



Minutes
Regular Meeting of the Board of Directors
November 19th, 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, November 19th, 2015 at the offices of Van Ness Feldman PC, 719 2nd Avenue, Suite 1150, Seattle, WA 98104

Conference call number: 1-712-832-8310 Access code: 312217

Directors Present:

Mary Jacques, Lenovo
Gregg Chason, P & F USA, Inc. (called in at 9:37)
Ken Lowe, VIZIO
Eric Gilbert, Acer America
Beth Johnson, Dell
Yadira Terrones, Hewlett Packard
Mark Dabek, RE-PC
Chipper Hervieux, Ecology
Dan Phillips, 4th Dimension Computers and Technology (intermittent attendance - phone issues)
Dinah Rhee, Samsung

Also Present Were:

John Friedrich, WMMFA Executive Director
Bill Peterson, IMS Electronics Recycling
Craig Lorch, Total Reclaim
Marlys Palumbo, Van Ness Feldman LLP (after discussion of items 1-7)
Miles Kuntz, Department of Ecology
James Yoo, Owner of ACE Metal Company
Josh Estes, Pacific Northwest Regional Strategies

Directors Absent:

Susan St. Germain, Dept. of Community, Trade & Economic Development
Jane Kang, LG
John Yeider, Apple

1. Call to order – *Gregg Chason*
The meeting was called to order by Mary Jacques (in the absence of Gregg Chason) at 9:32am
2. Approve minutes of the: September 24th 2015 regular meeting of the Board (**Board vote**) – *Mary Jacques*
Chairperson Jacques asked the board members present if there were any additions or concerns necessary to edit the draft minutes of the last meeting held on September 24th 2015. There were no objections or comments. On a motion by Mary Jacques, seconded by Mark Dabek the motion carried to approve the minutes by a unanimous vote of all members present.
3. Report on year to date 2015 operational and financial results and discussion – *John Friedrich, et al.*
 - A. Pounds by CEP totals
 - B. Financial reports
 - C. Cost and volume trend – Glass disposition
 - D. Unpaid past due manufacturer’s invoices to dateThe Executive Director asked board members to refer to pages 3-4 of the document packet provided to them earlier. The director explained that volume was down by 3-5% from last YTD and he projected volumes to fall by that much for the entire year. He provided the cost per pound YTD total and then discussed the issues and problems facing our processors in regards to CRT glass disposition and commodities prices going forward. An MOC (materials of concern) chart was referenced that identified each of the WMMFA processor’s actions in response to changes in downstream options for leaded CRT glass. Then, the director explained that the WMMFA, with the help of Ecology, had collected the last large outstanding and past due amount from one of the long overdue manufacturer accounts putting uncollectible amounts at less than .001 % YTD.
4. 2016 Q1 proposed budget with annual projections (**Board vote**) Volume and Budget Projections– *John Friedrich*
The director presented a full year projected budget for 2016 explaining that it was likely that processing costs would go up for reasons previously identified and that we would enter 2016 in a good reserve position. Dinah Rhee asked if there was a possibility that the percentage increase projected amount might be under projected for the first quarter and if the director had spoken with the WMMFA processors about their rates going forward. The executive director described the process and basis for the 1st quarter’s budget and said that the budget would be sufficient for Q1 2016 and that our expenses would be re-evaluated before presentation of the 2nd quarter 2016 budget. There were no further questions and on a motion by Mark Dabek, seconded by Dinah Rhee the 1st quarter 2016 budget was unanimously approved.
5. Rules Revision Proposal Notice – Per 2013 Legislation – RCW 70.95.N – *Miles Kuntz-Ecology*
Miles Kuntz, E-cycle program director, from the department of Ecology, was given the floor to describe the process for rule amendments for legislation, already passed, in regards to additional reporting requirements for the WMMFA and market share determination going forward. Miles said that comments on the proposed rule changes would be accepted until December 10th 2015 and a hearing would be held on December 3rd, 2015.
6. Discussion of legal counsel for 2015 (**Board vote**) *John Friedrich and Board Member*
The executive director briefly described the history and performance of the WMMFA current counsel, Van Ness Feldman, and requested approval for maintaining Van Ness as counsel for 2016. On a motion by Mary Jacques seconded by Beth Johnson the motion was passed by unanimous vote.
7. Discussion of accounting firm(s) and type of audit/review for 2015 financial statements (**Board vote**)
John Friedrich to present for Board discussion
The executive director asked the board to refer to the audit options flow chart that identified audit and/or review options for the 2015 financial statements that would be prepared by WMMFA management in early 2016. There was a discussion about the Authority’s current accounting firm Moss Adams LLP and the differences between a full audit and review, and the cost of each with the WMMFA audit history to date. Chairperson Jacques suggested that many organizations conduct a full audit every 3rd year and suggested the

