



**Minutes**  
**Regular Meeting of the Board of Directors**  
**March 16, 2017**

The Board of Directors (“Board”) of the Washington Materials Management and Financing Authority (the “Authority”) held a regular meeting at 9:32 a.m. pacific time on Thursday, March 16, 2017 at the offices of Van Ness Feldman PC, 719 2<sup>nd</sup> Avenue, Suite 1150, Seattle, WA 98104

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

Directors Present:

Gregg Chason, P & F USA, Inc.  
Mary Jacques, Lenovo  
Ken Lowe, VIZIO  
Eric Gilbert, Acer America  
Yadira Terrones, HP  
Chipper Hervieux, Ecology  
John Yeider, Apple  
Dinah Rhee, Samsung  
Brian Young, Department of Commerce – WA State  
(Brian was designate of Radi Simeonova board representative from Commerce)

Also Present Were:

John Friedrich, WMMFA Executive Director  
Sego Jackson, City of Seattle  
Scott Barker, 3R Technology

Directors Absent:

Jane Kang, LG  
Beth Johnson, Dell  
Mark Dabek, RE-PC  
Dan Phillips, 4th Dimension Computers and Technology

**1. Call to order – *Yadira Terrones***

The meeting was called to order at 9:32 by Yadira Terrones

**2. Approve minutes of the: January 19th, 2017 regular meeting of the Board (Board vote) – *Yadira Terrones***

Yadira asked board members present for additions or changes to the provided draft minutes of the January 19<sup>th</sup> 2017 board meeting minutes. None were suggested. On a motion by Gregg Chason, seconded by Mary Jacques the minutes as drafted were approved as final by unanimous vote.

**3. WMMFA Financial and State Accountability Audit(s) schedule (Board discussion and potential vote)– *John Friedrich – Board Members***

The Executive Director told the board that the WMMFA had received written notification on March 9<sup>th</sup> from the State Auditor’s office that the WMMFA was due for a “State Accountability Audit” in May. The audit was to be different from the full financial audit to be conducted by Moss Adams in April. John Friedrich stated that the state was going to charge the WMMFA members \$12,500 for the audit. John stated that he contacted the state auditor’s office to find out why, after 9 years of operation we were now subject to these audits. The state’s response was that previous to now there was no funding. John stated that he questioned that responses since the WMMFA was being told they had to pay for it regardless of the fact that no public funds were being utilized. There was no clear answer provided by the state other than we were listed as a state agency. John asked the board for approval to postpone the full financial audit scheduled for May due to the cost of the two audits and the potential for an overlap in time frame for the audits. On a motion by Mary Jacques, seconded by Dinah Rhee, the board unanimously approved postponement of the full audit, and change of the full audit to a review in May, pending results of the state accountability audit.

**4. 2017 Q3 budget discussion and revised annual projections (no vote on budget until May) - *John Friedrich***

The Executive Director discussed volume and budget projections year to date and provided a pro forma budget for the 3<sup>rd</sup> quarter of 2017. John stated that he anticipated volume for 2017 to drop by 6% to 8 % from 2016 levels. He also stated that all processors implemented fairly large increases in flat panel and CRT processing which is a majority of the materials being collected. John explained that for this reason he did not anticipate total cost or cost per pound to decrease for 2017 from 2016. John stated that the 3<sup>rd</sup> quarter’s budget would be presented for vote at the next regularly scheduled board meeting.

**5. Executive Director Performance – contract compensation – (Board vote) *Gregg Chason – Board Members***

John Friedrich explained that his performance evaluation, consisting of a “Key Performance Indicator” worksheet available to all board members was submitted at the November board meeting. Gregg Chason then explained that he had circulated a document and he had provided board members present with proposed compensation package for the Executive Director for 2017. On a motion by Gregg Chason, seconded by Yadira Terrones the proposed compensation package for the Executive Director for 2017 was approved by unanimous vote.

**6. Report on 2017 YTD February operational and financial results – *John Friedrich***

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

The Executive Director reviewed expenses, and volume figures to date. John explained that cost per pound for the entire program was at \$.279 per pound YTD. Friedrich explained that while volume was down nearly 20% from last year’s levels he anticipated an increase in volume when weather across the State, especially in Eastern Washington, improved. The Director explained that there was approximately \$ 130,000 of past due invoices outstanding on a total billed balance of 2.0 million for the 2<sup>nd</sup> quarter. John said that he expected most of the outstanding balance would be collected soon.

**7. Legislative Update/Review – John Friedrich**

The Executive Director provided information to the board in regards to proposed legislation regarding E-Cycle Washington, WMMFA, and Ecology's and processor standards violation penalties, roles and responsibilities. Friedrich stated that the legislative bills referenced (HB 1824, SB 5126, and HB 1226) went through a series of hearings and were changed quite a bit from how originally drafted. Friedrich provided his opinion (opposed) to HB 1824 and gave his reasons from a management and competitive standpoint. It was mentioned that HB 1226 requiring curbside service, and SB 5126 (companion to HB 1824) did not make it through committee but that a summary version of HB 1824 was in the Senate Environmental committee as of meeting date today.

**8. Matters to discuss at future meetings**

a. Potential revisions to WMMFA Standard Plan

Director Friedrich explained that he would solicit input from multiple stakeholders to some sections of the current Standard Plan in order to clarify some of the procedures and decision making process of WMMFA in response to concerns brought up during legislative hearings sometime during 2017.

b. Annual "in person" meeting dates - notice and discussion

Adjourn meeting at 10:08AM