



**Regular Meeting of the Board of Directors
Thursday, January 20, 2022 - 9:30 am PST**

Conference call number: (857) 357-0254 Access code: 755212#

MINUTES

Board Members Present:

Gregg Chason, Funai Corp. Inc.
Jenni Chun, Samsung
Madeline Smith, LG
Joyce Kwan, HP
Kristyn Rankin, Apple
Eric Gilbert, Acer America
Kim Fox, Lenovo
Mark Dabek, RE-PC
Cintia Gates, Microsoft
Melissa Mallory, Dell
Al Salvi, Dept. of Ecology

Also Present Were:

Peter Thermos, Executive Director, WMMFA
Cynthia Mendoza, TCL

Board Members Absent:

Caitlin Sanchez, VIZIO (board candidate at start of meeting)
Radi Simeonova, Department of Commerce

1. Call to order – *Joyce Kwan*
Joyce Kwan called the meeting to order at 9:32 am.
2. Approve minutes of the November 18, 2021, regular meeting of the Board - **(Board vote)** – *Joyce Kwan*
Joyce addressed the board regarding the minutes of the November board meeting, asking if there was a motion to approve the minutes which were provided in the January 20, 2022, board meeting reference documents. On a motion by Mark Dabek, seconded by Gregg Chason, the minutes of the November meeting were approved unanimously.
3. Report on August operational and financial results – *Peter Thermos*
 - A. Pounds by CEP totals
 - B. Financial reports
 - C. Unpaid past due manufacturer's invoices to date

D. Restitution account balance and future expenditures

The Director referred to the board reference documents that provided YTD December pound and financial information. He noted that the collected weight for December were down 22% from November 2021 and 22% down from December 2020 at 1.035 million lbs. December collected lbs. were 35% below projection which may have been caused by weather conditions. Significant snowfall throughout Washington may have prevented some recycling activity and did prevent transportation of materials from Central and Eastern Washington to processors which are all located in Western Washington.

Thermos continued, stating that the cost per lb. in December was \$.346 Cost per lb. which was a 5% decrease from November 2021. Cost per lb. for 2021 was \$.350, a 6% increase over 2020. With total collections down significantly in December, total expenses for December were 36% under budget, causing reserves to increase to about \$915,000. Thermos stated that reserve levels would be discussed in more detail in the budget section of the meeting.

With regard to unpaid manufacturer's invoices, Thermos stated that the situation was very similar to previous months with one company making up approximately 2/3 of the unpaid invoices. Additionally, it appears that one or more companies had gone out of business. Thermos would continue to work with Ecology and non-participating companies to reach a resolution.

Thermos also stated that there were no expenditures from the restitution account in December.

4. Q2 2022 proposed budget with annual volume and budget projections (**Board vote**) – *Peter Thermos*

Thermos asked the board to refer to the budget document on page 12 of the meeting reference documents. The highlighted section, Q2 2022 shows a proposed budget of approximately \$1.5 million. With December collections and expenses significantly below projection, it's possible that a budget reduction for Q2 will be necessary. If January 2022 collections are close to projected, the reduction may not be necessary and a budget reduction could be considered again for Q3.

Thermos continued with a brief review of collection results over the last five years, stating that the program had gone from annual collections of 45 million lbs. to the current level of about 15 million lbs. due to reductions in unit weights and the significant reduction in CRTs collected. Total collected lbs. had been dropping 15-20% annually for several years. The pandemic made data for 2020 and 2021 less useful for predicting future collection levels, however, the net drop in lbs. collected for 2020 and 2021 averaged 14% per year. If the trend continued, we could see another 10-15% drop in lbs. collected in 2022. If the trend is inaccurate due to the pandemic, there could be a much smaller decrease or an increase in lbs. collected in 2022. For these reasons, Thermos recommended that the Q2 2022 budget remain unchanged, but asked the board for the ability to reduce the Q2 budget (and invoices to manufacturers) if collection and expense data for January and early February warranted the reduction. Gregg Chason made a motion to keep the Q2 2022 budget at current levels or lower. The motion was seconded by Kristyn Rankin and was approved unanimously by the board.

5. Board member director nominees – annual vote (**Board vote**) – *Peter Thermos and Board Members*

Chairperson	Gregg Chason – Funai Corp.
Vice Chairperson	Jenni Chun – Samsung
Secretary	Joyce Kwan – HP
Treasurer	Madeline Smith – LG
Member at Large	Kristin Rankin – Apple

6. Matters to discuss at future meetings – *Peter Thermos*

- a. Legislative update
 - i. Right to Repair
 - ii. Battery Bill

The director stated that both the Right to Repair Bill and the Battery (recycling) Bill were still moving through committees, and that he had no information regarding the likeliness of passage. He continued that, as of one week ago, the Battery Bill had not had a hearing scheduled, indicating that it was moving slowly. Both bills most likely faced an uphill climb due to what appeared to be a focus on the plastics and packaging legislation. Al Salvi added that it was unclear if the Battery Bill generated revenue, which would give it some advantages in the legislative calendar as a bill that was “necessary to implement the budget”.

Adjourn meeting – the meeting was adjourned at 9:55 am.