



Minutes Board of Directors’ Meeting, Wednesday, April 4, 2018

Linthicum, Maryland

Approved April 27, 2018

Present:

Board Members: Robert Isner, Connecticut Department of Energy & Environmental Protection, President of the Board; Kaley Laleker, Maryland Department of the Environment, Vice President; Rick Watson, Delaware Solid Waste Authority, Treasurer; Megan Pryor, Maine Department of Environmental Protection; Brooke Nash, Massachusetts Department of Environmental Protection; Todd Moore, New Hampshire Department of Environmental Services; Terry Laibach, New York Department of Environmental Conservation; Josh Kelly, Vermont Agency of Natural Resources; Chip Foley, Ex Officio; Chaz Miller, Ex Officio

Non-Board Members: Lynn Rubinstein, NERC Executive Director, Secretary to the Board; Mary Ann Remolador, NERC Assistant Director; Robert Kropp, NERC Office Manager; Debra Darby and Emilee Metcalf, Organix Solutions

The meeting was called to order by Robert Isner, President of the Board, at 8:30 a.m.

Treasurer’s Report

After discussion, Robert Isner moved to approve the Treasurer’s Report, and Brooke Nash seconded. Passed unanimously. Report attached

Review of Votes Taken Since Previous Board meeting

Rick Watson moved to approve the votes taken since the previous Board meeting. Josh Kelly seconded the motion. Passed unanimously. See attached.

Product Stewardship Policy Update

After discussion, Todd Moore moved to amend NERC’s product stewardship policy, as attached. Megan Pryor seconded the motion. Pass unanimously. See attached.

Proposal to Amend the Advisory Membership Dues Structure

After discussion, Josh Kelly moved to adopt the following Advisory Membership dues structure effective July 1, 2018, seconded by Brooke Nash. Passed unanimously.

Membership Category	Current Dues	Amended Dues
Distinguished Benefactor	\$10,000+	Unchanged
Benefactor	\$5,000+	Unchanged
Sustaining Member	\$2,000	\$2,500
Supporting Member – Municipalities & Non-profit Organizations	\$350	\$500
Supporting Member – Small Business (Revenues under \$1 million)	\$500	\$600
Supporting Member - Medium Business (Revenues \$1 million - \$100 million)	\$1,000	\$1,500
Supporting Member – Large Business & Trade Associations (Revenues over \$100 million)	\$1,500	\$2,000

Repair Policy

After a great deal of conversation, the Board determined to continue its deliberations about the policy content and anticipates voting electronically this spring. It renewed its commitment to having such a policy.

Election of Ex Officio Board Members

A motion to appoint Chaz Miller and Chip Foley to additional one year terms (September 1, 2018 – August 31, 2019) as Ex Officio Board members was made by Robert Isner and seconded by Todd Moore. Passed unanimously.

Election of Officers for FY2019

A motion was made by Brooke Nash to approve the following slate of officers for Fiscal Year 2019 (beginning July 1):

- President of the Board: Kaley Laleker
- Vice President of the Board: Megan Pryor
- Treasurer: Rick Watson.

The motion was seconded by Josh Kelly, and unanimously approved.

The Board expressed its deep appreciation to Robert Isner for his service as the President of the Board.

Revision of NERC's Vision and Mission Statements

Draft language was considered and it was agreed to continue the conversation over the spring.

Joint Strategic Plan with NEWMOA

Lynn Rubinstein provided an update on the status of the effort. See attached.

Regional Recycling Symbol Harmonization & List of Acceptable Recyclables

The conversation about how to move forward with this effort will begin with a webinar for NERC and NEWMOA Board members on May 2nd.

Support of Minimum Content for Glass Containers

The Board expressed its interest in minimum content requirements for glass beverage containers.

Meeting adjourned at 11:55 a.m.

Notes recorded by Lynn Rubinstein, Secretary to the Board of Directors.

