



**Regular Meeting of the Board of Directors
Thursday, November 18, 2021 - 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 9:38 am.
2. **Approve minutes of the September 30, 2021 regular meeting of the Board - (Board vote) – Joyce Kwan**
Joyce addressed the board regarding the minutes of the September board meeting, asking if there was a motion to approve the minutes which were provided in the November 18, 2021 board meeting reference documents. On a motion by Gregg Chason, seconded by Mark Dabek, the minutes of the September 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

Thermos referred to the board reference documents that provided YTD October pound and financial information. He noted that the collected weight for October was 1.3 million lbs. which was down 2% from September 2021 and 7% down from October 2020. October 2021 collected lbs. were about 17% below projection.

The Director stated that budgeted expenses for October were 18% under budget. Cost per lb. in October was \$.346 per pound, a 2% increase from September at \$.339 per pound. Reserves had increased and would be discussed in the quarterly budget discussion later in the meeting.

With regard to unpaid manufacturer's invoices, Thermos stated that he was contacting non-participating manufacturers and would continue to work with Ecology with regard to companies that had past-due invoices.

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

4. **Review / Audit type and format for 2021 Statements (Board Vote) – Peter Thermos / Board**

Thermos referred to page 10 of the meeting reference documents which outlined the various options for audits. He noted that the audits that were completed in 2021 for FY 2020 were the State Accountability Office (SAO) Audit and the financial compilation by accounting firm Moss Adams. The SAO audit reviews financial information and stability but also internal controls and other items such as expenditures being in-line with contracts. The financial compilation primarily focuses on converting cash-based financial statements to accrual, which helps protect WMMFA finances by ensuring that no irregularities are occurring in the transition from the previous year. Thermos continued that the minimum would be to complete only the SAO audit every other year, but he believes that it is important to complete both the SAO audit and the Moss Adams compilation every year. Although it requires extensive work by WMMFA, it is worth it to make sure our finances are sound and to maintain stakeholder confidence in the program. Gregg Chason made a motion that we conduct both the SAO accountability audit and the Moss Adams compilation as we had done in 2021. The motion was seconded by Kristyn Rankin and the vote was unanimous in favor.

5. **Q1 2022 proposed budget with annual volume and budget projections (Board vote) – Peter Thermos**

The Director asked board members to turn to the 2022 Budget which was on page 12 of the reference documents. He stated that he would focus comments on the two columns on the right side of the page. Thermos noted that projected total collected pounds for 2022 is 16.8 million which is an 8% increase from 2021. This was due to collection site closures and other pandemic-related factors that occurred in 2021. With increases in fuel and labor costs for processors and transporters, a 5.3% increase in the cost per lb. was projected. Taken together, an increase of 13.7% over 2021 actual (estimated) expenditures is projected. The proposed budget for 2022 reflects a 21% volume decrease and 8.5% cost reduction from FY 2019 actual spending.

In an effort to deal with excessive financial reserves, a budget reduction of \$500,000 was included in the Q1 2022 budget. Kim Fox asked how the reserve would be dealt with in the invoice. Thermos stated that we would follow the same pattern used previously at WMMFA in similar situations. The Q1 2022 total invoice amount would be reduced by \$500,000 and all participating manufacturers see a proportionate reduction in their invoice.

Kim Fox asked if reserve details were part of the 2022 Budget and Thermos stated that they were not but directed her instead to the monthly expense summary on page 6 of the reference documents. The October 2021 expense summary indicated that reserves were at about \$690,000.

Gregg Chason stated that we would be voting on approving the first quarter of 2022 and made a motions to approve the Q1 2022 budget. The motion was seconded by Mark Dabek and the vote was unanimous in favor.

6. Discussion of legal counsel for 2022 (Board vote) – Peter Thermos and Board Members

Thermos stated that the current WMMFA counsel was VanNess Feldman and most of the work was done by Marlys Palumbo. Thermos had contacted Marlys to ask if VanNess Feldman would like to be considered for WMMFA in 2022 and she said that they would. Thermos described Marlys to the board as an environmental law expert and thought VanNess Feldman would continue to be a good choice for legal representation for WMMFA, although we seldom have needs for legal work. Gregg Chason stated that Marlys had been the WMMFA attorney since the beginning and made a motion to continue with VanNess Feldman as the WMMFA attorney. The motion was seconded by Kristyn Rankin and the vote was unanimous in favor.

7. WMMFA elected from within Board positions – nominees (Board vote on nominees at January 2022 meeting) – Gregg Chason

Gregg explained to the board members that the board positions would be voted on in January and if there was interest in taking on a new role with the board, including the position of chairperson, the member should contact Gregg or Peter Thermos to make their interest known. Kim Fox asked if members could be notified in advance of the January board meeting. Thermos replied that members could contact him at any time to discuss positions and, at a minimum, a summary would be included in the reference documents which are distributed roughly one week prior to the board meeting.

8. Matters to discuss at future meetings – Peter Thermos

a. Outreach – collection site locator

Thermos stated that had previously mentioned creating a more standardized collection site locator and had discussed it with Ecology. Ecology agreed that they would link to the locator from their website at ecyclewashington.org as long as it was kept up to date and that support questions for the new locator be directed to WMMFA and not Ecology. Thermos stated that he would continue work on the new locator.

b. New Washington State battery bill (not on agenda)

Thermos stated that after the final agenda was distributed, he was contacted by Ecology and provided draft text of a new product stewardship bill for batteries. The bill includes new reporting requirements for WMMFA for products such as laptop batteries. He was told to expect follow-up by Ecology and possibly from the organization Zero Waste Washington. Gregg noted that battery recycling was a topic of conversation at the CTA meeting which was taking place at the same time as the board meeting. Thermos noted that the battery bill would be on the January 2022 board meeting agenda.

Adjourn meeting – the meeting was adjourned at 10:09 am.