



WASHINGTON MATERIALS MANAGEMENT AND FINANCING AUTHORITY

Minutes Regular Meeting of the Board of Directors November 20, 2014

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, November 20th, 2014 at the offices of Vann Ness Feldman PC, 719 Second Avenue, Suite 1150, Seattle, WA 98104.

Directors Present:

Beth Johnson, Dell
Gregg Chason, P & F USA, Inc.
Ken Lowe, VIZIO
Chipper Hervieux, Ecology
Mark Dabek, RE-PC
Erik Stromquist, CTL
Dinah Rhee, Samsung

Also Present Were:

Eric Gilbert, Acer America
Miles Kuntz, Ecology
John Friedrich, WMMFA Executive Director
Craig Lorch, Total Reclaim

Directors Absent:

Mary Jacques, Lenovo
Susan St. Germain, Dept. of Community, Trade & Economic Development
Dan Phillips, 4th Dimension Computers and Technology
John Yeider, Apple
Ken Turner, Hewlett Packard

1. Call to order – *Gregg Chason*

The meeting was called to order at 9:34 am by Gregg Chason

2. **Board membership changes** – *Miles Kuntz, Dept. of Ecology*
Miles Kuntz with the Washington State Dept. of Ecology addressed the board to announce two new board members effective January 2015. New members announced were Jane Kang, LG Electronics and Eric Gilbert, Acer America. Miles explained that as the financing for approved plans moves towards 100% market share as a funding basis the makeup of the board needed to be adjusted to reflect manufacturers with larger market shares. The board members being replaced were Meggan Ehret, Thomson Inc. and Erik Stromquist, CTL. New board members were welcomed and Erik and Meggan were thanked by all for their service and participation with the organization.
3. **Approve minutes of the: September 18th, 2014 regular meeting of the Board (Board vote)** - *Gregg Chason*
Gregg asked those attending if they had any changes or suggested edits to the previous meeting minutes as presented. There were no objections or requests for edit. On a motion by Ken Lowe seconded by Beth Johnson the minutes were approved unanimously.
4. **2015 Q1 proposed budget and annual projections (Board vote)** - *John Friedrich*
The WMMFA Executive Director presented a proposed budget for Q1 2015 along with projections for full year based upon anticipated volumes and estimated reserve requirements going forward. The director estimated volume to be approximately 2% less than 2014. On a motion by Gregg Chason seconded by Erik Stromquist the Q1 2015 budget was approved unanimously.
5. **Discussion of legal counsel for 2015 (Board vote)** - *John Friedrich and Board members*
The executive director provided a summary of the body of work provided by Marlys Palumbo with the legal firm Van Ness Feldman since the pre-planning stages of the WMMFA to date. The knowledge, experience, and quality of service were referenced as reasons for proposing the Van Ness Feldman be retained as legal counsel for plan year 2015. On a motion by Mark Dabek seconded by Greg Chason the board unanimously approved Van Ness Feldman as legal counsel to the Authority for 2015.
6. **Discussion of accounting firm and type of audit /review for 2014 financial statements (Board vote)** - *John Friedrich and Board members*
The executive director provided a document referencing the various types of financial audits and options for review of the WMMFA's 2014 financial statements and internal controls for to the board. After a brief discussion of the types of annual reviews and audits conducted in prior years and the results thereof, Ken Lowe made a motion to approve option 3 (of 4 options) which was defined as "Review of Financial Statements and consideration of Internal Controls". The motion put forth was seconded by Gregg Chason and approved unanimously.
7. **Annual review of Flex Plan and Flex member approval (Board vote)** - *John Friedrich and Board members*
The executive director explained that the Flex Plan rules approved by the board required an annual review / discussion of Flex participants and an approval of their operations for each year. John Friedrich explained that the "Flex Plan" was a manufacturer plan within the "Standard Plan" that allowed a manufacturer to cover part of their responsibility to the state for recycling of covered products within the "Standard Plan" subject to certain requirements and limits – in order that the standard plan can offer overall compliance to all members an ensuring that a "flex plan" member not jeopardize or put other members at a cost or operational disadvantage. After a brief discussion of some examples of how the flex plan works the executive director asked the board to approve Apple as a flex plan member for 2015 based on their compliance with all flex plan rules and guidelines. On a motion by Beth Johnson seconded by Greg Chason Apple was approved unanimously as a Flex Plan member for 2015.

8. **Report on October and YTD 2014 financial results** – *John Friedrich*
 - A. Pounds by CEP totals
 - B. Financial reports
 - C. Unpaid past due manufacturer's invoices to date

The executive director provided summary operational and expense reports to the board and discussed cost per pound and volume levels year to date. A listing of all past due manufacturer's and amounts were provided to the board. Collection efforts by Ecology and the WMMFA were discussed and the executive director explained that he was confident that the WMMFA would maintain the 99.9% collection rate on all invoices issued to date 2014.

9. **WMMFA Management KPIs' performance to goal 2014** – *John Friedrich*

The executive director provided the board with a chart of KPI's (Key Performance Indicators) that reference the director's performance to goals and standards established by the board, and the director, for each plan year. The director provided a short review of some of the environmental, financial, and operational challenges for 2014. The director invited the board to suggest any other KPI's that they might see fit to add.

10. **WA State E-cycle product expansion update** – *John Friedrich, others TBD and as available*

The executive director reminded the board of the pending request from Ecology to the Governor of Washington state to approve the expansion of the E-cycle program into other products. Miles Kuntz commented that the Governor's chief of staff had given a positive indication that the approval may be coming forward but that the Governor had not yet approved the request to move forward with pursuing legislation to move the request forward.

11. **Matters to discuss at future meetings**

WMMFA Board of Directors - elections to be held at regular board meeting January 15th, 2014 and the need for a treasurer to replace that position vacated by Meggan Ehret. The executive director said that he would solicit nominees for treasurer to put forth to the board from the ranks of the current board members and advise before the next regular board meeting.

Adjourn meeting at 10:07 am