



**Regular Meeting of the Board of Directors  
Thursday September 20th, 2018 - 9:30 am PST**

**DoubleTree by Hilton  
12712 SE 2<sup>nd</sup> Circle  
Vancouver, WA 98684**

**Conference call number: 1-563-999-2090 Access code: 755212#**

## **MINUTES**

Board Members Present:

Gregg Chason, Funai Corp. Inc.  
Beth Johnson, Dell  
Brandon Seegmiller, HP  
Ken Lowe, VIZIO  
Madeline Smith, LG  
Eric Gilbert, Acer America  
Mark Dabek, RE-PC  
Chris Kaasmann, Samsung  
Dan Phillips, 4th Dimension Computers and Technology  
Kristyn Rankin, Apple  
Chipper Hervieux, Dept. of Ecology

Also Present Were:

John Friedrich, Executive Director, WMMFA  
Scott Barker, 3R Technology  
Sego Jackson, City of Seattle  
Kris Dewitt, Simon Metals  
Hilary Tanneberg, Moss Adams CPA's LLP (Item 3 only)

Board Members Absent:

Radi Simeonova, Department of Commerce – WA State  
Mary Jacques, Lenovo

1. **Call to Order – *Brandon Seegmiller***  
Meeting was called to order by Brandon at 9:33 AM

2. **Approve minutes of the July 19, 2018 regular meeting of Board (Board vote) – *Brandon Seegmiller***  
Brandon asked the board members in attendance to refer the draft minutes provided to them within the reference documents for the meeting. Brandon asked if there were any edits or suggested changes to the draft minutes as provided. There was no discussion of the draft minutes of the July meeting. On a motion by Gregg Chason, seconded by Mark Dabek, the draft minutes were approved as final.
3. **WMMFA 2017 Financial Statements Review – *TBD – Moss Adams LLP, CPA’s***  
Hilary Tanneberg, representing Moss Adams CPA’s, began a discussion describing the contents of the 2017 financial statements as reviewed by their firm. Hilary explained the difference between a “review” and an “audit” and identified the roles of the executive director and the accounting firm in reviewing/preparing the statements. There were questions in regards to the higher than normal reserve balance throughout 2017. The executive director explained that the reserve balance remained high throughout 2017 based on his projections for higher costs and volumes that did not materialize. Friedrich stated that the reserves were currently (August 2018) below the generally accepted maximum level and that it was his goal to keep the reserves at a balance nearer the goal of 9% as provided in the Authority’s Standard Plan. There was a brief discussion among board members and the director regarding the difficulties in estimating quarterly expenses accurately. Hilary explained some of the reasons for variances from 2016 to 2016 by account in the major categories of the statements. Hilary explained the cash flow and balance sheet as well. No questions were presented after the discussion.
4. **Regulatory Update (2018-2019) - *Marlys Palumbo, VanNess Feldman LLP***  
The Authority’s counsel, Marlys Palumbo, partner, Van Ness Feldman LLP made a presentation entitled *New Issues in E-Waste Law and Notable Developments*. Marlys presented a summary of proposed federal legislation, export bans, right to repair bills, and court cases in process and their potential implications going forward. There were many questions pertaining to potential impact for manufacturers and the probabilities for various outcomes. It was not clear that any of the current federal legislation in the topic areas discussed would impact recycling programs such as E-cycle Washington at this time.
5. **2019 Volume and Preliminary Budget Projections – *John Friedrich***  
Executive Director Friedrich presented a proforma budget document for discussion. The director explained that he budgeted for an overall volume decrease of 5% from 2018 for 2019 based on the downward trend in CRT volumes and the increasing volume of flat screen devices (plasma, LED, LCD). John said it was not clear what processing expenses might be for 2019 as there was still concern over how to recycle plastic since markets in China and other parts of the world were not as receptive to accepting US recyclable commodities as they were in prior years. It was discussed that CRT glass remains the largest volume material and is the main driver of the authority’s overall cost. John stated that he would have a more complete and accurate budget ready for the November meeting for board vote. There was a good discussion about flat screen sales and return stream volumes going forward. There was also discussion of how the WMMFA selects processors and options for processors, and rates, for those located within and out of the state of Washington.
6. **Report on year to date 2018 operational and financial results – *John Friedrich***
  - Pounds by CEP totals
  - Financial reports
  - Cost trends
  - Unpaid past due manufacturer’s invoices to date

Director Friedrich presented volume by type and county within the state and reviewed cost per pound analysis comparing last year with 2018. There was a discussion of collection and collector options and costs going forward. Friedrich said that processor pricing by commodity did increase considerably from the prior year however volume contributed to lower total cost year to year. The director stated that there were no past due manufacturer share invoices at the current time with the exception of a finance (late) charge invoice to one manufacturer that was habitually late in paying. Volume of collected material by weight had dropped by 17% from last year’s total volume. Cost per pound has steadily increased from approximately 25 cents per pound in 2009 to 30 cents per pound 2018.

7. **WMMFA Standard Plan Review and Edit– Board Members, John Friedrich**

Director Friedrich presented the entire standard plan in summary to the board members and described its purpose and focus. John explained that the plan needed to be updated every 5 years and the next revision was due shortly for plan years 2019 through 2023. Friedrich suggested the board focus on any material changes necessary within the authority's manufacturer's share finance policy, fair vendor compensation – especially that of collectors, and the design for recycling section as required by statute. There was discussion of how the authority addressed these sections in particular. The board and director agreed that more detail study and analysis of what should be improved or changed in these sections needed to happen. Director Friedrich told the board that he would get some recommendations and proposals together for these sections based on the discussions for board review within a few weeks and ask for feedback before submitting the updated plan to Ecology in late October.

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

- Financial Statements – Review or Audit – selection of accounting firm
- Annual election of authority officers from sitting board members
- Legislative and Government Satisfaction Survey updates
- Q1 2019 Final Budget

Due to time constraints there was not a discussion of these topics. The Executive Director stated that he would roll them into the next meeting as necessary.

**Adjourn meeting**

Meeting was adjourned at 12:06PM