61	200	100	100
<b>Allowance for bad debt</b>	-	-	-	-
<b>Total Program Management Costs*</b>	15,236	15,943	16,188	16,590

\* Figures rounded off to nearest zero

## Budget (continued)

### Expenditures (continued):

	<b>2008 projection</b>	<b>2009 budget</b>	<b>2010 budget</b>	<b>2011 budget</b>
	(In 000's)	(In 000's)	(In 000's)	(In 000's)
<b>Administrative Costs:</b>				
Management/Administration Contracts	324	346	361	383
Legal	36	40	41	42
Audit	35	36	37	38
Office and general expenses	71	75	81	90
Rent	46	48	82	113
Board expenses	106	22	43	44
Amortization	9	13	10	6
<b>Total Administrative Costs*</b>	<b>628</b>	<b>579</b>	<b>655</b>	<b>717</b>
<b>Total Expenditures*</b>	<b>15,864</b>	<b>16,522</b>	<b>16,843</b>	<b>17,307</b>
<b>Excess Revenue Over Expenditures(Deficit)*</b>	<b>(67)</b>	<b>(707)</b>	<b>(991)</b>	<b>(1,424)</b>

\* Figures rounded off to nearest zero

### **Note on Reserve Fund**

AUOMA has not contributed surplus funds to the Reserve Fund for several years. As a measure of financial security and in keeping with AUOMA's policy on maintaining a sunset clause for operations, AUOMA needs to establish a financial environment, through raised revenues/reduced costs that enables an annual contribution to the Reserve Fund.

## AUOMA Operating Cost Allocation

**Administration:** Includes expenditures resulting from the general administration of the AUOMA program including activities of the Board of Directors, management, staff, stakeholder communications, computer systems, space, supplies and overhead expenses. Management, staff and professional support costs are prorated according to the following chart.

**Program Delivery:** The direct cost of operating the AUOMA programs including merchandising and promotions, compliance reviews of EHC remittances and RI payments. Management, staff and professional support costs are prorated according to the following chart.

Allocation:

<b>Cost</b>	<b>Administration %</b>	<b>Program Delivery %</b>
<b>Executive Director</b>	80%	20%
<b>Finance and Administration Staff</b>	90%	10%
<b>Legal Support</b>	80%	20%
<b>Internal Audit</b>	100%	-
<b>Program Compliance Reviews</b>	-	100%
<b>Program Promotion</b>	-	100%

## 6.2 MONITORING AND EVALUATION

AUOMA will continue to monitor its actual results and will compare these to the planning estimates or performance measures established for each goal. Business plan evaluation reports will be prepared by management and presented to the Board at each Board meeting.

AUOMA is prepared to assess and adjust the plan at any time to ensure that it is pursuing its goals and objectives in the most effective and efficient manner. Adjusting the plan may be expressed by modifying the approach used to manage project types and expenditures, or by modifying targets to more appropriate levels.

AUOMA is committed to evaluating its goals annually to ensure they are consistent with its mandate and objectives, and add or adjust its goals as may be desirable with regard to the above. Areas for improvement are identified as part of an annual overall evaluation by AUOMA, through its Board of Directors in conjunction with management, as part of the annual reporting function. All policies and procedures are reviewed annually to ensure consistency with AUOMA's mission, objectives and goals, and to assess effectiveness.

This business plan is updated annually and the Board approves the annual three-year business plan prior to the fiscal year-end of AUOMA.

