



Minutes
Regular Meeting of the Board of Directors
July 20, 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, July 20, 2017 at the offices of Van Ness Feldman PC, 719 2nd Avenue, Suite 1150, Seattle, WA 98104

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

Directors Present:

Gregg Chason, P & F USA, Inc.
Beth Johnson, Dell
Mary Jacques, Lenovo
Yadira Terrones, HP
Ken Lowe, VIZIO
Eric Gilbert, Acer America
Eduardo Molina, Apple
Chipper Hervieux, Dept. of Ecology
Radi Simeonova, Department of Commerce – WA State

Also Present Were:

John Friedrich, Executive Director, WMMFA
Hilary Tanneberg, Moss Adams LLP
Heather Trim, Zero Waste Washington
Craig Lorch, Total Reclaim

Directors Absent:

Dinah Rhee, Samsung
Dan Phillips, 4th Dimension Computers and Technology
Mark Dabek, RE-PC
Jane Kang, LG

1. Call to order – *Yadira Terrones*

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

- 2. Approve minutes of the: May 18, 2017 regular meeting of the Board (Board vote) – *Yadira Terrones***
Yadira asked board members in attendance if there were any additions or corrections to be made to the draft copy of the minutes of the May 18, 2017 meeting provided. There were no corrections or edits suggested. On a motion by Mary Jacques, seconded by Gregg Chason the minutes of the May 18 meeting were approved as drafted by unanimous vote.
- 3. WMMFA 2016 Financial statements review Hilary Tanneberg– *Moss Adams LLP, CPA's***
The Executive Director provided a brief description of the process for the authority's financial statement "review" by accounting firm Moss Adams LLP. The director mentioned that the authority also had a Washington State accountability audit performed just prior the financial statements review. John introduced Hilary Tanneberg of Moss Adams. Hilary provided a brief overview of the authority's financial highlights in key areas such as year-end reserves and changes in cash flows from 2015 to 2016. Hilary explained that Moss Adams was not aware of any material modifications that should be made to the statements provided for review in order for the statements to be in conformance with generally accepted accounting principles in the USA. Hilary asked those in attendance if they had any questions about the WMMFA financial statements. There were no questions.
- 4. 2017 Q4 budget discussion and revised annual projections (Board vote) - *John Friedrich***
The executive director presented the board with the approved budgets for quarters 1-3 2017 and the proposed budget for Q4 2017. John said that while actual volume YTD June 2017 was down by 19% from the prior year he anticipated that volume for the year would likely end up at 12% less than in 2016. Friedrich also explained that the WMMFA cost per pound for June was at an all-time high of \$.30 per pound based on some realignment of transporter and processor volumes and increased cost of processing. YTD cost per pound was stated as \$.29 per pound. The director indicated that the total budget for Q4 2017 was impacted by the authority's reserves position and therefore adjusted accordingly. After a brief discussion about the WMMFA's reserve position on a motion by Gregg Chason, seconded by Mary Jacques, the proposed Q4 2017 budget was approved unanimously.
- 5. Executive Director Follow Up -summary- State Auditor's Office – Exit items – *John Friedrich***
The executive director explained to the board that although he had provided a detailed response for the board attached with this meeting's reference documents he wanted to ensure that the board had no questions or concerns about the responses to the state's accountability audit exit items. As John described the exit items were not brought to the attention of the board by the State Auditor's office due to their insignificant or immaterial effect on the WMMFA or its financial statements. Friedrich described in summary the 3 areas of exit items which were billings, payroll, and reimbursements and went on to indicate that the exit items were addressed as described in the detailed response. There was no further discussion about the director's proposed solution although the director did say that some of the details within the exit items might be addressed again in the future, if, in the eyes of the board or counsel they seemed inconsistent with their understanding.
- 6. Discussion of WMMFA "Standard Plan" update required 2019 (complete in 2018) - *John Friedrich and board members***
Executive Director Friedrich reminded the board that a revised Standard Plan for plan year's 2019-2023 would be required to be completed in 2018 in order for delivery to the Department of Ecology by the end of 2018. Immediate changes to the plan surrounding the issues of fairness and competition would likely be amended by Friedrich, with board approval before the conclusion of 2017. Friedrich said this item would likely remain on meeting agendas throughout 2018.

7. Report on 2016 YTD June operational and financial results – *John Friedrich*

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

Friedrick described the volume changes experienced YTD June 2017 vs. last year and budget. WMMFA cost per pound and YTD reserve balances were again discussed. Friedrich explained that he anticipated a 12% reduction in volume for annual 2017 vs. 2016. An aging accounts receivable report was provided to board members with anticipated collections over the next few weeks described. Friedrich pointed out one larger outstanding balance that was the result of an apparent dispute over registered vs. brand ownership of a particular brand.

8. Matters to discuss at future meetings

a. Annual “in person” meeting dates and location – update and discussion

The executive director went over the time and location of the next “in person” regularly scheduled board meeting in September. The director assured board members that rooms were booked for each board member for this meeting

b. Government Satisfaction Report summary – update and discussion

The director said that he was “working” the government satisfaction survey reports to ensure the WMMFA was at least addressing the issues brought forward by local government(s). John assured the board he would have a summary report available by the September 7th board meeting.

Adjourn meeting at 10:00 am