



August 26, 2020

Clark Williams
CalRecycle
1001 I St
Sacramento, CA 95814

Re: CARE Update on Proposed Deliverables

Dear Clark:

CARE has completed an analysis of all Plan, Chapter 0, and AB 729 deliverables to ascertain our ability to meet timing expectations. This exercise was catalyzed by the impact of Covid-19 and the realization that many of our operations and initiatives have been interrupted and thus delayed. The attached Table lays out 16 deliverables and shows the original due date and our recommendation for revised dates where applicable. It looks like 5 of the 15 are still doable in the timeframes committed.

Virtually all the requested delays are the result of one or more of the following impacts, many in combination and can be directly attributed to the pandemic impacts on people and operations of CARE, our recycling community and our project partners:

- a) CARE Committee members, responsible for oversight and decision-making, were furloughed during the months of April and May resulting in meetings having to be rescheduled
- b) Recyclers who were forced to prioritize application efforts for the Payroll Protection Program (PPP) to hold on to their employees (April, May, June)
- c) Recyclers struggling to survive as they reworked business strategies, payment terms, delivery contracts, implement Covid-19 protocols for their workplace and workforce, and many other details (March, April, May, June, July)
- d) CARE contractor executing the Economic Study being unable to access the field (interviews) and key personnel to gather information
- e) Recognition of the complexity of the Carpet Differential Assessment Project and being forced to delay critical stakeholder feedback and SPC engagement
- f) CARE focusing on the analysis of Covid impacts and prioritizing how best to help recyclers survive from a cash flow perspective and to avoid loss of capacity (shutdown) in California
- g) General Covid-19 uncertainties while trying to stabilize a plan to move forward at a time when the economy, markets and recycling world seek some reduction in volatility and a path to reopening society

CARE Proposed Deliverables

Therefore, CARE is requesting approval of the documented program revised dates as outlined. In each case, CARE has tried to set dates that are realistic and expects to meet the targets. At the same time CARE will continue to push to deliver results as soon as reasonably possible.

Respectfully submitted,

A handwritten signature in cursive script, appearing to read "Robert Peoples".

Robert Peoples, Ph.D.
Executive Director
Carpet America Recovery Effort (CARE)

cc: Jacy Bolden, CA Program Director
Melanie Radtke, CARE Financial Director
Sustainable Planning Committee

CARE Update on Deliverables & Proposed Changes to CalRecycle

1. Chapter 0 / A.B. 729

Chapter 0 Item	Action	Key Due Date	Revised Date	Document Section
1. Convenient Collections for Flooring Professionals – Final Report.	Final Report submission to CalRecycle.	11/30/20	6/30/21	Chapter 0 Requirement Matrix (1/6/20) Table 1: RFA Task Completion, Item 2; Page 1. RFA November 19, 2019, Page 10. Chapter 0 Report, (9/1/19) Page 12.
2. Differential Assessment	Establish a system of differential assessments including definition to Cal Recycle.	11/30/20	6/30/21	Assembly Bill 729 Implementation; SEC.2 42972 (a) (7)(c).
3. Economic Analysis 2.0 – Final Report	Final Report submission to CalRecycle.	11/30/20	6/30/21	Chapter 0 Requirement Matrix (1/9/20): Pg. 1, Table 1. RFA November 19, 2019, Page 8.
4. Highest Recyclability – Definition	Expand the definition of “highest recyclability” and incentivize recycling where it is most needed.	12/31/20	6/30/21	Chapter 0 Report/ Commitment I.A: Page 0–5.

