



ULTIMED
INCORPORATED



Pharmaceutical and Sharps Waste Stewardship Annual Program Budget

Submitted by

UltiMed, Inc.
350 Highway 7
Excelsior, MN 55331

Submitted to

California Department of Resources
Recycling and Recovery (CalRecycle)
1001 I Street
Sacramento, CA 95812-4025

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2022 UltiMed, Inc.

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Perjury Statement

As required by CCR 18973(d)(e), I hereby declare, under penalty of perjury, that the information provided in this document is complete, true, and correct, to the best of my knowledge.

A handwritten signature in black ink, appearing to be 'JE', written in a cursive style.

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Section 1. Contact Information

CCR Section 18973.5(a). Contact Information. Pursuant to section 18973.3(a) including any changes or updates to this information. Contact information of the corporate office, or designee, responsible for submitting and overseeing the stewardship plan on behalf of the program operator, including, but not limited to:

- (1) Contact name and title
- (2) Name of program operator
- (3) Mailing and physical address(es)
- (4) Phone number
- (5) Email address
- (6) Internet website address

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Section 2. Executive Summary

CCR Section 18973.5(b). Executive Summary. *Provide a concise summary of the information in the report that includes, but is not limited to, the highlights, outcomes and challenges, education and outreach efforts, and ways in which challenges are being addressed.*

As required by SB-212, UltiMed, Inc. is submitting this 2021 Annual Report. This Annual Report covers 2021 activities and complies with our responsibilities required by California Law.

During 2021, UltiMed accomplished various milestones leading up to our stewardship plan approval. However, since our stewardship plan was approved on December 27, 2021, UltiMed's 2021 annual report only covers the last 4 calendar days of the year (from December 28, 2021 through December 31, 2021). While our execution window was abbreviated this reporting period, UltiMed continues to be committed to delivering our stated services to the State of California according to the plans we have disclosed to the State in our stewardship plan.

Section 3. Reporting Period Budget

PRC Section 42033.2(a). Reports, Budgets, and Records. On or before March 31, 2022, and each year thereafter, a program operator shall prepare and submit to the department both of the following:

- (1) A written report describing the stewardship program activities during the previous reporting period of one year.
- (2) A written program budget for the stewardship program implementation for the upcoming calendar year.

During the 2021 reporting period, there were no stewardship program activities (see [Table 1](#)).

Table 1. Stewardship Program Costs (December 28, 2021 – December 31, 2021)

Description	December 28, 2021 – December 31, 2021
Stewardship program costs (CCR 18973.6)	None
Total capital costs	None
Stewardship recurring costs (CCR 18973.6)	None
Collection, transportation, disposal	None
Administrative costs	None
Education and outreach	None
Grants, loans, sponsorships	None
Independent financial audit expense (CCR 18973.6)	None
Departmental administrative fee (PCR 42034)	None
TOTAL	\$0

Section 4. Upcoming Calendar Year Budget

PRC Section 42033.2(a). Reports, Budgets, and Records. *On or before March 31, 2022, and each year thereafter, a program operator shall prepare and submit to the department both of the following:*

- (1) A written report describing the stewardship program activities during the previous reporting period of one year.*
- (2) A written program budget for the stewardship program implementation for the upcoming calendar year.*

The program budget for the stewardship program implementation for the upcoming calendar year is detailed in [Table 2](#) on page [9](#).

Table 2. 2023 Stewardship Program Budget Plan

Description	2023
Recommended Funding Level (CCR 18973.6)	\$402,363
Stewardship Program Costs (CCR 18973.6)	See Below
Stewardship Capital Costs (CCR 18973.6)	See Below
Total Capital Costs	\$0
<i>Program setup cost includes initial costs associated with process implementation, vendor setup, stewardship plan, and stewardship education.</i>	
<i>Product setup costs include items related to developing the mail-back product line (i.e., packaging, labeling, education, Website, and inventory).</i>	
Stewardship Recurring Costs (CCR 18973.6)	See Below
Collection, Transportation, Disposal	246,000
<i>Expenses associated with managing the mail-back program; is determined by quantity of product distributed (based on expected volumes distributed).</i>	
<i>USPS and disposal fees are generated after sharps are returned (based on expected volumes distributed).</i>	
<i>Volume for mail-back processing, USPS, and disposal fee is based on compliance (based on expected volumes distributed).</i>	
Administrative Costs	26,450
<i>Overall management of the program to include compliance efforts, analytics, and corrective actions.</i>	
<i>Overall management of the Website and toll-free telephone number and associated activities.</i>	
Education & Outreach	39,675
<i>Includes marketing to wholesalers and retailers; is associated with California SB-212 education.</i>	
<i>Includes marketing materials used to educate the market on compliant products under the UltiMed stewardship plan.</i>	
<i>Continued development of marketing materials for the implementation of the outreach program (such as flyers, education, informationals, and diagrams).</i>	
Grants, Loans, Sponsorships	6,613
Independent Financial Audit Expense (CCR 18973.6)	8,625
<i>Estimate of additional work that may be required by UltiMed's third-party auditors to comply to SB-212 requirements.</i>	
Departmental Administrative Fee (PRC 42034)	75,000
<i>CalRecycle fees and/or other departmental administrative fees.</i>	
	Total
	402,363
	Total Annual Costs
	\$402,363
Recommended Reserve Level Amount (CCR 18973)	\$201,182
<i>Reserve amount equals 50% of the annual estimated funding level.</i>	