Treasurer's Report
April 4, 2018
Period Covered: July 1, 2017 – February 28, 2018

Background

NERC's finances are recorded on an accrual basis. This means, for example, that an invoice is sent out requesting payment (e.g., typically a membership dues invoice) it is reflected as revenue. When presenting an overall financial picture of the organization, this can be somewhat misleading as we do not know if payments will be received. Because of this, the attached financial document includes columns for both "accrued to date" and "cash to date". In the case of revenue, the accrued to date reflects both unpaid invoices and payments to NERC. And in the case of expenses, the accrued to date reflects outstanding invoices that NERC has received but has not yet paid. We pay invoices on a monthly basis, usually in the middle of the month

Another feature of NERC's finances that is important to understand when looking at the attached spreadsheet is that NERC has three key program areas that have separate financial accounting: NERC; the Electronics Recycling Coordination Clearinghouse (ERCC); and the Toxics in Packaging Clearinghouse (TPCH). ERCC and TPCH have separate budgets and bank accounts, and all financial transactions are recorded separately. However, as they are NERC programs and the total financial activity is reflected in our annual audit, the attached document includes the separate key program areas, as well as a combined accounting.

Overview

This financial information below reflects the period of July 1, 2017 – February 28, 2018. Our fiscal year is July 1 – June 30th, so this report captures 67% of the fiscal year.

In the following pages there is budget information for each of the three key program areas (NERC, ERCC, and TPCH), followed by a combined set of financials.

NERC Only

Revenue

We are doing well for this fiscal year to date, having received 75% of the budgeted revenues (cash). A few of the specific revenue items are below 67% of the budget. These are:

- Interest
- State Membership Dues
- Advisory Membership Dues

Interest is struggling at 38%. NERC has several CD's that pay on a quarterly basis so the flow of interest is not consistent on a monthly basis.

State Membership dues will "always" look low until the end of the fiscal year. This is because most dues invoices are sent out in April and many are paid in the same fiscal year.

Advisory Membership dues, while spread-out more during the year, do have a couple of concentrated time of payment; the second half of the fiscal year.

Expenses

Total NERC expenses are slightly below projected at 61%. There are a few items that are well over 61% of the budget to date. These are:

- Bank Service Charges
- Gifts & Awards Given
- Internet
- Office Supplies
- Permits
- Program meeting expenses
- Subscriptions

Bank service charges are the credit card transaction fees that we are charged when paid by a credit card. The vast majority of these costs arise in conjunction with conferences. So, it is to be expected that this account will be high at this point in the year. We are also seeing an increase in the number of Advisory Members paying by credit card, and this has an impact as well.

Gifts & awards given is higher than anticipated, and will remain that way, because the decision was made to recognize many more award applicants than had been anticipated during the budgeting process. I anticipate that this account will be over-budget at the end of the fiscal year.

Internet is slightly high because of billing cycles.

Office supply expenses are primarily associated with conferences and in this case we have expended more than usual for the special 30th anniversary documents and visuals. This had not been anticipated in the budgeting process.

Permits are the annual fees that we pay in individual states because we “do business” or “raise funds” in those states and are therefore required to be registered with the state and make annual filings. The states and jurisdictions for which we pay fees are Connecticut, Maine, Maryland, Massachusetts, New Hampshire, Vermont, and the District of Columbia (this is part of the ERCC budget).

Program meeting expenses is what it costs us to put on conferences and workshops. The 30th anniversary was more expensive than budgeted, but more sponsorships came in, so overall not a concern.

Subscriptions are primarily our GoToWebinar and Survey Monkey subscriptions. In both cases, the fees went up mid-year.

Conclusion

While fundraising and memberships is always a challenge, we are doing well. We have healthy reserves in excess of the industry standard of a minimum of 6 months of operating expense (which would be approximately \$250,000 for NERC’s expenses).

