

WASHINGTON MATERIALS MANAGEMENT AND FINANCING AUTHORITY

Minutes Regular Meeting of the Board of Directors March 17, 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, March 17, 2011 at the offices of Van Ness Feldman in Seattle, Washington.

Directors Present:

Gregg Chason, P & F USA, Inc.
Mike Watson, Dell
Erik Stromquist, CTL
Mary Jacques, Lenovo
Meggan Ehret, Thomson Inc.
Ken Lowe, VIZIO
Mike Moss, Samsung
Dan Phillips, 4th Dimension
Nick Ammann, Apple
Mark Dabek, RE-PC
Patricia Hervieux, Department of Ecology

Also Present Were:

John Friedrick, WMMFA Executive Director
Miles Kuntz, Dept. of Ecology
Jeff Kuypers, Hewlett Packard

Directors Absent:

Susan St. Germain, Dept. of Community, Trade & Economic Development

1. Call to Order.

Gregg Chason called the meeting to order at 9:36am

2. Approve Minutes of the Regular board meeting held January 20, 2011.

On a motion by Mary Jacques, seconded by Mark Dabek the minutes of the January 20th, 2011 Board meeting were approved unanimously by a vote of 5-0 (4 members were not present at time of

approval although a quorum was). Absent: Mike Moss, Mike Watson, Meggan Ehret, Nick Ammann. Dan Phillips abstained as he was not a member of the Board until after January 20th. Note: Quorum at the Jan 20 meeting = 5

On a suggestion by Mary Jacques agenda item 3 was moved to the end of the agenda to allow time for other board members to call in if they were running late. Mike Watson, Mike Moss, Meggan Ehret, and Nick Ammann did call in prior to the discussion of item 3 and were present for that discussion.

4. Report on 1st quarter to date financial results

A. Pounds by CEP totals: John Friedrich informed the board of total CEP pounds and expenses for the month of February 2011 and YTD for the WMMFA (E-cycle WA) recycling program. John also disclosed collection activity and progress on unpaid and past due manufacturer's invoice balances for all 2010 invoices and 2011 YTD. There was a discussion of expense and revenue line items on the financial summary provided to the board.

B. Unpaid manufacturers invoices to date: John advised the Board that members past due invoices stood at approximately 1/2 of 1% of the total amounts invoiced to all members for the period 2010 total through Q1 2011.

5. Matters to address at future meetings:

Market share data sources, uses, and cost:

John reminded the Board that an annual purchase of market share would be required soon. John indicated that the expense of the data was large and that we may want to explore other options in order to reduce cost to members.

Annual Executive and Board meeting - in person meetings:

After discussion with the Board members present it was agreed that the Board and Executive Committee would calendar and in person Executive Committee and Board meeting as soon as possible. John Friedrich said that he would propose several dates to allow as much opportunity for an in person meeting as possible.

3. WMMFA expenses by CEP class and cost allocation to members - John Friedrich, Board members, Jeff Kuypers - HP

John Friedrich provided an overview of the WMMFA's current finance policy and then introduced Jeff Kuypers. Jeff addressed the Board concerning allocation of WMMFA revenues and expenses to members. Jeff explained that PC manufacturers were subsidizing other CEP manufacturers by way of the fact that PC's were being recycled on a revenue basis at the processing level vs. computers and TV. Jeff provided a summary of a model that would allocate expenses and revenues among manufacturers on a shares based on current policy with an adjustment for the net cost of processing the PC equipment back to PC manufacturers resulting in a different cost per pound passed on to manufacturers based on their current product

mix. Another option presented by John included a revenue credit to PC manufacturers vs. the revised cost per pound per manufacturer based on product mix (PC to monitor to TV) presented by Jeff. The board generally agreed that the concept of allocating revenue the WMMFA receives for PC's back to manufacturers of the PC's warranted further review and consideration. John Friedrich provided some potential impacts on the standard plan should a revenue sharing plan be implemented. The pros and cons as viewed by the Board members, the Executive Director, and Jeff (HP) were discussed. No consensus allowing a working model was reached. John agreed to arrange further meeting to discuss implementation and allocation. No proposal for reallocation of revenue and/or expenses was brought to the floor. Ecology commented that reallocation of revenue and expenses pertaining to a product class would not require an amendment to the standard or operating plans as the law does not address the comingling of internal revenue and expenses among members. It was agreed that this item would be a topic for discussion at the next Board meeting or possibly at Executive Committee or special meetings held in the near future.

The meeting was adjourned at 10:51 am.