

WASHINGTON MATERIALS MANAGEMENT AND FINANCING AUTHORITY

Minutes Regular Meeting of the Board of Directors July 21, 2011

The Board of Directors (“Board”) of the Washington Materials Management and Financing Authority (the “Authority”) held a regular meeting at 9:30 a.m. pacific time on Thursday, July 21, 2011 at the offices of Van Ness Feldman in Seattle, Washington.

Directors Present:

Gregg Chason, P & F USA, Inc.
Erik Stromquist, CTL
Mary Jacques, Lenovo
Ken Lowe, VIZIO
Mike Moss, Samsung
Dan Phillips, 4th Dimension Computers and Technology
Nick Ammann, Apple

Also Present Were:

John Friedrich, WMMFA Executive Director
Craig Lorch, Total Reclaim
Miles Kuntz, Department of Ecology
Nancy Young (called in at 9:45 AM), Moss Adams, LLC
Dinah - Samsung

Directors Absent:

Susan St. Germain, Dept. of Community, Trade & Economic Development
Meggan Ehret, Thomson, Inc.
Mike Watson, Dell
Mark Dabek, RE-PC

1. Call to Order.

Gregg Chason called the meeting to order at 9:35am

2. **Approve Minutes of the Regular board meeting held May 5th, 2011.**

Gregg Chason opened the meeting by asking the board members if they had any questions or comments or corrections to the minutes from the May 5th, 2011 Board meeting. On a motion by Mary Jacques, seconded by Gregg Chason the minutes of the March 17th, 2011 Board meeting were approved as presented, unanimously by a vote of 6-0 (Erik Stromquist absent for vote)

3. **2010 WMMFA Annual Financial Report**

Q & A with Nancy Young, CPA, CISA, CFE, - Moss Adams LLP

The Executive Director presented a summary of the 2010 Annual report as "reviewed" for 2010 in contrast to the 2009 "audit". Nancy Young, the WMMFA CPA representing Moss Adams, the WMMFA's audit and review firm, accepted questions from Board members and went over some highlights differentiating year end results 2009 from 2010.

4. **Q4 2011 budget presentation and request for approval**

John Friedrich presented the proposed budget for the 4th quarter of 2011. John advised the Board that due to refunds of surplus invoice amounts in Q2 and Q3 of 2011 combined with heavier volumes in Q3, and volumes anticipated in Q4, that the 4th quarter 2011 budget included a larger reserve component. On a motion by Mary Jacques, seconded by Gregg Chason, the 4th quarter budget for 2011 was approved unanimously by a vote of 7-0.

5. **Market Share determination options for 2012**

John reviewed the market share determination model being used in CT, and other states and presented a brief summary of the difference between WA state standard plan market share determination requirements and available data. John recommended that the WMMFA maintain the current process for determining market share for 2012 while continuing to work on options that would be more consistent with a "national" framework for sourcing market share data. John told the board that he thought the current use of NPD POS and consumer surveys along with manufacturer self reports and the addition of IPD data for e-readers and e-books would be the most compliant with standard plan requirements for market share data attainment and the most comprehensive and accurate information available. After a brief discussion, Gregg Chason and Ken Lowe needed to drop from the call due to prior commitments.

6. **Report on June and YTD Financial results:**

A. Pounds by CEP total:

John Friedrich advised the Board that year to date pounds collected were slightly above the same as 2010 YTD pounds to date. A summary of pounds by type, county, and total weights was provided. John also advised that the cost per pound and actual YTD costs were close to 2010's results. Mike Moss asked John if he could incorporate a "reserve" line on the monthly financial reports. John said he would look into it and thought the request would be doable.

B. Unpaid manufacturers invoices to date:

John told Board members he would provide an open accounts receivable report to Board members in a few weeks after the collection cycle ended for the 3rd quarter manufacturer's invoice.

C. Financial reports:

John provided a monthly and YTD summary of expenses by category. YTD operational costs consumed 96.1% of all revenues while salaries, wages, rent, and office expenses (admin) accounted for 3.9%. YTD expenses were reported to be under budget to date resulting in a cost per pound YTD of 24.6 cents per, vs. 25.1 cents/lb. for the same period to date in 2010.

The meeting was adjourned at 10:05 am