



**Regular Meeting of the Board of Directors
Thursday, July 18, 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
Ken Lowe, VIZIO
Mark Dabek, RE-PC
Chipper Hervieux, Dept. of Ecology
Radi Simeonova, Department of Commerce – WA State

Also Present Were:

John Friedrich, Executive Director, WMMFA

Board Members Absent:

Beth Johnson, Dell
Kristyn Rankin, Apple

1. Call to order – *Brandon Seegmiller*

The meeting was called to order by Brandon at 9:31 am

2. Approve minutes of the: May 16, 2019 regular meeting of the Board (Board vote) – *Brandon Seegmiller*

Brandon asked those in attendance if there were any suggested changes or edits to the draft minutes of the last meeting. There were no changes or edits suggested. On a motion by Gregg Chason seconded by Mary Jacques the draft minutes of the May 16, 2019 meeting were approved as final.

3. Report on 2019 YTD June operational and financial results – *John Friedrich*

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

Executive Director Friedrich explained that June was typical of the prior months of 2019 in that volume in pounds was down approximately 15% from the prior year to date. Cost per pound of materials handled and processed was about the same as last YTD at \$.314 per pound. Total cost YTD 2019 was presented to be down by 14% based solely on the reduced volume YTD. Friedrich stated that there were no member manufacturers past due with current invoices at this time, with the Q3 invoices due in a few days, and, that the WMMFA was maintaining the reserve goal of 9% of quarterly invoice average.

4. 2019 Q4 budget discussion and revised annual projections – proposal (Board vote) - *John Friedrich*

Director Friedrich presented the board with a proposed budget for the 4th quarter of 2019 and referenced that the proposed budget resulted in a 7% reduction in the 2018 budget and a 15% reduction in the 2018 actual. Friedrich noted that the 4th quarter budget was very similar to the prior two quarterly invoice amounts as volume declines would likely be consistent with prior quarters. On a motion by Brandon Seegmiller, seconded by Mary Jacques the proposed budget for the 4th quarter of 2019 was approved unanimously by all board members present.

5. Processing Capacity and Standards - WMMFA - discussion and update – *John Friedrich*

Friedrick explained to the board that there had only been one processor audit since the WMMFA adopted additional audit requirements of all participating processors in the plan. He said that he had an exit interview with an auditor that had reviewed and verified the additional requirements requested of them and the processor and supplied summary information of that fact. Friedrich said that he thought the processors were embracing the idea of further downstream diligence of their secondary processors to ensure compliance with the State auditing standards as well as WMMFA’s request for additional information as outlined within WMMFA’s amendments to Item 15. *Due Diligence Downstream* included within the State Environmental Standards. The director said he would update the board at the next regularly scheduled meeting to be held October 3rd with outcomes of other audits due soon. The director also said he was concerned about the sustainability of operations of the existing processors participating in the program given the continuation of declining volumes.

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

Director Friedrich summarized the results of Ecology’s “*Local Governments E-Cycle Satisfaction Survey*” by stating that a common theme amongst survey participants was the need, in their view, for additional outreach to help reach more of the citizens of the state within their municipalities. Friedrich said that all other deficiencies within the survey, applicable to the WMMFA, were satisfactorily resolved and some solutions would be ongoing. Ecology had confirmed with him that WMMFA responses for the 2019 survey were satisfactory.

7. Court ordered restitution to WMMFA from Western District Court – Total Reclaim case – *Board and management discussion with possible board vote*

The executive director provided board members with a one-page document describing the facts surrounding the court ordered restitution to the WMMFA as a result of the court case *USA vs. Zirkle/Lorch* (Total Reclaim) a former processor of the E-Cycle program under contract with the WMMFA. The executive director also provided a list of proposed uses of the funds received from the court and summarized some of the reasons, pros and cons, and research to date about options for the use of the funds. There was a lot of discussion about the amount of expenditures under multiple options presented by board members and the executive director. It was determined that in addition to some of the proposals suggested by the executive director there would need to be some further discussion in order to finalize the uses of some of the funds.

Mary Jacques proposed:

“Approval of Items 1 & 2 (collection events and outreach) of page 10 (restitution summary document) in the amounts proposed by the Executive Director, deferment of decision on item 3 (closure reserve), with funds held in reserve for that item (3) until a future meeting to discuss and agree upon. The remaining balance to be applied to the general fund”

On a motion by Chris Kaasmann to adopt what Mary proposed, seconded by Mark Dabek, Gregg Chason – aye, Mary Jacques – aye, Brandon Seegmiller- nay, Eric Gilbert – aye, Mark Dabek – aye, Madeline Smith – aye, Ken Lowe – aye, Chris Kaassmann – aye, the motion passed. After the vote there was a brief discussion of implementation of the motion. Friedrich clarified that the amount of the restitution amount to be applied to the general fund would be applied as an offset (credit) to the manufacturer’s 4th quarter 2019 invoices.

8. Matters to discuss at future meetings

- a. Annual “in person” meeting dates and location – update and discussion
- b. Court restitution funds disposition (further discussion of item 7)
- c. 2019 State accountability audit exit item: Backup data/ system selection/ protection and restore frequency

Adjourn meeting at 10:25