

WASHINGTON MATERIALS MANAGEMENT AND FINANCING AUTHORITY

Minutes Regular Meeting of the Board of Directors January 15th, 2009

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, January 15th, 2009 at the offices of Van Ness Feldman in Seattle, Washington.

Directors Present:

Mary Jacques, Lenovo
Nick Ammann, Apple Computers
Mike Watson, Dell Computers
Tala El-Husseini, PC Systems & Services, Inc.
Mark Dabek, RE-PC
Jay Shepard, Dept of Ecology
Erik Stromquist, CTL Corp.
John Swiderski, Deer Park Computers Sales and Service

Also Present Were:

John Friedrick, WMMFA Executive Director
Stephanie Scott, WMMFA Executive Assistant
Richard Vernam, Panasonic Corporation

Directors Absent:

Stacey Ward, Wal-Mart
Susan St. Germain, Dept of Community, Trade, & Economic Development
Meggan Ehret, Thomson, Inc.
Mike Moss, Samsung Electronics
David Thompson, Panasonic Corporation

Audience:

Craig Lorch, Total Reclaim

1. Call to Order.

John Swiderski called the meeting to order at 9:37 a.m.

2. Approval of Minutes of Regular Meetings held Nov 20th, 2008

Discussion: The Board reviewed the Minutes of the Regular Meeting held on Nov 20th, 2008
On a motion by Mike Watson to approve the minutes of the meeting:

Voted to approve the Minutes of the Regular Meeting held October 16th, 2008

The recorded vote was unanimous (8-0) and the motion carried.

3. Report on current financial position of the WMMFA

A. December & Cumulative:

Discussion: John Friedrich had emailed a current Balance sheet, Profit and Loss statement to the Board Members for review. John asked for questions on the reporting information.

B. Audit Agency & Schedule-Proposal/Discussion:

Discussion: John Friedrich discussed with the Board the services needed from a CPA to handle annual financial audits to fulfill the requirements of the WA State OFM. To date John has contacted approx (18) CPA firms to perform the audits. The accounting firm of Moss Adams proposed services would cost between \$45,000-50,000 annually. On a motion by Mary Jacques the Board Members voted on the acceptance of Moss Adams proposal.

Voted to approve using the accounting firm of Moss Adams

The recorded vote was unanimous (9-0) and the motion carried.

C. WMMFA Expense Report Policy:

John Friedrich wrote a policy to detail the reimbursement of expenses, per diem, and mileage. The policy establishes a check and balance between governing and executive functions of the Authority. On a suggestion by John Swiderski the draft policy will be edited to include the Chairman as a recipient of copies of approved expense reports. This requirement would establish additional peer review of board member's and employee expense reports.

D. Member Manufacturers payments to date:

Discussion: John Friedrich discussed with the Board that 84% of the 1st quarter 2009 invoices have been paid. Based on clarification provided by Jay Shepard, adjustments to Tier status will be made through the Dept. of Ecology. The manufacturers can appeal their invoice with the Dept. of Ecology within 14 days. John Friedrich agreed to include a reference within each quarterly invoice FAQ's to reference the 24 day appeal process.

E. 2nd Quarter 2009 invoicing schedule and share determination:

John Friedrich discussed with the Board that 2nd quarter 2009 Invoices were sent out near the end of December. The total invoice amount for the 2nd quarter was approximately 150k greater than quarter 1 invoices due to financing policy requiring collection from the manufacturers, in two installments, funds to repay the Ecology loan of 500k in July of 2009. John will provide budget estimates for the final half of 2009 sometime within the 2nd quarter of 2009 based on the volume of cep's received and estimation of other expenses throughout the 1st and 2nd quarters.

4. Flex Plan Application Status:

Discussion: John Friedrich discussed with the Board that Apple Computers has applied for the Flex plan. John advised the board that Apple agreed to and will comply with all terms and conditions of the Flex plan.

On a motion by Mike Watson to approve Apple as a flex plan participant:

Voted to approve Apple as a flex plan participant

The recorded vote was unanimous (8-0) and the motion carried.

5. Presentation of the General Operating Plan (revised) for adoption by resolution of the Board:

Discussion: John Friedrich requested discussion and vote to adopt the revised General Operating Plan based on amendments from suggestions at the public hearing held in October, 2008.

On a motion by Mike Watson the Board voted to approve the revisions to the General Operating Plan and adopt it as presented as the WMMFA Operating Plan.

Voted to approve and adopt the General Operating Plan as presented as the authority's General Operating Plan

The recorded vote was unanimous (8-0) and the motion carried.

6. Current status of operations network that began 1/1/09

A. Actual volumes and estimated expenses based on pounds collected to date:

Discussion: John Friedrich discussed with the Board that to date (Jan 1-14) approximately 1 million pounds have been collected for processing. There was a surge at first but the collections during week 2 dropped off approx 20%. It is estimated that there will be 4lbs per capita for the year although John indicated that it was still too early to predict tonnage accurately. John informed the Board that he has developed a log that will require a signature if the drop off is questionable as to the entity being "covered", requiring a name and phone number.

B. Reuse & Refurbishment & the Standard Plan:

Discussion: John Friedrich discussed with the Board that he is aware of 2 nonprofits in Seattle, WA that are performing dismantling and repair services and collecting CEP's for the plan.

7. Return Share sampling update:

Discussion: John Friedrich discussed with the Board that the sampling will begin next week. The WMMFA has materials and equipment to perform sampling as required by the RCW and WAC. There will be approximately 15 sampling days required per quarter to obtain the required sample size.

8. Matters to address in future meetings:

Discussion: It was suggested that we move the next Board Meeting from the 3rd Thursday of the month to the 4th Thursday for scheduling conflicts. There were no objections from any of the Board members to move the date. John Friedrich will communicate the change in date over the next few weeks to make sure that the board and interested parties are aware of the change.

9. Meeting Adjourned at 10:29am by Nick Ammann

APPROVED