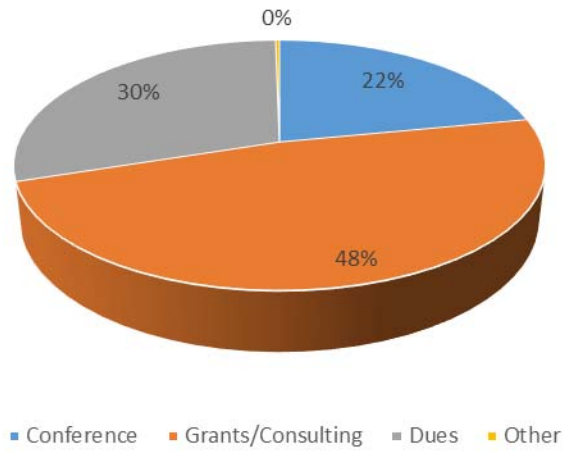
Bank Balances

July 1, 2017	\$640,246	
February 28, 2018	\$673,630	
Net FY18	\$33,384	
Restricted balance	\$240,845	36%
Unrestricted balance	\$432,784	64%

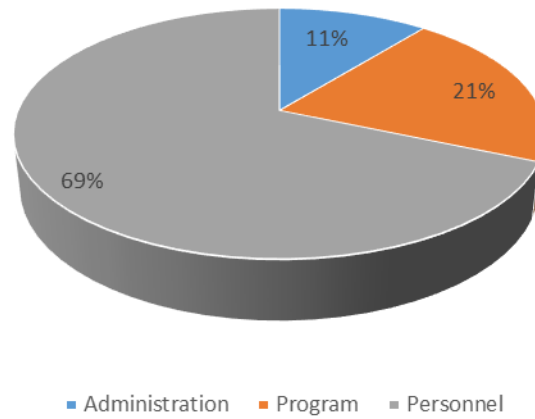
July 1 – February 28, 2018	NERC Only						
	BUDGET	Accrued to date	Accrued % of budget to date	Cash to date	Cash % of budget to date	FY17 ¹	FY16
Revenue							
Conference Sponsorship	\$15,000	\$22,000	147%	\$31,000	207%	\$13,000	\$6,050
Grants/Consulting	\$180,313	\$131,211	73%	\$138,610	77%	\$152,393	\$160,350
Interest	\$2,000	\$764	38%	\$764	38%	\$1,475	\$1,912
State Membership Dues	\$82,000	\$22,060	27%	\$54,060	66%	\$28,310	\$18,283
Advisory Member Dues	\$100,000	\$58,995	59%	\$64,595	65%	\$67,375	\$65,220
Registrations	\$50,000	\$37,775	76%	\$36,285	73%	\$49,973	\$33,245
State Travel Accounts	\$6,720	\$0	0%	\$2,000	30%	\$1,400	\$1,621
Contributions	\$0	\$10	0%	\$325	0%	\$0	\$0
Reimbursed Expenses	\$1,000	\$0	0%	\$0	0%	\$0	\$0
Total Revenues	\$437,033	\$272,815	62%	\$327,639	75%	\$313,926	\$286,681
Released from Cash Reserves	\$8,842	\$0		\$0		\$0	\$0
Total	\$445,875	\$272,815	61%	\$327,639	120%	\$313,926	\$286,681
Expenses							
Advertising	\$500	\$0	0%	\$0	0%	\$0	\$0
Bank Service Charges	\$3,500	\$2,815	80%	\$2,815	80%	\$2,641	\$1,859
Contractors	\$5,000	\$2,065	41%	\$2,065	41%	\$3,412	\$11,375
Equipment Purchases	\$5,000	\$1,233	25%	\$1,233	25%	\$1,415	\$1,483
Equipment Repairs	\$1,500	\$583	39%	\$583	39%	\$1,025	\$843
Gifts & Awards Given	\$3,500	\$2,865	82%	\$2,865	82%	\$1,284	\$512
Grants distributed	\$25,000	\$0	0%	\$0	0%	\$0.00	\$0
Insurance	\$4,600	\$790	17%	\$790	17%	\$1,028	\$1,039
Internet	\$1,500	\$1,192	79%	\$1,192	79%	\$1,260	\$1,134
State Travel Costs	\$6,500	\$1,321	20%	\$1,321	20%	\$4,136	\$3,614
Office Supplies	\$1,000	\$784	78%	\$784	78%	\$792	\$417
Permits	\$1,300	\$1,056	81%	\$1,056	81%	\$813	\$893
Personnel expenses	\$310,000	\$206,416	67%	\$205,863	66%	\$214,028	\$265,193
Raise/bonus fund	\$6,200	\$0	0%	\$0	0%	\$6,398	\$7,756
Postage	\$200	\$141	71%	\$141	71%	\$177	\$360
Printing (copying)	\$1,250	\$430	34%	\$430	34%	\$585	\$331
Professional Services	\$34,600	\$22,086	64%	\$21,786	63%	\$34,644	\$11,338
Promotion & Marketing	\$2,000	\$800	40%	\$800	40%	\$785	\$0
Meeting Expenses	\$24,000	\$21,695	90%	\$21,695	90%	\$17,681	\$12,752
Registrations	\$6,525	\$1,929	30%	\$1,929	30%	\$566	\$660
Rent	\$13,000	\$8,761	67%	\$8,761	67%	\$8,754	\$9,149
Subscriptions	\$2,500	\$2,964	119%	\$2,964	119%	\$2,376	\$2,904
Telephone	\$3,200	\$2,353	74%	\$2,353	74%	\$2,155	\$1,896
Travel	\$30,000	\$18,895	63%	\$18,895	63%	\$12,763	\$13,195
Total Expenses	\$492,375	\$301,173	61%	\$300,320	61%	\$318,717	\$348,704
Net Subtotal	-\$46,500	-\$28,358	61%	\$27,319		-\$4,792	-\$62,023
Release from Restricted	\$46,500	\$7,103	15%	\$7,103		\$13,689	\$55,436
NET for fiscal year	\$0	-\$21,256		\$34,422		\$8,898	-\$6,588

