



**WASHINGTON MATERIALS MANAGEMENT
AND
FINANCING AUTHORITY**

**Minutes
Regular Meeting of the Board of Directors
September 24, 2015**

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, September 24th, 2015 at McMenamins Edgefield, 2126 SW Halsey, Troutdale, OR 97060 – Mt. Hood Room.

Directors Present:

Mary Jacques, Lenovo
Gregg Chason, P & F USA, Inc.
Ken Lowe, VIZIO
Eric Gilbert, Acer America
Beth Johnson, Dell
Yadira Terrones, Hewlett Packard
Mark Dabek, RE-PC
Chipper Hervieux, Ecology
John Yeider, Apple
Dan Phillips, 4th Dimension Computers and Technology

Also Present Were:

John Friedrich, WMMFA Executive Director
Jason Linnell, NCER
Carson Maxted, Independent Environmental Services Professional
Bill Peterson, IMS Electronics Recycling
Craig Lorch, Total Reclaim
Marlys Palumbo, Van Ness Feldman LLP
Mark Johnson, interested party

Directors Absent:

Susan St. Germain, Dept. of Community, Trade & Economic Development
Jane Kang, LG
Dinah Rhee, Samsung

1. **Call to order** – *Gregg Chason*

The meeting was called to order by Gregg Chason at 9:32 am

2. **Approve minutes of the: July 2015 regular meeting of the Board** - *Gregg Chason*

Gregg asked the board members present if there were any corrections or additions to the recorded minutes of the last board meeting. There were no corrections, edits, or additions presented. On a motion by Ken Lowe, seconded by Gregg Chason the minutes of the July 16, 2015 meeting were approved by unanimous vote.

3. **WMMFA 2014 Reviewed Financial Statements – summary discussion** TBD

The executive director explained the difference between a full audit and a review. The 2014 financial statements presented by management were reviewed by the WMMFA CPA firm of Moss Adams. Moss Adams provided a written statement that they “were not aware of any material modifications necessary to the financial reports as prepared by management to bring them to conformity”. There was a discussion about what firm may conduct the 2015 audit/review next year due to the fact that the WMMFA had relocated. The executive director said he would get back to the board to present some options for the next audit and or review.

4. **Processor perspective and comments on the future – various** TBD

Craig Lorch (Total Reclaim) addressed the board and described their operational volume and capacity position and summarized some of the cost pressures they were under due to increased labor cost and the declining salvage material markets. Bill Peterson (IMS Recycling) provided some graphs and charts with commentary on how poorly the secondary markets were for the byproducts of recycling and suggested to the board that the cost of recycling next year would likely need to be increased. There was discussion and questions of both Bill (IMS) and Craig (Total Reclaim) regarding a long term outlook on recycling options pertaining particularly to CRT products. The executive director told the board he would look into potential costs and projections based on input from all WMMFA processors and would present some information by the November board meeting.

5. **Report on year to date 2015 operational and financial results** – *John Friedrick*

- Pounds by CEP totals
- Financial reports
- Cost trends
- Unpaid past due manufacturer’s invoices to date
- Invoice collection process

The executive director provided board members with complete summary financial information for August YTD and disclosed that he did not project a decrease in volume from calendar year 2014 to calendar year 2015. There was also a discussion about CEP collection mix and the apparent sources of CEP type by covered entity. Cost trends were discussed. There was a very lengthy discussion about the handling of “past due” manufacturer’s share payments and how the collection, enforcement and violation process among ecology and the WMMFA operated.

6. **Solid Waste and CRT Rule Update** – *Marlys Palumbo, Van Ness Feldman LLP*

Marlys Palumbo, legal counsel to the WMMFA, presented facts and practical information via a presentation on the New CRT rule and new DSW rule. The challenge now, and going forward, for the disposition and handling of used CRT glass was discussed throughout her presentation. Manufacturer board members present commented on the value of the presentation in helping to clarify the new definitions, rules, and potential reporting requirements.

7. **Legislative update and discussion of options – various general overview and discussion**

- a. Scope of Products – *Stakeholder and Ecology supported / proposed*
- b. WMMFA Operational Model – *Standard and Operational Plans RE: 70.95NRCW*
- c. Transparency and disclosure – *SB 1498 passed April 2013*
- d. Board composition – *SB 6128- proposed June 2015*
- e. Market Share determination 2016 – *SB 5699 passed April 2013*

The executive director provided board members with a written summary of the details (as written and/or approved in RCW, WAC) for all of the proposed and/or passed legislation pertaining to the WMMFA over the previous few years. John Friedrich advised that Ecology is not pursuing agency sponsorship to add additional covered electronics products at this time. The executive director commented on newly created compliance requirements surrounding transparency and disclosure resulting in additional annual reporting of recycled quantities by county by product type, mass flow balance, and financial details. John suggested that manufacturer's may want to comment or provide feedback to the various sponsors of legislation going forward particularly in the case of hearings that may take place in the future - for some of the proposed – but not yet passed – legislation. The executive director provided his opinion and insight in regards to proposed legislation that may place contractors to the program on the board in either a voting or non-voting position. There was also discussion and questions of Ecology in regards to market share determination beginning in 2016 and the sources of market share information.

8. **2016 Volume and Budget Projections– John Friedrich**

The executive director deferred this topic to the next meeting after offering a prediction that volume for calendar year 2015 would be at approximately the same level as 2014. The director commented that this information would be presented along with the 2016 Q1 budget proposal to be presented in November.

9. **Matters to discuss at future meetings**

- Financial Statements – Review or Audit – selection of accounting firm
- Annual election of Authority officers from sitting board members

Mary Jacques (chairperson) advised the board that with the change in board representation for HP (Yadira Terrones replacing Ken Turner) that there was an open position for a new treasurer. The executive director reminded the board and executive committee members that elections for board officers including chairperson, co-chairperson, treasurer, secretary, and member at large would be held at the first board meeting of 2016. The chair and executive director said they would be soliciting among current board members for interest in these positions for the remainder of 2015.

The meeting was adjourned at 11:26 am