WMMFA consider such. On a motion by Mary Jacques, seconded by Beth Johnson, Moss Adams was approved as the CPA firm to conduct the review/audit and the option of “review” for 2015 statements was approved unanimously.

8. Annual review of Flex Plan and Flex Member approval (**Board Vote**) *John Friedrich and Board Members*
The executive director described the current “flex plan” option of obtaining pounds credits from the WMMFA to help meet pounds goals assigned via market share to each WMMFA member. The director explained that as part of that plan the board needed to annually approve each flex plan member. On a motion by Gregg Chason, seconded by Ken Lowe, Apple was approved unanimously as a flex member for 2016.
9. WMMFA Management KPIs’ performance to goal 2015 – John Friedrich
The executive director advised that he had provided board members a form that he described as an ongoing process to provide better quantitative and qualitative basis for rating the job performance of the executive director as part of an annual review.
10. WMMFA elected from within Board positions – nominees (Board vote on nominees at January 2016 meeting)
Discussion TBD based on nominees available
The director advised the board that there were nominees for each of the 5 board positions as listed and that a vote would be held at the next regularly scheduled board meeting in January 2016:

<u>Position</u>	<u>Nominee</u>
Chairperson	Gregg Chason – P&F USA (Gregg was formerly WMMFA Secretary)
Vice Chairperson	Beth Johnson – Dell (currently serves as Vice Chair)
Treasurer	Mary Jacques – Lenovo (replacing Kenneth Turner)
Secretary	Yadira Terrones – HP (replacing Gregg Chason)
Member at Large	John Yeider – Apple (sits on Executive Committee)

11. Comments on proposed SB 6128 – *Mary Jacques - TBD*
Mary Jacques introduced James Yoo, owner of ACE Metal co., and Josh Estes, of Pacific NW Regional Strategies (ACE Metal a client of Pacific NW Regional Strategies) and gave them the floor to present their comments on SB 6128, a proposed senate bill that changes the composition of the board. James Yoo opened by thanking the board and management of the WMMFA for taking his comments and for his company’s participation in the plan. James stated that he was not at the meeting to criticize the board or management of the WMMFA. James said that he supported the legislation because he felt that it would improve communications that were otherwise not available between small processors in particular and the WMMFA board. Josh Estes echoed the rationale as provided by James. The executive director suggested that ACE attend periodic stakeholder meetings that were set up either by Ecology and/or other stakeholders on a regular basis in order to be heard. Marlys Palumbo, WMMFA counsel with Van Ness Feldman, expressed concerns over the conflict of interest inherent with having a contractor that vies for services and therefore is compensated by the WMMFA also on the board that makes decisions concerning contracts for services, based, in part on the competitive value of those services. Counsel was also concerned about the potential legal violations posed by a meeting of a group of service providers (processors) with the WMMFA board in terms of anti-trust laws. There was a brief discussion of the potential issues and concerns as well as the benefits as seen by James Yoo and Josh Estes who advised that it was likely the WMMFA would need not worry about those things as they were experienced in such meetings. There was also discussion about voting and non-voting rights of potential new board member additions. The executive director also expressed concerns about other stakeholders that also may want a seat on the board and the potential for taking the program out of the realm of “producer responsibility”.

Matters to discuss at future meetings:

Choosing of director positions at the January 2016 meeting

Adjourn meeting: The meeting was adjourned at 10:45am