



Regular Meeting of the Board of Directors
Thursday, March 17, 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
Joyce Kwan, HP
Eric Gilbert, Acer America
Kim Fox, Lenovo
Melissa Mallory, Dell
Caitlin Sanchez, VIZIO (board candidate at start of meeting)
Al Salvi, Dept. of Ecology

Also Present Were:

Peter Thermos, Executive Director, WMMFA
Cynthia Mendoza, TCL

Board Members Absent:

Cintia Gates, Microsoft
Kristyn Rankin, Apple
Mark Dabek, RE-PC
Madeline Smith, LG
Radi Simeonova, Department of Commerce

1. Call to order – *Joyce Kwan*
Joyce Kwan called the meeting to order at 9:33 am.
2. Approve minutes of the January 20, 2021, regular meeting of the Board - (**Board vote**) – *Joyce Kwan*
Joyce addressed the board regarding the minutes of the January board meeting, asking if there was a motion to approve the minutes which were provided in the March 17, 2022, board meeting reference documents. On a motion by Gregg Chason, seconded by Eric Gilbert, the minutes of the January meeting were approved unanimously. Gregg mentioned that there was an error on page 3 that should be fixed in the final version (change “Direct to Director”) and motioned to approve the minutes with this change.
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 February pound and financial information and noted that the agenda indicated reporting was for August but was in fact for February. He stated that the collected weight for February was up 23% from January 2022 and 5% down from February 2021. E-Cycle Washington has now had 3 consecutive months at 1.1 million or fewer pounds and seems to be back on the trend of pounds going down year-to-year. This is likely caused by substantially reduced collection of CRT products and the continued reduction in weight of other covered products. He noted that if annual collected pounds were projected using January and February results (the sum of January and February times 6) we would collect about 11.2 million pounds in 2022. This would be a 27% drop in total pounds collected from 2021 to 2022 which is a slightly steeper downward trend than expected based on historical data.

Thermos continued, stating that the cost per lb. in February was \$.374 per lb. which was a 2% decrease from January 2022 and a 5% increase over February 2021. Total expenses for February were \$22,862 over budget. The budget had been lowered by \$166,667 per month in Q1 2022 to reduce financial reserves.

Regarding unpaid manufacturer's invoices, Thermos stated that the one company making up approximately 2/3 of the unpaid invoices had made payment and was current. Thermos would continue to work with Ecology and non-participating companies on overdue payments.

Thermos also stated that there were no expenditures from the restitution account in January or February. Gregg Chason asked the balance of the restitution account and Thermos stated that it was still at approximately \$123K.

4. Q2 2022 budget adjustment (no vote until May 19) – *Peter Thermos*

Thermos asked the board to refer to the budget document on page 8 of the meeting reference documents. He noted that the budget for Q2 2022 had been approved at current levels but that the budget could be reduced without further approval. At the time the Q2 invoices were generated, Thermos concluded that a further reduction was needed to reduce reserve levels and reduced the Q2 budget by \$600K (\$200K per month). Gregg Chason asked how that reduction would impact reserve levels. Thermos stated that, depending on Q2 collection levels, it may reduce reserve levels to around \$400K.

5. 2021 Annual Report to Ecology – *Peter Thermos*

- a. Changes to annual processor pounds verification
- b. Adjustment to 2021 total pounds
- c. Adjustment to January 2021 monthly report

Thermos asked the board to refer to pages 9 and 10 of the meeting reference documents. He stated that in the course of creating the annual report he came to understand that WMMFA was using two separate methods for counting collected pounds. The first method was based on processor invoices, which was used to generate monthly reports. The second was an accrual-based method used in the annual report in the Pounds Processed Verification section. This section contains 10K or more lines of data from processor invoices. This section shows invoice data that starts a few days into the year of the annual report and ends a few days into the year following the calendar year of the annual report. This counting method had been used for several years and was in the annual report to Ecology in each year, which was publicly available. All previous annual reports were approved by Ecology. Thermos concluded that we didn't have a need to continue the practice of having two counting methods. To end use of the accrual-based counting method, only processor data from 2021 was included in the pounds processed verification section of the annual report. Thermos communicated the details of the situation with Ecology prior to submitting the annual report.

Removing 2022 processing data from the annual report resulted in a reduction of 727,710 pounds in the Pounds Processed Verification section of the annual report. For this reason, a one-time reduction in pounds collected in 2021 was added to the Pounds Collected section of the annual report, reducing total pounds collected in 2021

from 15,328,614 to 14,600,904. An explanation of the change was added to the annual report and provided in the board meeting reference documents.

Going forward, WMMFA will only use reported processor-invoiced weights for reporting both monthly and annual collected pounds. To accomplish this, Thermos instituted a new process for calculating and reporting monthly collected pounds. The monthly report for January had been submitted before the annual report was created. When applying the new monthly reporting method to the January data, a different total pounds collected figure was generated which was about 37K pounds less than had been reported. Thermos resubmitted the January report to Ecology with the new figures to ensure that the monthly and annual 2022 pounds collected totals would be in sync.

6. Legislative update

The director stated that both the Right to Repair Bill and the Battery Bill failed to make it through the legislative process and will not become laws this year. He noted that similar bills in Washington State were run through the legislature several times before becoming law and he expected to see these bills being run again in Washington.

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

- a. Annual Report
- b. Outreach
- c. Earth Eye Trackers

Thermos stated that the annual report format had been updated and the 2021 annual report had been submitted to Ecology on March 1, 2022 as required. Ecology was reviewing the report and edits to the report were being made. Once the report is approved, it will be made available to the board via Dropbox.

With regard to outreach, Ecology had agreed to provide WMMFA with a domain for the collection site locator which was being developed for WMMFA. Ecology had communicated to WMMFA that current outreach levels may not be sufficient to meet the requirements of the program. As the outreach budget had already been set for 2022, Ecology agreed that increased outreach would not be required in 2022 but would be required in 2023. Al Salvi also noted that Ecology did see a need to increase outreach for E-Cycle Washington.

The Earth Eye trackers showed that one tracker had appeared in Mexico while all other trackers remained in the United States. Thermos stated that he would be reviewing the tracker data to see if the unit in Mexico indicated any violation of program rules and would report the results of the review to the board in the next meeting.

Adjourn meeting – the meeting was adjourned at 9:59 am.