



**Regular Meeting of the Board of Directors
Thursday, May 16, 2019 - 9:30 am PST**

**Offices of Van Ness Feldman PC
719 Second Avenue, Suite 1150
Seattle, Washington 98104**

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

MINUTES

Board Members Present:

Gregg Chason, Funai Corp. Inc.
Mary Jacques, Lenovo
Brandon Seegmiller, HP
Eric Gilbert, Acer America
Madeline Smith, LG
Chris Kaasmann, Samsung
Chipper Hervieux, Dept. of Ecology
Radi Simeonova, Department of Commerce – WA State

Also Present Were:

John Friedrich, Executive Director, WMMFA
Cynthia Mendoza, TCL North America

Board Members Absent:

Beth Johnson, Dell
Mark Dabek, RE-PC
Kristyn Rankin, Apple
Ken Lowe, VIZIO

1. Call to order – *Brandon Seegmiller*

The meeting was called to order by Brandon Seegmiller at 9:32am

2. Approve minutes of the: March 21st, 2019 regular meeting of the Board (Board vote) – *Brandon Seegmiller (Board Vote)*

Brandon asked those in attendance if there were any suggested edits or changes to the written draft minutes as provided. There were no suggestions or objections to the minutes as presented. On a motion by Mary Jacques, seconded by Eric Gilbert, the minutes were approved by unanimous vote of all board members present 6-0.

3. WMMFA State Accountability Audit 2017-2018 (2 year) Results – Exit Conference Summary – *John Friedrich*

The Executive Director asked the board members to refer to 2 documents provided pertaining to the recently completed “Accountability Audit” conducted by representatives of the State Auditor’s Office. The documents included the “Entrance Conference” introduction that described the scope of the audit which included: General disbursements and reimbursements, Billings and accounts receivable, Cash receipting, Contracts and agreements, and General control / review of security over IT and financial system data. The other document was “Management Representation Letter” submitted to the Auditor’s office by the WMMFA putting forth Board and management’s representations about the records and data being audited. The Director explained that at the audit exit conference the auditors stated that the Authority received a good Audit, with no resulting “findings” or “management letters”. The Director went on to state that 2 informal recommendations were given to him as “exit items” not referenced in the audit report. It was explained that “Exit Items” were defined by the auditors as items that address control deficiencies or non-compliance with laws or regulations that have an insignificant effect on the audit objectives. One of the items was described by Friedrich as addressing actual and potential deficiencies in the Authority’s IT data backup, protection, and restore policies. The other recommendation addressed the internal controls over board and employee expense report approvals and the requirements in accounting for and expense types allowed based on documentation requirements and business purpose for board and management expenses. The Executive Director stated he would have some written policies to address these 2 recommendations by the next regularly scheduled board meeting.

4. WMMFA Financial Statement Compilation via Moss Adams LLP – Overview - *John Friedrich*

The Executive Director asked board members to reference the Authority’s 2018 financial statements as compiled by Moss Adams LLP. The director gave a summary of the reports stating that WMMFA pounds volume decreased by approximately 18% in 2018 from the prior year and that expenses decreased by 14% as a result. He also mentioned that revenues for 2018 were down approximately 8%.

5. 2019 Q3 budget discussion and revised annual projections request for approval (Board vote) – *John Friedrich*

The Executive Director provided a 1-page budget projection sheet that showed actual line item expenses for the first quarter of 2019, projected expenses for the 2nd quarter and projections for the 3rd quarter. The Director explained that based on 3rd quarter volume projections of 18% less than last year the budget request was about the same as estimated as for last quarter with reserves currently at about 12% of quarterly budget amounts. After a brief explanation of additional items on the budget Friedrich asked the board for approval of the 3rd quarter’s budget as presented. On a motion by Gregg Chason, seconded by Chris Kaasmann the 3rd quarter 2019 budget was approved by a 6-0 vote.

6. Report on 2019 YTD April operational and financial results – *John Friedrich*

- Pounds by CEP totals
- Financial reports and overview
- Unpaid past due manufacturer’s invoices to date

The Executive Director referenced a handout with April and YTD operational results for the WMMFA. Friedrich said that volume for 2019 YTD was down 18% while cost YTD was around \$.31 per pound and that expenses YTD were looking good in that they were proportionally aligned with the volume YTD with only a slight increase in YTD cost per pound over the prior year. The Director then went over a list of manufacturers that were past due on their share payments and stated that one of them may not be collectible. There was a discussion about the consequences for those that do not pay their invoices. Friedrich said that Ecology would eventually contact retailers and tell them to stop selling a manufacturer’s products in Washington if they were not current on their share of payments for the recycling of their products.

7. Local Governments E-Cycle Satisfaction Survey Results / Response – *John Friedrich*

The Director explained that he received a government satisfaction report from interested county and local governments on an annual basis that allowed them to give feedback on the perceived deficiencies of the E-cycle Washington program within their jurisdictions. He indicated that he needed to provide follow up to a few of the approximately 23 responses from local governments in the areas of community access to sites and outreach. Friedrich said that the issues contained in the latest report would probably not be too difficult to resolve but would require some additional outreach or site location enhancements or changes. The Director said he would follow up with the board at a future meeting as to the progress.

8. Legislative Update/Review – *John Friedrich*

There were no legislative updates since the last meeting and there was no discussion on this item

9. Matters to discuss at future meetings

a. Annual “in person” meeting dates - notice and discussion

The Executive Director reminded board members of the scheduled October 2019 “in person” regular board meeting and asked board members to get ahold of Gregg Chason or himself if there were any items they would like to see on the agenda for this meeting. Friedrich mentioned that the Authority recently asked for some additional audit attention from participating processors as to their downstream vendors and the ultimate disposition of processed materials. He said that information in regards to their audits would likely come up at meetings in the ear future for additional discussion.

Adjourn meeting

The meeting was adjourned at 9:52am