

WASHINGTON MATERIALS MANAGEMENT AND FINANCING AUTHORITY

Minutes Regular Meeting of the Board of Directors August 14th, 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, August 14th, 2014 at the Edgewater Inn, 2411 Alaskan Way, Seattle, WA 98121.

Directors Present:

Gregg Chason, P & F USA, Inc.
Mary Jacques, Lenovo
Ken Lowe, VIZIO
Ken Turner, Hewlett Packard
Chipper Hervieux, Ecology
John Yeider, Apple
Dinah Rhee, Samsung
Mark Dabek, RE-PC
Beth Johnson, Dell
Erik Stromquist, CTL

Also Present Were:

John Friedrich, WMMFA Executive Director
Craig Lorch, Total Reclaim
Bill Peterson, IMS Electronics Recycling
Miles Kuntz, Ecology
Christine Haun, Ecology
Nancy Young, Moss Adams LLP (for item 2 only)

Directors Absent:

Susan St. Germain, Dept. of Community, Trade & Economic Development
Dan Phillips, 4th Dimension Computers and Technology
Meggan Ehret, Thomson, Inc.

1. **Call to order** – *Gregg Chason*
The meeting was called to order at 9am by Gregg Chason

2. **WMMFA 2013 Audited Financial Statements – summary and Q&A** – Nancy Young, CPA, Moss Adams LLP
Nancy Young of Moss Adams LLP, the authority’s financial auditing firm, referenced a document titled ***Communications with those charged with governance*** provided each board member prior to the meeting. Nancy explained the difference between an “audit” (2014) and a “review” (2012-2013) and discussed the changes in financial position expressed within the 2014 audited financial statements. There was a discussion about the WMMFA internal controls and the steps taken by WMMFA management to minimize the risk and increase the accuracy of financial data. Nancy stated that there were no irregularities within the financial statements provided by management identified and therefore the Authority’s statements were given an unqualified opinion. The Executive Director reminded the board that the WMMFA annual report was available to any of our members or the public upon request.
3. **Approve minutes of the: May 15th, 2014 regular meeting of the Board (Board vote)** - Gregg Chason
Gregg Chason (WMMFA Secretary) asked board members to review the minutes of the last board meeting on May 15th and requested discussion on any potential discrepancies or omissions. There were no changes or edits requested or discussed. On a motion by Ken Lowe, seconded by Ken Turner the minutes of the May 15th 2014 board meeting were approved unanimously as provided with no changes.
4. **Report on July and YTD 2014 financial results** – John Friedrich
 - A. Pounds by CEP totals - trends
 - B. Pounds by technology type
 - C. Financial reports
 - D. Unpaid past due manufacturer’s invoices

The Executive Director had provided the board with documents that disclosed the authority’s expenses and financial position for July and YTD. After a discussion about the trend in pounds by product type YTD John Friedrich discussed the circumstances surrounding some of the unpaid and past due manufacturer’s invoices to date. The Director expressed confidence that the majority of past due invoices would be collected soon. The impact of logistics changes and glass processing were tied to the discussion of financial performance to date. There was a brief discussion of potential operational and expense issues in the future.

5. **Presentation, discussion and request for approval of the 4th quarter 2014 budget (Board vote)** – John Friedrich
The Executive Director provided the board with the annual 2014 budget for quarters 1-3 previously approved and he proposed a 4th quarter budget. John explained that reserves were larger than goal YTD– but within range and stated that he was proposing a downward adjustment in the 4th quarter’s budget in order to reduce reserves to around the 9% level. After a brief discussion of some of the budget line items the 4th quarter budget was approved unanimously as proposed on a motion by Gregg Chason, seconded by Mary Jacques.
6. **E-Cycle Washington covered electronic products type expansion potential** – Miles Kuntz, Dept. of Ecology
Miles Kuntz presented a strategy including the department of Ecology’s intention to approach the legislature to ask for legislation/approval to add additional products to the current definition of “covered electronic products” contained in the RCW (recycling act). The products proposed to be added included computer keyboards and mice, external hard drives, printers, video game consoles, VCRs, DVRs, and DVD players and recorders. There was discussion amongst the board and ecology meeting participants and the WMMFA executive director. Logistics, financing, product scope, manufacturer share of potential expenses due to product addition and the handling of obsolete (manufacturer orphaned) products were discussed. There was not universal consensus or agreement about implementation/ financing going forward among those present but there was general agreement that the impact and potential consequences of adding products should be considered carefully.

7. **CRT Glass update and processing operations discussion** *Craig Lorch, Total Reclaim – general discussion*
Craig Lorch, a principal of Total Reclaim (an authority contracted processor), presented an informal update as to how CRT glass was currently being processed downstream by Total Reclaim and the industry in general. There was a discussion about the limited options and potential outcomes should the current flow of CRT glass be disrupted or halted.
8. **The impact of Trade in Programs** – *John Yeider, Apple, et al.*
John Yeider, (Apple) presented some information, based on Apple’s experience in the take-back / recycling arena. John explained that as the currently marketed products such as laptops, e-readers, and smart phones evolve and proliferate that it becomes increasingly difficult to retrieve older Apple branded or end of life product from the consumer. There was discussion among members about how and what types of products should be accepted by a manufacturer individually or collectively through organizations such as the WMMFA.
9. **WMMFA Bylaws, Standard Plan, RCW, WAC, and Environmental Standards discussion** – *general discussion*
The Executive Director presented each board member physically present at the meeting with a bound manual that included the authority’s standard plan, the law (RCW), rules (WAC), bylaws and several other documents to help govern and guide the actions of the WMMFA. John explained that the manual was meant as a reference tool for the board members to refer to in order to review current policy and potential policy/governance changes going forward. No specifics about content were discussed.
10. **Matters to discuss at future meetings**
 - Market Share data source and use for manufacturer share determination in the future
 - Handling discrepancies between manufacturer provided market share data and WMMFA purchased market share data
 - Board member composition by manufacturer changes as share responsibility moves towards full market share (Department of Ecology chooses/solicits for board members based on the requirements within the law)

Adjourn meeting

The meeting was adjourned at 11:01 am