## APPENDIX I

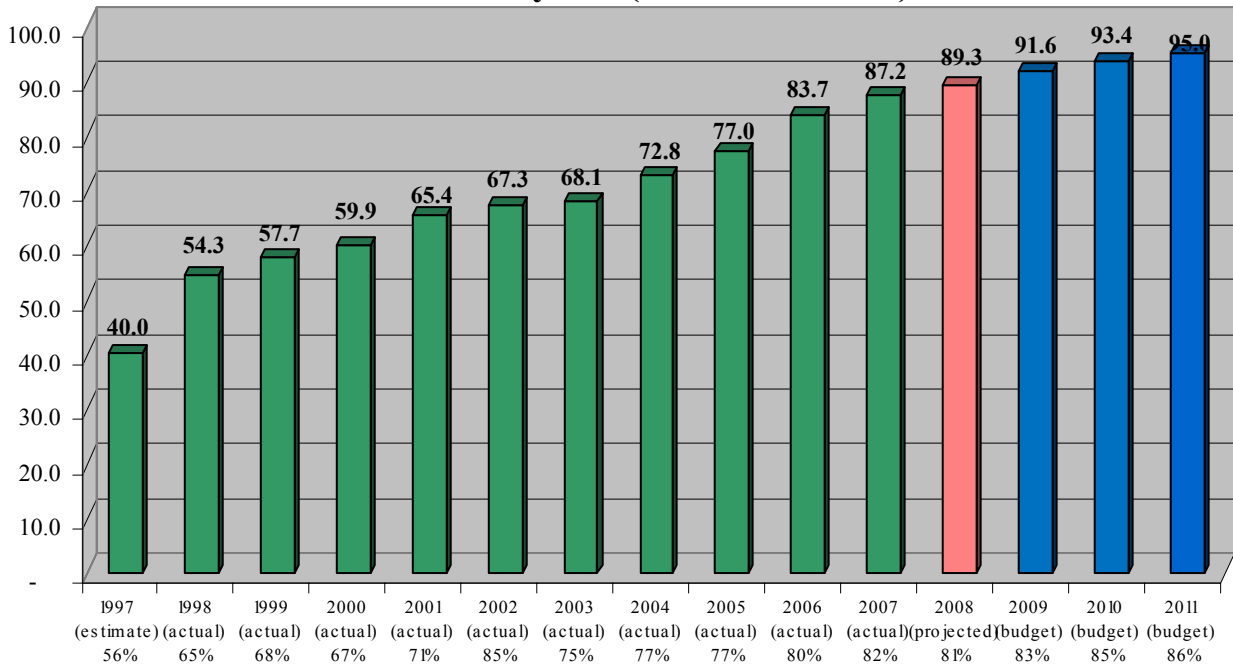
### RECOVERY RATE TARGETS

#### Recovery Rates

##### Used oil recycled

Year	2008 projection	2009 budget	2010 budget	2011 budget
<b>Estimated Sales</b> (in millions)	170.7 L	170.7 L	170.7 L	170.7 L
<b>Estimated Recoverable Portion</b> (in millions)	110.1 L	110.1 L	110.1 L	110.1 L
<b>Estimated Percentage Recovered</b>	81.1	83.2	84.8	86.3
<b>Estimated Quantity Recovered</b> (in millions)	89.3 L	91.6 L	93.4 L	95.0 L

**Used Oil Recycled (millions of litres)**



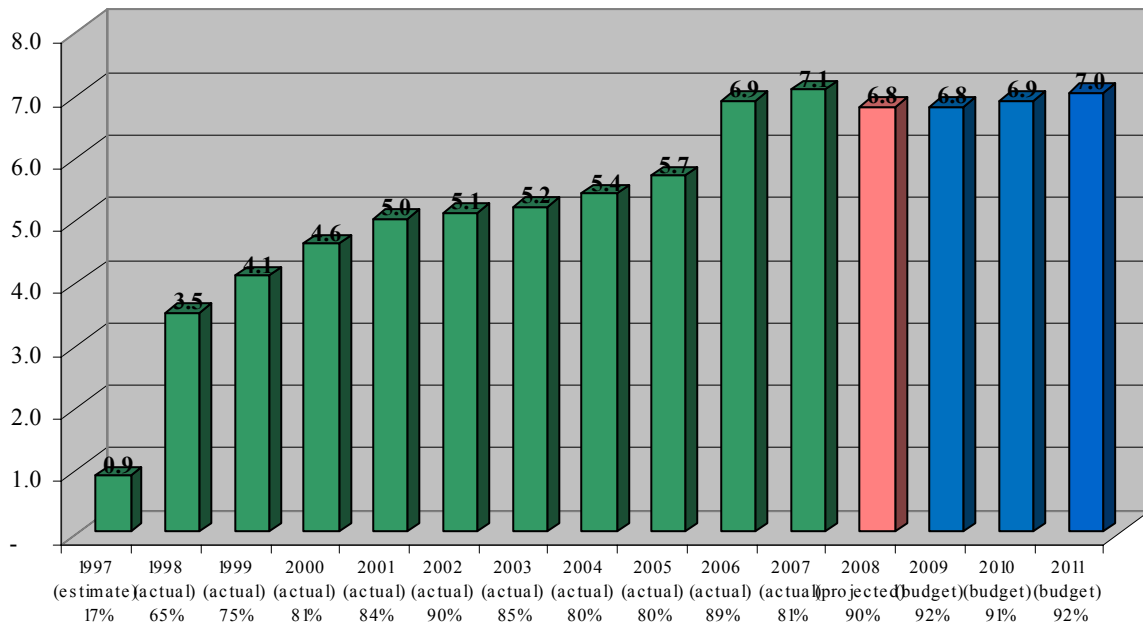
**Assumptions:** Annual Sales Growth – 0.0%, 0.0%, 0.0%  
Annual Collections Growth – 2.5%, 2.0%, 1.75%

Increase in the percentage recovery rate in 2002 is due to an adjustment made to correct volumes of railway oil that were credited to AUMOA in error. The following years data is unaffected by this correction.