¹ FY16 and FY17 figures, throughout, are as of the Spring Treasurer's Report, so approximately the same moment in time as the FY18 financials. FY17 figures are accrued basis. FY16 figures are cash basis. We switched to accrued basis in FY17.

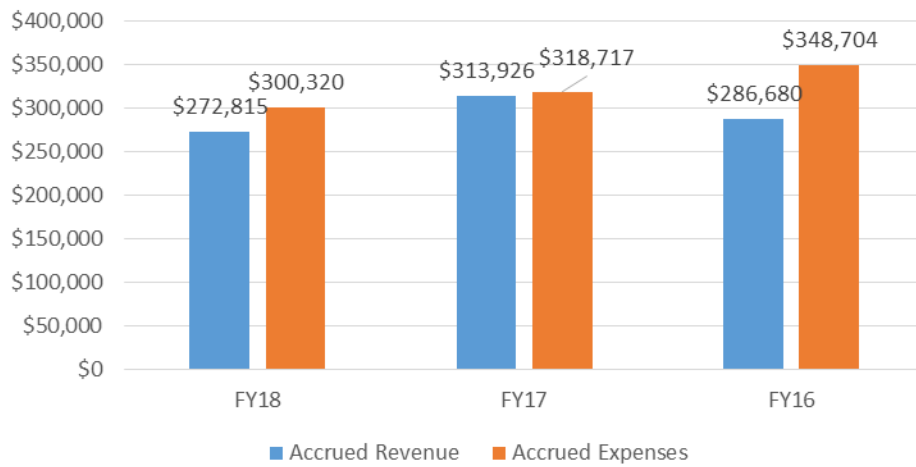
NERC Only Revenue FY18



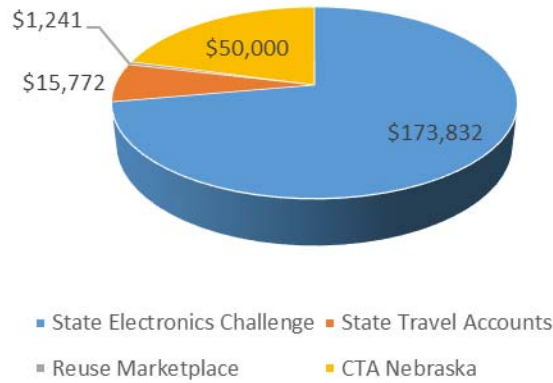
NERC Only Expenses FY18

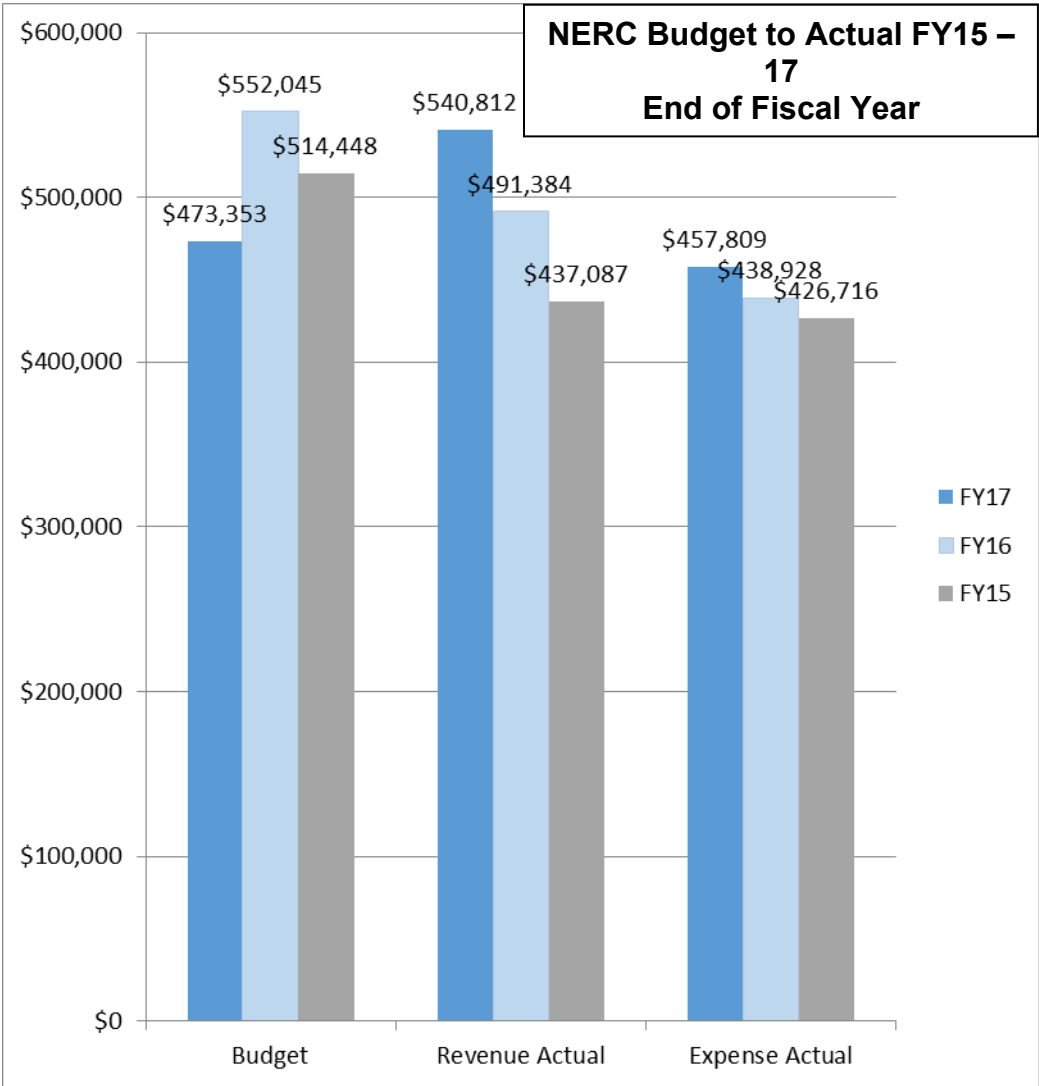


NERC Only Revenue & Expenses FY16 - 18



NERC Restricted Accounts Balances – February 28, 2018





ERCC Only

Revenue

ERCC is also doing well, having received 83% of the budgeted revenues (cash). In part this is due to a \$50,000 contribution for a new project that came in December. The Grants/consulting category (which is budgeted at \$177,000) represents the “market share data program” and the “ecycleregistration program”, will now incorporate expenses for the “compliance calendar” project as well. These are services that member states purchase from the ERCC and while not literally grants/consulting this is the accounting category that the revenues are recorded within.

