



**Regular Meeting of the Board of Directors
Thursday October 3, 2019 - 9:30 am PT**

**Waiter's Table Private Dining Room
Hyatt Regency Lake Washington
1053 Lake Washington Blvd. N.
Renton, WA 98056**

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

MINUTES

Board Members Present:

Gregg Chason, Funai Corp. Inc.
Mary Jacques, Lenovo
Kim Fox, Lenovo (replacing Mary after this meeting)
Brandon Seegmiller, HP
Eric Gilbert, Acer America
Madeline Smith, LG
Chris Kaasmann, Samsung
Ken Lowe, VIZIO
Mark Dabek, RE-PC
Beth Johnson, Dell
Kristyn Rankin, Apple
Chipper Hervieux, Dept. of Ecology

Also Present Were:

John Friedrich, Executive Director, WMMFA
Marlys Palumbo, Van Ness Feldman LLP
Bobby Farris, Total Reclaim CEO

Board Members Absent:

Radi Simeonova, Department of Commerce – WA State

1. **Call to Order – *Brandon Seegmiller***
The meeting was called to order by Brandon at 9:32 am
2. **Approve minutes of the July 18, 2019 regular meeting of Board (Board vote) – *Brandon Seegmiller***
Brandon asked the board members in attendance to review the provided July minutes for any suggested additions or edits. The Executive Director also referenced an attachment in regards to the item 7 vote that was to be continued at the current meeting. There was no further discussion and on a motion by Gregg Chason seconded by Mary Jacques the draft minutes were approved unanimously as final.

3. **Board Member Position Change – WMMFA Treasurer Position - All (Board Vote)**

The Executive Director announced that long time board member Mary Jacques, Lenovo, was leaving the board and that Kim Fox, Lenovo would assume her position on the board. There were several comments and accolades from board members present for the contributions of Mary since the creation of the WMMFA. As a result of Mary's departure, the Treasurer position became available. The Executive Director advised the board that Madeline Smith, LG, had offered to assume the treasurer position. On a motion by Brandon Seegmiller, seconded by Kristyn Rankin, Madeline Smith was unanimously nominated and approved as WMMFA Treasurer. After the nomination Director Friedrich summarized the duties of the Treasurer and described reports provided to the treasurer.

Beth Johnson, Dell, also announced that she was assigning Melissa Mallory as the new board representative from Dell. The Executive Director and Board members thanked Beth and Mary for their contributions to the Authority over many years. Kim Fox (present) and Melissa Mallory (not present) were welcomed to the board.

4. **WMMFA Financial Review and SAO Audit Exit items final– Management Response – John Friedrich**

Director Friedrich provided the board with two new written policies of the WMMFA as a result of the two exit items discussed with the State Auditors at the conclusion of their 2018 accountability audit. Friedrich explained that there were no audit findings resulting in a report to the board that identified corrective action recommendations as the exit items that were found were minor enough to be considered exit items to be discussed with the Executive Director. Based on exit items provided by the state auditor's office an updated expense report policy for management and board members was created. A new policy entitled *WMMFA Information Technology and Data Security Policy* was also created and implemented based on the findings of the auditor's office. The Authority therefore received a clean audit for 2018 statements and operations Friedrich stated.

5. **Review / Audit type and format for 2019 Statements (Board Vote) – John Friedrich / Board**

The Executive Director provided board members with the 2018 financial compilation, reviewed by Moss Adams, and, with the Washington State's Auditors office Accountability Audit. Executive Director Friedrich described each of the multiple audit and/or review options available to the board for 2019 financial and operational results. After a discussion of the implications, costs, and benefits of each option on a motion by Kristyn Rankin seconded by Beth Johnson the board unanimously approved a financial statement "compilation" to be conducted by Moss Adams along with a State Accountability Audit to be conducted by the State Auditor's office for 2019 statements/operations.

