

WASHINGTON MATERIALS MANAGEMENT AND FINANCING AUTHORITY

Minutes Regular Meeting of the Board of Directors July 15, 2010

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, July 15, 2010 at the offices of Van Ness Feldman in Seattle, Washington.

Directors Present:

Mark Dabek, RE-PC
Gregg Chason, P & F USA, Inc.
Mary Jacques, Lenovo
Kristyn Rankin, Dell
Susan Wright, Osram Sylvania
Meggan Ehret, Thomson Inc.

Also Present Were:

John Friedrich, WMMFA Executive Director
Miles Kuntz, Ecology
Richard Vernam, Panasonic (present for item 7 only)

Directors Absent:

Nick Ammann, Apple
Erik Stromquist, CTL
Talal El-Husseini, PC Systems and Services
Stacy Ward, Wal-Mart Stores
Susan St. Germain, Dept. of Community, Trade & Economic Development
Jay Shepard, Department of Ecology

1. Call to Order.

Gregg Chason (secretary) called the meeting to order at 9:35am

2. Approve Minutes of the Regular board meeting held May 20, 2010.

Discussion: The Board reviewed the Minutes of the Regular Meeting of May 20, 2010. On a motion by Mary Jacques the minutes were approved by a vote of 6-0 (all voting board members approved)

(NOTE: Due to time commitments the Board agreed to address agenda item 7 1st, and then returned to item 3, as Richard Vernam, Panasonic requested to address the Board directly and had a commitment to get to another meeting shortly.)

3. Market Share

- A. Member survey and contacts summary – suggestions from membership
- B. Market share determination –units to pounds conversion, revisions, etc.
- C. Request for expenditure – market share research

John Friedrich advised the Board of the current market share determination process. Results of a member survey sent to the top 30 manufacturers (by invoice amount) were also provided in earlier attachments. The Board discussed pros and cons of the current WMMFA finance policy and benefits of changes to all members. It was agreed (discussion) that the current financing policy as outlined in the WMMFA standard plan would be carried forward at this time (2011) unless options were discovered and accepted that would be a better overall fit for members. It was agreed that finance policy would be reviewed annually - at a minimum. It was noted that finance policy is contentious and complex and not a best fit for any one manufacturer. The Board directed the Executive Director to research finance options that would produce the best probability of maintaining the member base. John said he would report back to the Board prior to the September 2010 meeting. On a motion by Gregg Chason the Board approved (6-0 in favor) authorizing the purchase of market share from NPD group for use in 2011 market share determination and invoicing.

4. Independent Plans 2011– update

John Friedrich reported that there was only 1 independent plan submitted to Ecology so far, to date. Miles Kuntz reported that general information about the proposed independent plan would be available at the end of August and that approval/denial would be made by October 22.

5. Processing Standards – R2/Rios, E-stewards discussion:

The Executive Director summarized and contrasted the major components of the 2 major processing standards to date (R2 and E-Stewards). The Executive Director advised the Board that although there are various standards for processing – none of the processors used by the WMMFA export to developing countries. The Board (without vote) was in general agreement that the preferred processing standards as approved by the WA State Dept. of Ecology were sufficient at this time as all processors were in compliance with the legally mandated processing standards.

6. Collection, transport, processing expense sharing (IT vs. TV) member inquiry:

The Executive Director provided verbal information to the Board about an inquiry from a large IT member manufacturer as to why the Authority would not credit back to member IT manufacturers the proportionate lower cost, or, in some cases, rebate amounts received from processors for certain IT equipment. This manufacturer felt that they were subsidizing TV processing expense to some degree. The Executive Director provided a history of processing expenses and rebates from the start of the program and the pros and cons in terms of time, cost, and benefit to members based on financial data collected to

date. John pointed out that the program operated by the WMMFA is a mandate to collect, transport, and process various types of CEP's. Based on this fact coupled with the "relative" impact of this level of cost or savings tracking the Board did not make a motion to make any adjustments to the current finance policy at this time. The Executive Director agreed to keep the board posted on the potential impact of this type of change coupled with any other finance options considered in the future.

7. Panasonic request for retroactive use of updated sampling for plasma TV >40" :

John Friedrich provided a summary of the Panasonic appeal to the WMMFA market share determination percentage for Panasonic to date and introduced Richard Vernam, Panasonic. Richard outlined Panasonic's reason for appeal. After a period of questions answers, and discussion among board members, Richard Vernam, John Friedrich, the Executive Director of the WMMFA, and Mary Jacques, chairperson - WMMFA, solicited input from the board members present and all of the board members present (6) indicated that they were comfortable with the decision previously put forth by the department of Ecology and the WMMFA to date.

8. Report on current financial and operating position

- A. June and 2010 YTD pounds and expenses
- B. Actual 2010 expenses to comparable 2009 time period
- C. Unpaid manufacturer's invoices to date

John Friedrich discussed highlights of the plan collections and expenses YTD June 2010.

9. 4th quarter 2010 budget presentation – request for approval:

John presented the 4th quarter 2010 budget for approval. The board approved the budget on a motion by Kristyn Rankin, all Board members approved (vote 6-0 in favor). Based on operating results the 1st 3 quarters of 2010 the total amount invoiced to manufacturers for the 4th quarter would be approximately 25% less than the average of the prior 3 quarters.

10. Matters to address at future meetings:

Potential options for finance policy going forward

The meeting was adjourned at 10:40 a.m.