## Used filters recycled

Year	2008 projection	2009 budget	2010 budget	2011 budget
Estimated Sales (in millions)	7.98 (6.82 kg)	7.98 (6.82 kg)	8.05 (6.89 kg)	8.13 (6.96 kg)
Estimated Recoverable Portion (in millions)	6.82 kg	6.82 kg	6.89 kg	6.96 kg
Estimated Percentage Recovered	89.88	91.85	90.94	90.94
Estimated Quantity Recovered (in millions)	6.13 kg	6.27 kg	6.27 kg	6.33 kg

## Used Filters Recycled (millions of kgs)



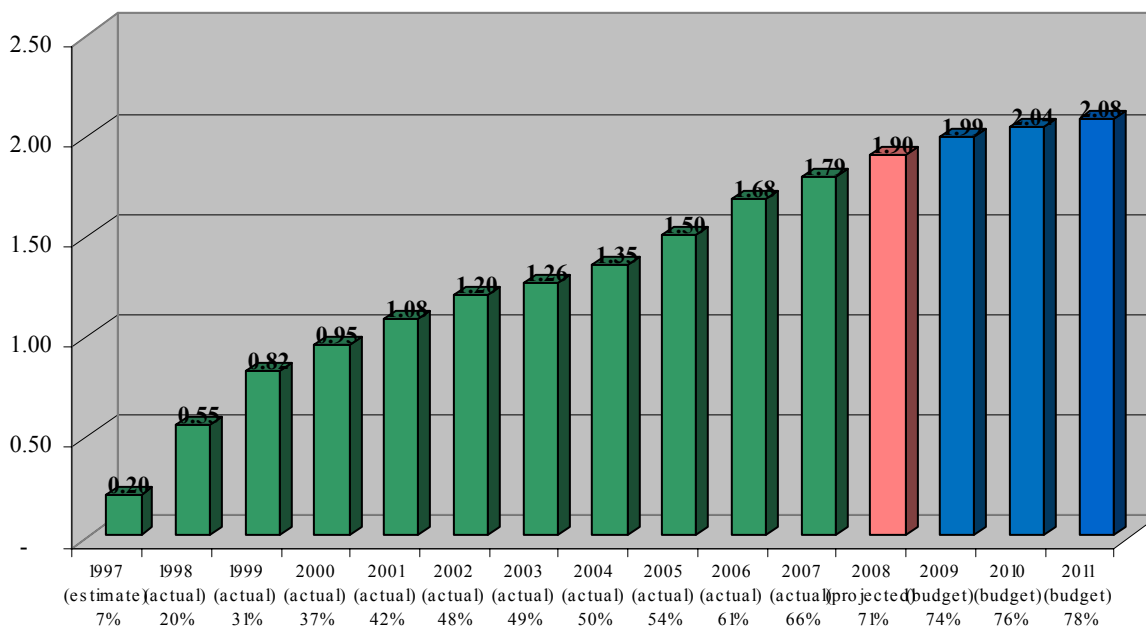
**Assumptions:** Annual Sales Growth – 0%, 1%, 1% Annual Collections Growth – 2%, 0%, 1%

Drop in percentage recovery of filters occurred in 2003 because of an increase in filter sales due to the capture of some hydraulic and transmission filters not previously registered in the program. As these filters were being collected, the increased sales did not see a corresponding increase in collections, therefore, an apparent reduction in percentage recovery. Drop in 2007 rate due to deficient claims by a large collector, since corrected.

## Used containers recycled

Year	2008 projection	2009 budget	2010 budget	2011 budget
<b>Estimated Sales</b> (in millions)	50.08 L (2.68 kg)	49.83 L (2.67 kg)	49.83 L (2.67 kg)	49.83 L (2.67 kg)
<b>Estimated Recoverable Portion</b> (in millions)	2.68 kg	2.67 kg	2.67 kg	2.67 kg
<b>Estimated Percentage Recovered</b>	70.67	74.42	76.28	77.81
<b>Estimated Quantity Recovered</b> (in millions)	1.90 kg	1.99 kg	2.04 kg	2.08 kg

## Used Oil Containers Recycled (in thousands of kgs)



**Assumptions:** Annual Sales Growth – (0.5) %, 0.0%, 0.0% Annual Collections Growth – 3.0%, 2.5%, 2.0%

## APPENDIX II

### SUMMARY OF KEY OUTCOME MEASURES

#### PROGRAM MANAGEMENT (CORE BUSINESS 1)

##### GOAL 1 - ACCOUNTABILITY

Maximize EHC Collection:

- Regulatory sanction to set EHCs through market-driven direction and authority.
- Glycol products as EHC applicable and seek regulatory approval for inclusion.
- Revised EHC's with stakeholder support, if/as appropriate.