6. **Pending - To be determined – legal or regulatory discussion - Marlys Palumbo, Van Ness Feldman LLP**

Due to perceived time constraints this item was moved to the end of the agenda and discussed in summary format between Board members, the WMMFA counsel – Marlys Palumbo - Van Ness Feldman, and the Executive Director. The presentation and discussion were focused on E-Waste Legislation and other Legal Developments that may have an impact on the WMMFA now or in the future. As the discussion was summary in nature a more detailed look at the presentation and topic was tentatively scheduled for the next meeting. Board Members did receive a print copy of the presentation and were asked to submit any questions or provide input as necessary prior to the next (November 2019) meeting.

7. **WMMFA Restitution fund allocation and accounting continued – John Friedrich, Board Members**

The Executive Director explained that the discussion among board and management over the allocation of funds received under a court judgement were not finished by the conclusion of the last meeting. The Director provided a summary of uses of restitution funds received to date of where the board had left it at the conclusion of the last meeting and what needed to be discussed going forward. Specified amounts of the funds received were dedicated to both program outreach and approved collection events that the authority would not have funded otherwise, prior to receipt of restitution funds. Some of the board members expressed interest in contracting for implementation of electronic GPS tracking devices that would be placed on collected equipment in order that the WMMFA track movements of the devices to ensure our service

providers (collectors and processors) were in fact following the handling and downstream requirements they contractually agreed to. There was a very long discussion of the pros / cons / and potential consequences of any decision regarding implementation of a tracker program. The Chairperson suggested that if agreement could not be reached today perhaps a committee should be formed to resolve issues surrounding implementation of trackers. The discussions did not lead to a motion. It was also suggested that the Executive Director and WMMFA counsel review a potential contract with a service provider and address concerns brought up during the discussions to see if the contract could be amended to clarify certain aspects of disclosure and member manufacturer's role in any decision (vote) regarding tracker implementation. The Executive Director and chairperson agreed that this item would be on the next meeting agenda.

8. 2020 Volume and Preliminary Budget Projections – John Friedrich

Executive Director Friedrich provided the board with a 2020 annual proforma budget projecting volume and expenses for 2020. Friedrich summarized line item detail for each expense category and shared his methodology for estimating volume for 2020. There was a short discussion over the product mix change in the TV category and computer volumes anticipated for next year – and the difficulties processors can and may encounter next year. The director explained that a “final” proforma budget would be provided at the November meeting just prior to issuance of 1st quarter 2020 invoices.

9. Report on year to date 2019 operational and financial results – John Friedrich

- Pounds by CEP totals
- Financial reports
- Cost trends
- Unpaid past due manufacturer's invoices to date

The board was provided with financial and operational summaries for the month of September and YTD. Friedrich stated that volumes had decreased by 15% from last YTD with expenses showing a similar decrease (approximately). Friedrich went on to say that September as slightly heavier with volume than anticipated and therefore reserves were somewhat depleted to about half of goal. He said the budget for next quarter would be adjusted if necessary, to allow for an increase in reserve. Friedrich also said he was not sure if volume would continue dropping off in double digits year over year as flat screen devices were becoming a larger and larger part of the piece and pound counts showing up.

10. WMMFA Processor Contract and Environmental standards and requirements discussion– Board Members, John Friedrich

The Director presented a document that included several additional downstream audit and document sampling and inspection requirements for processors wishing to contract with the WMMFA. Friedrich explained that the audits conducted since implementation of the focus on downstream vendor verification were compliant based on his discussions with the auditors and processors and review(s) of the audits. There was a discussion about the relationship and responsibilities between Ecology, WMMFA, and processors for maximizing assurance of all of plan and standards compliance.

11. Matters to discuss at the November 21, 2019 meeting

- Annual election of authority officers from sitting board members
- Q1 2020 Final Budget Proposal with 2020 Annual Projected Budget
- Legal Counsel Selection 2020
- Allocation / uses of restitution funds (unfinished business)
- E-Waste Legislation and Other Legal Developments

Adjourn meeting at 11:34 AM