

WASHINGTON MATERIALS MANAGEMENT AND FINANCING AUTHORITY

Minutes Regular Meeting of the Board of Directors November 15, 2012

The Board of Directors (“Board”) of the Washington Materials Management and Financing Authority (the “Authority”) held a regular meeting at 9:34 a.m. pacific time on Thursday, November 15th, 2012 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
John Yeider, Apple
Meggan Ehret, Thomson, Inc.
Chipper Hervieux, Ecology

Also Present Were:

John Friedrick, WMMFA Executive Director
James Yoo, Ace Metal Company
Henry Yates, identified himself as a friend / associate of James Yoo
Craig Lorch, Total Reclaim

Directors Absent:

Mike Watson, Dell
Mike Moss, Samsung
Dan Phillips, 4th Dimension Computers and Technology
Susan St. Germain, Dept. of Community, Trade & Economic Development

1. Call to Order.

Gregg Chason called the meeting to order at 9:34am

2. Approve minutes of the: July 19, 2012 regular meeting of the Board

On a motion by Mary Jacques, seconded by Ken Lowe, the minutes of the September 13th, 2012 regular meeting of the Board were approved unanimously. (vote 6-0)

3. Report on October 2012 and TYD Financial Results

The Executive Director, John Friedrich, presented the collection pound levels, by product type, and associated costs for collection, transport, processing and administration for the year to date through August 2012. John told members that he believed successful outreach by the Dept. of Ecology, retailers, the WMMFA, and local governments as the main driving force for recent volumes. Outstanding receivables YTD were reported to be less than 1/10th of 1% thru 3 quarters of 2012 (YTD). There was discussion among Board members and the Director about the level of current cash reserves on hand and how financial commitments would be met towards the end of the year. The Director explained that an across the board 10% reduction in the 4th quarter 2012 invoice coupled with heavy volume in October has reduced reserves to nearly zero. John stated that he thought recent CEP volume reductions are expected to reduce cash flow needs throughout the remainder of 2012.

4. 2013 Q1 proposed budget and annual projections

The executive director summarized the proposed Q1 2013 volume and expense budget for the 1st Quarter of 2013. There was a brief discussion of year over year volume changes that John Friedrich provided to support the budget. On a motion by Mary Jacques, seconded by Gregg Chason, the 1st quarter budget for 2013 was approved by a vote of 6-0

5. Annual approval of Flex Plan and Flex Plan member(s)

John Friedrich provided a brief summary description of the Flex plan for 2013 and indicated that Apple was the only manufacture that had previously applied as a Flex member that asked to be re-registered with the WMMFA for plan year 2013. On a motion by Gregg Chason, seconded by Ken Lowe Apple was approved as a Flex plan member for 2013 by a vote of 6-0.

6. Legal Counsel for 2013

John Friedrich suggested that, based on prior performance, understanding of the State EPR law and Standard Plan as well as customer service and responsiveness that the legal firm Van Ness Feldman should be retained as counsel to the WMMFA for 2013. The board briefly discussed / reviewed the potential benefits and performance history of Van Ness Feldman as legal counsel. On a motion by Mary Jacques, seconded by Meggan Ehret Van Ness Feldman was approved as WMMFA counsel for 2013.

7. Market share determination update / discussion of 2013 manufacturer's invoices

The director and board members discussed the 2013 formula for member share responsibility. The source of share information (ERCC) and the percentage of self reports was discussed.

8. 2012 Audit and/or review options

John Friedrich presented a written comparison / analysis of the 4 available options for review or audit of the WMMFA 2012 financial statements. A vote on the type of audit/review will be voted on at the next regularly scheduled meeting in January.

9. Matters to discuss at future meetings

- WMMFA Board of Directors - elections to be held at regular Board meeting January 17th, 2013
- Standard Plan update submission - required by September 2013

Note: 1 day prior to this meeting, James Yoo, owner, Ace Metal Company, called the WMMFA executive director and asked to address the board. As it was too late to get an additional item added to the approved agenda because it was already publically posted, the board chair allowed James to address the board with a summary of the topic(s) he wished to discuss in order that his topic could be added to the agenda of the next regularly scheduled board meeting if necessary . James addressed the board and stated that he felt that the volume of business that Ace Metals, and other minority owned processors received, was unfair, based on the demographics and population of Snohomish county where his facility is located. James also requested that the board establish a committee comprised of outside stakeholders representing the communities in which the E-cycle plan operates that provides input to program operations and volume distribution. A brief discussion ensued after which the WMMFA board chair requested that James direct materials and information for a more thorough presentation for a future board meeting to the executive director for further distribution to the chair and fellow board members. James Yoo agreed to do so.

The meeting was adjourned at 10:07 AM