Section 5. Multiyear Budget

PRC Section 42033.2(c)(2). Reports, Budgets, and Records. *An annual program budget submitted pursuant to paragraph (2) of subdivision (a) shall include, at a minimum, both of the following for the upcoming calendar year:*

- (1) An independent financial audit of the stewardship program, as required by subdivision (b) of Section 42033.4, funded by the stewardship organization from the charge paid from its member covered entities pursuant to Section 42034 or by a covered entity if it operates its own stewardship program.*
- (2) Anticipated costs and the recommended funding level necessary to implement the stewardship program, including, but not limited to, costs to cover the stewardship plan's budgeted costs and to operate the stewardship program over a multiyear period in a prudent and responsible manner.*

The reporting period for this budget submission was December 28 through December 31, 2021. During the four days of the reporting period, there were no stewardship plan expenditures. Since no funds were spent, there was no activity for audit and therefore, an annual independent audit was not conducted. The multiyear program budget for the stewardship program is detailed in [Table 3](#) on page [11](#).

UltiMed is operating the stewardship program on its own and through the general operation of the overall business. Therefore, the estimated recommended funding level is equal to the estimated annual budget set forth. UltiMed has recommended a reserve in the amount of 50% of the recommended annual funding level. This would equal approximately 6 months of the annual estimated costs associated to operate the stewardship plan. UltiMed believes this is more than sufficient to cover any stewardship plan obligations. This reserve capacity will be in the form of access to liquidity through either cash reserves, debt revolver capacity, or short-term assets.

Table 3. Multiyear Stewardship Program Budget Plan

Description	2022	2023	2024
Recommended Funding Level (CCR 18973.6)	\$152,750	\$402,363	\$436,467
Stewardship Program Costs (CCR 18973.6)	See Below	See Below	See Below
Stewardship Capital Costs (CCR 18973.6)	See Below	See Below	See Below
Total Capital Costs	\$0	\$0	\$0
<i>Program setup cost includes initial costs associated with process implementation, vendor setup, stewardship plan, and stewardship education. Product setup costs include items related to developing the mail-back product line (i.e., packaging, labeling, education, Website, and inventory).</i>			
Stewardship Recurring Costs (CCR 18973.6)	See Below	See Below	See Below
Collection, Transportation, Disposal	82,000	246,000	282,900
<i>Expenses associated with managing the mail-back program; is determined by quantity of product distributed (based on expected volumes distributed). USPS and disposal fees are generated after sharps are returned (based on expected volumes distributed). Volume for mail-back processing, USPS, and disposal fee is based on compliance (based on expected volumes distributed).</i>			
Administrative Costs	23,000	26,450	30,418
<i>Overall management of the program to include compliance efforts, analytics, and corrective actions. Overall management of the Website and toll-free telephone number and associated activities.</i>			
Education & Outreach	34,500	39,675	45,626
<i>Includes marketing to wholesalers and retailers; is associated with California SB-212 education. Includes marketing materials used to educate the market on compliant products under the UltiMed stewardship plan. Continued development of marketing materials for the implementation of the outreach program (such as flyers, education, informationals, and diagrams).</i>			
Grants, Loans, Sponsorships	5,750	6,613	7,604
Independent Financial Audit Expense (CCR 18973.6)	7,500	8,625	9,919
<i>Estimate of additional work that may be required by UltiMed's third-party auditors to comply to SB-212 requirements.</i>			
Departmental Administrative Fee (PRC 42034)	None	75,000	60,000
<i>CalRecycle fees and/or other departmental administrative fees.</i>			
Total	152,750	402,363	436,467
Total Annual Costs	\$152,750	\$402,363	\$436,467
Recommended Reserve Level Amount (CCR 18973)	\$76,375	\$201,182	\$218,234
<i>Reserve amount equals 50% of the annual estimated funding level.</i>			