

# WASHINGTON MATERIALS MANAGEMENT AND FINANCING AUTHORITY

## Minutes Regular Meeting of the Board of Directors September 19, 2013

The Board of Directors (“Board”) of the Washington Materials Management and Financing Authority (the “Authority”) held a regular meeting at 9:30 a.m. pacific time on Thursday, September 19, 2013 at the Hyatt Place, 110 6<sup>th</sup> Ave. North, Seattle, WA 98109

### Directors Present:

Gregg Chason, P & F USA, Inc.  
Mary Jacques, Lenovo  
Ken Lowe, VIZIO  
Dan Phillips, 4th Dimension Computers and Technology  
Dinah Rhee, Samsung Electronics America  
Beth Johnson, Dell  
Mark Dabek, RE-PC  
Kenneth Turner, HP  
Meggan Ehret, Thomson, Inc.  
Erik Stromquist, CTL  
Chipper Hervieux, Ecology

### Also Present Were:

John Friedrich, WMMFA Executive Director  
Craig Lorch, Total Reclaim  
Nancy Young, Moss Adams LLP

### Directors Absent:

Susan St. Germain, Dept. of Community, Trade & Economic Development  
Mike Moss, Samsung – attended at start to announce assignment of Dinah Rhee as Samsung representative  
John Yeider, Apple

### **1. Call to order**

Gregg Chason called the meeting to order at 9:30 am.

2. **Approve minutes of the: July 18th, 2013 regular meeting of the Board**

On a motion by Mary Jacques, seconded by Erik Stromquist, the minutes of the July 18<sup>th</sup>, 2013 regular meeting of the board meeting were approved unanimously (11-0)

3. **2012 WMMFA financial statements / review**

Nancy Young, CPA, CISA, CFE for Moss Adams LLP presented a brief synopsis and summary of the WMMFA's Annual Financial Statements which were reviewed by her firm. Nancy described the rationale behind some of the terms used within the statements required by the FASB (standards) and also provided some insight as to what caused some of the changes in financial position year to year. The difference between an annual review, review with internal control check, and full audit were explained by Nancy. After a brief discussion surrounding the WMMFA's audit and review history the Executive Director reminded the board that a decision regarding the choice of type of audit or review would be presented at the next regularly scheduled board meeting for board discussion, decision, and vote.

4. **Report on August and YTD 2013 financial results**

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

August and year to date financial statements were presented to the board. There was a discussion about collection efforts for a few of the uncollected past due manufacturer's invoices. John summarized the receivables past due collections process as it pertained to a few consistently past due member's and discussed write offs in prior years by amount and the collection ratio to date.

5. **Standard Plan Finance Policy discussion**

The Executive Director presented a breakdown by CEP product type collected, the associated cost by product types collected in aggregate, and, the sharing of the cost by manufacturer group. John pointed out that there was little correlation, over time, between manufacturer's product type returned (return shares) and the payment by that group of manufacturers. There was a discussion of how this could be improved via discretion in WMMFA finance policy and the requirements within the law as far as sharing of expenses (allocation). Mary Jacques suggested that the Executive committee look deeper into plan financing, and operational options for opportunities related to cost allocation among members where deemed necessary. On a motion by Mary Jacques, seconded by Gregg Chason, approved unanimously, it was agreed that the Executive committee would look into the issue and it would be placed as a topic on future meeting agendas.

6. **2014 WMMFA Standard Plan submission – summary of changes, operational review, status**

John Friedrich provided board members with an itemized list of topics needing to be addressed within each 5<sup>th</sup> year "Standard Plan" that was required to be submitted to the Washington State Department of Ecology. The board and Executive Director briefly discussed changes to the standard plan going forward that were submitted including requirements for more detailed financial reporting and change in finance policy as a result of recent changes within the law.

7. **Review of processing Standards and processor requirements**

The Executive director summarized major components of the "Environmentally Sound Management and Performance Standards for Direct Processors" established by Ecology and the requirements as they pertain to the processors utilized by the WMMFA. The preferred standard does include a requirement that processors "maintain a sufficient financial instrument that assures proper closure of the facility and abandonment of any

CEPs, components, parts or residuals.” Due to the recent “abandonment” of several CRT staging / warehousing organizations across the USA there is concern about liability of downstream CRT handlers and processors. John advised the board that he would review the standard and available options pertaining to “additional requirements” and advise by the next board meeting.

**8. CRT Glass disposition update**

The Executive Director informed the board of a CRT abandonment issue by a downstream vendor of 1 of the WMMFA processors and the positive status of ongoing efforts by our direct processor to aid in managing their abandoned product to final destination. Craig Lorch, with Total Reclaim provided some operational back ground and history related to CRT glass disposition and the future outlook for the capacity of the industry to absorb the large volume of returning CRT’s via glass to glass or smelting.

**9. Items to be discussed at future meetings**

1. Annual Financial Audit type (Review or Audit)
2. CRT Glass update – processor standard reporting, contingency planning follow up

Meeting was adjourned at 10:32 am