

WASHINGTON MATERIALS MANAGEMENT AND FINANCING AUTHORITY

Minutes Regular Meeting of the Board of Directors May 20, 2010

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 20, 2010 at the offices of Van Ness Feldman in Seattle, Washington.

Directors Present:

Mark Dabek, RE-PC
Erik Stromquist, CTL Corp.
Nick Ammann, Apple
Gregg Chason, P & F USA, Inc.
Mary Jacques, Lenovo
Kristyn Rankin, Dell
Susan Wright, Osram Sylvania
Jay Shepard, Dept of Ecology

Also Present Were:

John Friedrich, WMMFA Executive Director
Craig Lorch, Total Reclaim

Directors Absent:

Talal El-Husseini, PC Systems and Services
Stacy Ward, Wal-Mart Stores
Susan St. Germain, Dept. of Community, Trade & Economic Development
Meggan Ehret, Thomson Inc.

1. Call to Order.

Gregg Chason (secretary) called the meeting to order at 9:33am

2. Approve Minutes of the Regular board meeting held March 18, 2010.

Discussion: The Board reviewed the Minutes of the Regular Meeting of March 18, 2010. On a motion by Gregg Chason the minutes were approved by a vote of 7-0 (all voting board members approved)

3. **Update on current operating environment of the WMMFA:**

John Friedrich presented current processor issues concerning the CRT glass glut created by the lack of options for Washington State processors to export to Mexico. After John presented the current finance policy and potential issues with it for WMMFA members going forward the board had a discussion of the pros and cons of market and/or return share processing, or a combination thereof. It was agreed that the preference by a single member manufacturer of 100% return share or 100% market share basis, or, a combination of each would impact them financially very different based on where their products and markets were in their life cycles and other factors. The board agreed that the Executive Director should survey members to get input on our current financing policy in order to find out if members have input for us to consider going forward. There was a suggestion that perhaps the WMMFA should either return to the 50/50 market/return share methodology or “freeze” at the 55/45 market/return share as to not alienate certain members and to appeal to a sense of “overall fairness”. The board agreed to review data gathered by the executive director and put forth options for a change to finance policy within the currently approved standard plan. The Executive Director advised the board that any change to current policy as written in the current standard plan would need to be by board vote, subject to the steps as required for public and manufacturer comment, feedback, and review. Changes would also need to be approved by Ecology based on our process for considering changes and potentially, feedback to Ecology from members.

4. **Discussion of WMMFA annual compliance report to Ecology**

John Friedrich provided a summary of the type of information provided in the “annual” report required by ecology of the WMMFA. John indicated that Ecology would review the report and ultimately release the information deemed non-proprietary to the public. The date of release was yet unknown

5. **Discussion on Community and government satisfaction reports:**

The Executive Director had provided a copy of the recently issued (draft copy) “**Local Government and Community Satisfaction Report Summary**” to all board members. 96% of survey respondents found collection services accessible and convenient. There were various comments from local governments and communities indicating the desire for additional services and events. The Executive Director told the board he met with Ecology and discussed the findings and that he would prepare a written response. John said that some minor additions/changes to the existing collection network would be initiated.

6. **Panasonic request for use of updated sampling for Plasma TV >40”:**

The Executive Director provided the board with a copy of a letter from Panasonic Corporation’s Director of Corporate Environmental requesting the WMMFA change to a more current data set, with a differing sample size and sample size stratification (within the sample) as suggested with an attached independent sampling for the “Plasma TV >42” category of weight sampling for the determination of market share. The WMMFA

Executive Director provided a verbal and written summary to board members, and advised that the original appeal for this change was presented to Ecology and denied. The Executive Director responded to Panasonic's request received May 10th, on May 17th and did not agree to retroact any changes to prior manufacturer's invoices but did agree to re-stratify its own samples to reflect the claimed distribution of sales by size set market wide – going forward beginning with the Q3 2010 invoices. John Friedrich reminded the board that another manufacturer requested that we use quarterly (assumed more current) data sets formally in September 2008. The board, at that time, agreed that the added expense of purchasing and analyzing data quarterly would be too expensive and therefore not in the overall best interest of member manufacturers.

7. Report on current financial and operating position:

John provided financial summaries to the board for the 4 quarters ending April 30, 2010. Pounds collected were basically flat over 2009 YTD. Expenses were up slightly based mostly on increased processing costs. Average cost to date stands at 25.5 cents per pound. John Friedrich discussed collections from manufacturer's invoices on the most recent invoice and cumulatively since plan start up. John told the board that the WMMFA was significantly under budget thus far in 2010 primarily due to less than anticipated volume.

8. Projections for 4th quarter and 2011:

John did not provide a forecast for the 4th quarter or 2011 but said that one would be provided by the next board meeting – in time to develop Q4 2010 budgets.

9. Report from the Executive Committee:

John asked the Executive Committee if they had any information to share with board members. Mary Jacques kicked off a discussion concerning potential independent plans going forward and the potential for the WMMFA to pursue acceptance of other covered devices into the Standard Plan (on an earlier discussion point brought up by Jay Shepard). Pros and Cons were discussed but a resolution to carry forward on this topic was not agreed to at this meeting.

10. Matters to address at future meetings:

It was agreed that finance policy was a major issue that would be discussed again soon perhaps via a special meeting or the next regularly scheduled board meeting

The meeting was adjourned at 10:24 a.m.