

WASHINGTON MATERIALS MANAGEMENT AND FINANCING AUTHORITY

Minutes Regular Meeting of the Board of Directors March 26, 2009

The Board of Directors (“Board”) of the Washington Materials Management and Financing Authority (the “Authority”) held a regular meeting at 9:34 a.m. pacific time on Thursday, March 26th, 2009 at the offices of Van Ness Feldman in Seattle, Washington.

Directors Present:

Nick Ammann, Apple Computers
Tala El-Husseini, PC Systems & Services, Inc.
Mark Dabek, RE-PC
Erik Stromquist, CTL Corp.
John Swiderski, Deer Park Computers Sales and Service
Meggan Ehret, Thomson, Inc.
Mike Watson, Dell Computers

Also Present Were:

John Friedrick, WMMFA Executive Director
Stephanie Scott, WMMFA Executive Assistant
Mary Reading, E-Waste- LLC
Sidney Randell, E-Waste- LLC

Directors Absent:

Stacey Ward, Wal-Mart
Susan St. Germain, Dept of Community, Trade, & Economic Development
Mike Moss, Samsung Electronics
David Thompson, Panasonic Corporation
Mary Jacques, Lenovo
Jay Shepard, Dept of Ecology

1. Call to Order.

John Swiderski called the meeting to order at 9:34am

2. Approval of Meeting Minutes held:

1. Regular Meeting Jan 15th, 2009
2. Regular Meeting Feb 19th, 2009
3. Special Meeting March 3rd, 2009

Discussion: The Board reviewed the Minutes of the Regular Meetings and the Special Meeting. The Board voted to approve the minutes. On a motion by (Watson) and seconded (Dabek) to approve the minutes of the meetings held in Jan, Feb, and March.

Voted to approve the Minutes of the Meetings held:

1. **Regular Meeting Jan 15th, 2009**
2. **Regular Meeting Feb 19th, 2009**
3. **Special Meeting March 3, 2009**

The recorded vote was unanimous (7-0) and the motion carried.

3. Report on current financial position of the WMMFA

A. February and YTD Operating & Financial Results:

Discussion: John Friedrich presented a February and year to date 2009 Expense summary to the Board showing operational expenses, and administrative expenses by item for review. John asked for questions on the reporting information.

B. Financial Auditor:

Discussion: John Fredrick updated the Board about setting up procedures, controls, and preparing for a WA state audit with the advice of the accounting firm Moss Adams. John indicated that he meets regularly with Moss Adams – working toward internal control documents to be used for guidance and audit trail. It is not clear if OFM will require audited statements for 2008, 2009, or both as a summary. John will keep the board posted on OFM requirements.

C. WMMFA Expense Report Policy Revised:

John Friedrich wrote a policy to detail the reimbursement of expenses, per diem, and mileage. The policy establishes a check and balance between governing and executive functions of the Authority. On a motion duly made (Dabek) and seconded (Ehret) to adopt the revisions to the expense policy as presented.

Voted to approve the revised expense report policy

The recorded vote was unanimous (7-0) and the motion carried.

D. Member Manufacturers payments to date:

Discussion: John Friedrich discussed with the Board the status of Manufacturers payments. An aging report was presented disclosing which Manufacturers are current and which Manufacturers were past due. John informed the board of the budget impact and estimates for bad debts.

E. 3rd & 4th quarter 2009 invoicing schedule and share determination:

Discussion: John Friedrich gave an update to the Board on Market Share. Currently, the formula is 50% Market Share 50% Return Share. The board may consider if WMMFA will be using the data from the sampling events that have been held with the assistance of a 3rd party observer as well as the Dept of Ecology for return share determination in the future (late 2009 Or early 2010). The random sampling product is bar coded, scanned, and downloaded into software. Sampling at processors locations is proceeding as scheduled and according to the process identified by ecology.

4. Directors & Officers Indemnity insurance update:

Discussion: John Friedrich sent a reminder to the Board to review the D&O policy, as adopted by the board at a prior meeting. Documents that have been received from each director will be forwarded to the Chairman for signature and then kept on file.

5. Return Share Sampling Update:

Discussion: John Friedrich gave the details about sampling to the Board. A 3rd party gives 24 hour notice of a sampling event. The crew at the processor puts a barcode on each item in the CEP population that will be potentially sampled; the item is then randomly chosen by the computer software. An estimated 13,000 to 15,000 items from the total sampling day's population will be sampled for 2009. WMMFA and the Dept of Ecology are looking at the frequency of sampling events and sampling production in an attempt to reduce cost

6. Proposal to go to a quarterly Board Meeting schedule:

Discussion: John Friedrich asked for a dialog about changing the Monthly Board Meetings to Quarterly in order to consolidate important information and improve attendance. If a meeting is urgent a Special Meeting can be called. Quarterly meetings are thought to have more meaningful content driving the attendance by value. Every other month, with a bi-yearly (in person) meeting was also suggested. On a motion by (Watson) and seconded by (Ehret);

Voted to hold board meetings on a bi-monthly (every other month) basis – pending amendment to the by-laws. The recorded vote was (6-1) (Swiderski abstaining) and the motion carried.

7. 3rd & 4th quarter budget proposed-request for approval:

Discussion: The proposed budget was sent out for review. WMMFA will invoice again at the 1st of April for the 3rd quarter 2009. The scheduled invoices are sent every 3 months- with the net due in 90 days. On a motion by (Dabek) seconded by (Watson) to approve the budget.

Voted to approve the proposed budget

The recorded vote was unanimous (7-0) and the motion carried.

8. Manufacturer invoice determination factors discussion:

Discussion: This issue will be addressed at the next scheduled Board Meeting. There was discussion at the last board meeting about securing market share data more frequently, such as quarterly. The cost benefit for the overall membership was discussed and the idea was dismissed due to cost and other considerations. The market and return share percentages were listed as an item to discuss at the next meeting. It was also suggested that the Finance committee convene in July to discuss manufacturer invoicing apportionment.

9. Annual Board Positions-election discussion

- Chairman
- Vice Chairman
- Secretary
- Treasurer

Discussion: An LOI e-mail was sent to all current board members requesting interest or lack thereof among directors holding these positions and other board members. Annual selection of Board Members positions per bi-laws requires review of such positions. Inquires, and interest need to be communicated. At this point in time all current members, except 1 that has not responded, have expressed interest in maintaining their positions, and none of the other directors has expressed interest in assuming one of these positions. This will be discussed at the next board meeting. It was suggested that the current holders of these positions may hold them until the next review cycle for these positions (January 2010).

The Chairperson, John Swiderski, provided opportunity for comment from Mary Reading and Sydney Randall of E-Waste LLC. E-Waste LLC is located in Lynwood, WA and is a registered processor for the plan. Members of the Board and the Executive Director addressed questions concerning processing of CEP pounds collected by the Authority under the Standard Plan.

10. Matters to address at future meetings:

Annual Board Positions member's selection
Manufacturer invoice determination factors discussion.
Committee member composition, meetings and reporting.

11. Meeting Adjourned: 10:31am