CARE Update on Deliverables & Proposed Changes to CalRecycle

Chapter 0 Item	Action	Key Due Date	Revised Date	Document Section
5. Recycling Rate – 26%	Focus on the collection of whole carpet in order to increase the recycling rate.	12/31/20	No change	Chapter 0 Report/ Commitment 1a: Pages 0–4. Plan: Performance Goal#8: Page 61. Plan: Source Reduction: Page 73.
6. Reuse	Increase Reuse Weight – 2020 Goal (1.5 Million lbs.).	12/31/20	No change	Plan: Performance Goal #3: Page 36.
7. Reuse Promotion	Promote Reuse on Website and provide quality/performance feedback mechanism.	12/31/20	No Change	Chapter 0 Report/ Commitment IV. A: Pages 0–19.
8. Models Update (Modeling Team)	Semi–annual Update.	6/30/20	9/1/20	RFA November 19, 2019, Page 9.
9. Conversion Cost Model (CCM) and Subsidy Justification Model (SJM) – Reporting Dashboard	Develop a reporting dashboard that summarizes the results of the four primary models in order to demonstrate traceability of financial results to external stakeholders.	6/30/20	12/31/20	Chapter 0 Report (9/1/2019) Section 1a Page 0–4.

CARE Update on Deliverables & Proposed Changes to CalRecycle

Chapter 0 Item	Action	Key Due Date	Revised Date	Document Section
10.Processor Capacity	Implement Capacity Study / Survey recommended program adjustments.	09/01/20	06/30/21	Chapter 0 Report (9/1/2019) Commitment 1a, Page 0–5. Plan: Section C. Performance Goal#7 Pages 56 & 111.
11.Minimum weight of PCC content in products	PCC Minimum – AUPs / Guidelines established.	09/01/20	No Change	Chapter 0 CR Report (9/01/19) Section 3a: Page 0–17.

2. 2018–2022 Plan Items

Plan Item	Action	Key Due Date	Revised Date	Document Section
1. Conduct Annual Weight Survey for Discards	Conduct an annual weight survey during Q3 and implement the updated figures into the denominator calculation effective January 1st of the next year.	9/30/20	12/31/20	Plan: C. Performance Goal#5 Pages 28–29.
2. Discards Formula	Submit revised discards formula justification and implementation plan.	12/31/20	6/30/21	Plan: C. Performance Goal#5 Pages 28–29.
3. Reuse Study	Conduct a reuse study.	12/31/20	6/30/21	Plan: C: Performance Goal #3 Pages 37, 66, & 73–74.

CARE Update on Deliverables & Proposed Changes to CalRecycle

3. Annual Report

AR Item	Action	Key Due Date	Revised Date	
1. Annual Report	Submit ADA Version of Annual Report to Cal Recycle.	9/01/20	No change	Assembly Bill 2097 Section 1 42975. (a).

Notes on revised dates:

1. CARE's goal is to be realistic and work to exceed expectations.
2. The latest developments with COVID-19 have created additional uncertainty in terms of ability to get responses from stakeholders and rendered forecasting more challenging.

CARE Update on Deliverables & Proposed Changes to CalRecycle

4. Completed Items

ITEM	<u>Due Date</u>
1. Convenient Collections – Convenience Study. Incorporated into Chapter 0, September 1, 2019.	9/1/19
2. CSE Contract to include revised AUP Protocols. Reference: Dr. Peoples' email sent to CalRecycle 1/30/20.	1/1/20
3. Minimum PCC – Established a minimum weight of PCC content. Incorporated into Chapter 0, September 1, 2019.	1/1/20
4. Reuse – Revise AUPs for reuse. Reference: Dr. Peoples' email sent to CalRecycle 1/30/20; and https://carpetrecovery.org/wp-content/uploads/2019/09/Reuse-Guidelines_Chapter-0_FINAL_ADA_2019_08_31.pdf	1/1/20
5. Revised CSE AUP – Source Reduction: Expanded collection procedures to include requirements: all carpet types must be accepted. Reference: Dr. Peoples' email sent to CalRecycle 1/30/20.	1/30/20
6. Convenient Collection – CSE Audits. Reference: Dr. Peoples' email sent to CalRecycle 1/30/20.	3/31/20
7. Contingency Plan – Document. Approved by CalRecycle 6/16/20.	4/30/20
8. Contingency Plan – Escrow Account. Approved by CalRecycle 6/16/20.	4/30/20