

# WASHINGTON MATERIALS MANAGEMENT AND FINANCING AUTHORITY

## Minutes Regular Meeting of the Board of Directors May 5, 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, May 5, 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  
Mark Dabek, RE-PC  
Patricia Hervieux, Department of Ecology

### Also Present Were:

John Friedrich, WMMFA Executive Director  
Kelley Kennedy, Dell  
Jeff Kuypers, Hewlett Packard  
David Thomson, Panasonic  
Diane Niemiec, Sun Microsystems  
Walter Alcorn, CEA

### Directors Absent:

Nick Ammann, Apple  
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 Regular board meeting held March 17th, 2011.**

Gregg Chason opened the meeting by asking the board members if they had any questions or comments on the minutes from the March 17th, 2011 Board meeting. On a motion by Mary Jacques, seconded by Erik Stromquist the minutes of the March 17th, 2011 Board meeting were approved as presented, unanimously by a vote of 9-0

**3. WMMFA expenses and credits by CEP product line - discussion of potential models, concepts and options**

The Executive Director presented a synopsis and summary of a request brought to him by WMMFA member manufacturer HP (Jeff Kuypers). Jeff's position was that manufacturers of PC's were subsidizing the processing cost in total of other CEP products accepted by the plan by nature of the fact that all CEP's were accepted free of charge while the WMMFA received credits or lesser expenses for some products - specifically PC's. Mary Jacques acknowledged the merits of the request for adjustment but expressed concern of the program overall based on the other inherent inequities of the financing scheme as it was based on past Board and member input and options for financing provided by the law. Mary expressed a concern as to how to implement any of the potential credits back to manufacturers as proposed. Mike Watson explained the framework of the law in his view and the plan in concept, from the beginning and passage of the legislation that the "plan" was intended to be a non-bifurcated (separating out net costs by product line) model. Mike Moss expressed his opinion that the Washington State plan as currently operated and financed was not the venue or plan for implementation of a revised financing scheme. John advised all meeting attendees that the Board had held an Executive session the day prior to this board meeting whereby he was asked questions about the estimated impact of implementing a financing scheme similar to, or the same as Jeff proposed. The Board asked for information and discussed potential issues surrounding this and other plan adjustments that may be needed in the future. John also commented that as the plan operator that perhaps this suggestion could be aligned with other plan issues and inequities for a more comprehensive plan overhaul later as not to create a piecemeal approach that may create implementation problems. Walter Alcorn was asked for his input. Walter suggested that he and John (Exec Director - WMMFA) be requested to continue following the issue and look for opportunity to have a solution emerge after more input and review with members, while watching other state plans handling of the issue.

**4. Report on April and YTD Financial results:**

Pounds by CEP total:

John Friedrick advised the Board that year to date pounds collected were approximately the same as 2010 YTD pounds. A summary of pounds by type, county, and total weights was provided.

Unpaid manufacturers invoices to date:

John provided a report of outstanding manufacturer invoices (accounts receivable) to the board. The collection rate on 2010-2011 invoices to date through the Q1 invoice was 99.5%.

Financial reports:

John provided a monthly and YTD summary of expenses by category. YTD operational costs consumed 95.9% of all revenues while salaries, wages, rent, and office expenses (admin) accounted

for 4.1%. YTD expenses were reported to be under budget and less than last year to date resulting in a cost per pound YTD of 24.4 cents per, vs. 25.5 cents/lb. for the same period to date in 2010.

**5. Q3 2011 budget presentation and request for approval**

John Friedrich presented his proposed budget for the 3rd quarter of 2011. There was discussion about the impact of present and future fuel prices on our budget. The board also had questions, and discussion, surrounding the outreach budget and WMMFA sponsored and non-sponsored events. John agreed to review WMMFA outreach plans going forward. There was also a discussion of the Standard plan reserve requirements and the financial reserve levels going forward. On a motion by Meggan Ehret, seconded by Erik Stromquist the budget for the 3rd quarter of 2011 was approved as presented - unanimously.

At 10:36 am Marlys Palumbo, WMMFA counsel, offered Q&A to board members and management surrounding the duties and responsibilities of board members and a summary review of European and US recycling legislation to date.

The meeting was adjourned at 11:12 am