##### **Collection of EHC**

<b>Year</b>	<b>EHC Revenue</b>
2008 projected	\$15.6 million
2009 budgeted	\$15.6 million
2010 budgeted	\$15.7 million
2011 budgeted	\$15.7 million

Maximize EHC to RI Flow-Through

##### **Maximize flow-through of EHCs to RIs**

<b>Year</b>	<b>Percentage*</b>
2008 projected	4.0%
2009 budgeted	3.7%
2010 budgeted	4.2%
2011 budgeted	4.6%

\*Percentage of funds management costs as a percentage of EHC.

Encourage a Self-Sustaining Used Oil Material Recycling Industry

- Alberta Environment, Used Oil Management Associations (UOMA) and stakeholders cooperation on cost-benefit of used oil materials recycling opportunities.

Effective Governance

- Checklist review of Board responsibilities and actions by Board Committee, and report back to Board on results.

#### Full Accountability

- Audit and financial reports.

#### Program Consistency

- Affiliation with national used oil management associations.
- Continued program development in keeping with national standards.
- Measure of leadership in setting national program standards.
- Amendment to the Societies Act enabling out-of-province, joint AGMs with other UOMAs.

### **GOAL 2 – OPTIMIZED RECOVERY RATES**

#### Increase Recovery Rates

- Research with stakeholders on consumed-in-use lubricating oil volumes and proportions.
- Diligence on collections and processing, and accuracy in reporting, to ensure optimal recovery rates.
- EHC and RI levels at appropriate levels and relationship to optimize recovery of used oil materials.

#### Industry Participation

- Collectors and Processors Meeting to review program policies and procedures as presented in a revised C&P Manual, to garner C&P input and buy-in on policies, procedures and accurate reporting.

#### Measurements

- Consumed-in-use study.
- Used oil filters and plastic containers surveys to determine changes to measures for recovery.
- Application of Federal Government standards for performance on recovery rates, as appropriate.

#### Appropriate Recovery Rates

- Measurement of used oil materials rural collections for ascertained level of accuracy in zoned recovery rates. Determine improvements, if/as appropriate.
- Pilot project with BCUOMA and able Collectors and Processors to test mobile, downloadable electronic data processing of collections.
- Alberta Environment-AUOMA collaboration on tracking end-uses of used oil, oil filters and oil containers to ensure agreement on end uses and accuracy of data on end uses.
- Recovery rate targets by product and collection year (see [Appendix I](#)).

#### Markets for Processed Used Oil Materials

- Alberta Environment, UOMA and stakeholders cooperation on cost-benefit of used oil materials recycling opportunities.

## **COMMUNICATIONS (CORE BUSINESS 2)**

### **GOAL 3 – INFORMED STAKEHOLDERS**

#### Public and Industry Awareness

- EHC remitters/members survey on new applicable products.
- EHC remitters/members survey on EHC levels and adjustments.
- Select EHC remitters/members opinion on methods to better collect used oil materials from public at commercial and retail outlets.

#### Communicate with C&Ps

- Meet C&P registrants and discuss:
  - Mutual promotional opportunities.
  - Website and other promotional media.
  - Follow-up on summer Ambassador survey of collection facilities with C&P registrants.
  - Facilities/equipment upgrade to encourage better use of public used oil materials collection sites.

#### Collector Access for Generators

- At C&P meeting,, include discussion on:
  - Generator relationship with C&P registrants to address certain difficulties.
  - Need for signage/notices at Generator collection sites.
  - Informed Public and Generators about used oil materials collection and recycling.
- An improved, Collector-assisted Generator database to ensure reliable, current contact with Generators.

#### Adequate Collection Facility Coverage

- Survey of municipalities on Eco-Centres/municipal recycling services.
- AUORC direction on on-going collection service.
- Report of the summer student Ambassadors on rural used oil materials collection facilities.
- Trade show, event and media promotions of AUOMA's programs and used oil materials collection facilities.
- Multi-media promotions on used oil materials recycling.

## **FUNDS MANAGEMENT (CORE BUSINESS 3)**

### **GOAL 4 – RESPONSIBLE MANAGEMENT OF USED OIL MATERIALS PROGRAM**

#### Regulatory Compliance

- Input to and direction on 2009 Regulatory Review on fund management.

#### Program Compliance

- C&P Manual update and new program audit of Collectors and Processors.

#### End Uses

- Alberta Environment, UOMA and stakeholders cooperation on cost-benefit of used oil materials recycling opportunities.