Market share data program: Many of the states have electronics take-back laws that are based on manufacturer market share. ERCC buys this data on behalf of 17 states and pays a discounted rate as a result. This savings is passed onto the participating states.

ecycleregistration program: Many states require electronics manufacturers (and in some cases electronics recyclers) to annually register with the state. The ERCC offers a consolidated platform for registration in multiple states. Eight states participate in this program and pay a service fee to sustain the costs of program management.

Compliance calendar: This is a new project to develop a web site that provides state by state compliance information and tools for the regulated community. It is well into development and there is a great deal of enthusiasm about this unique resource.

Expenses

Total expenses to date (cash) are at 99%. This is the result of the billing cycle for market share data, as well as new requests for market share data that arose during the fiscal year (revenue received for extra expenses). The contractor budget reflects website redesign and programming. This now includes work on the compliance calendar. The member meeting took place in September so that budget item is fully expended for the year.

Conclusion

ERCC remains a vibrant program with a great deal of support and engagement from both state and non-state members. It has a healthy bank balance as well. It is down right now because of market share data program. Normally, there is a balance slightly in excess of \$100,000 in reserves at the end of the fiscal year.

ERCC Bank Balances

July 1, 2017	\$167,122
September 30, 2017	\$120,022
Net FY18	-\$47,101

July 1, 2017 – February 28, 2018	ERCC Only						
	BUDGET	Accrued to date	Accrued % of budget to date	Cash to date	Cash % of budget to date	FY17 ²	FY16
Revenue							
Conference Sponsorship	\$0	\$500	0%	\$500	0%	\$3,000	\$0
Grants/Consulting	\$177,000	\$68,085	22%	\$121,296	69%	\$93,556	\$65,580
Interest	\$200	\$302	63%	\$302	151%	\$232	\$385
State Member Dues	\$78,850	\$20,750	26%	\$54,350	69%	\$43,250	\$39,250
Advisory Member Dues	\$53,700	\$46,750	54%	\$32,250	60%	\$43,500	\$50,000
Registrations	\$500	\$0	0%	\$0	0%	\$0	\$0
State Travel Accounts	\$0	\$0	0%	\$0	0%	-\$2,000	\$5,000
Contributions	\$0	\$50,000	0%	\$50,000	0%	\$0	\$0
Reimbursed Expenses	\$0	\$0	0%	\$0	0%	\$0	\$0
Total Revenues	\$310,250	\$186,387	29%	\$258,698	83%	\$181,538	\$160,214
Released from Reserves	\$0	\$0	\$0	\$0		\$0	\$0
Total	\$310,250	\$186,387	29%	\$258,698	83%	\$181,538	\$160,214
Expenses							
Advertising	\$0	\$0	0%	\$0	0%	\$0	\$0
Bank Service Charges	\$745	\$522	70%	\$522	70%	\$499	\$361
Contractors	\$18,000	\$23,790	132%	\$23,790	132%	\$13,090	\$12,492
Equipment Purchases	\$0	\$0	0%	\$0	0%	\$0	\$0
Equipment Repairs	\$0	\$0	0%	\$0	0%	\$0	\$0
Gifts & Awards	\$0	\$0	0%	\$0	0%	\$0	\$0
Grants distributed	\$0	\$0	0%	\$0	0%	\$0	\$0
Insurance	\$0	\$0	0%	\$0	0%	\$0	\$0
Internet	\$0	\$0	0%	\$0	0%	\$0	\$0
State Travel Costs	\$0	\$0	0%	\$0	0%	\$1,078	\$1,621
Office Supplies	\$0	\$0	0%	\$0	0%	\$0	\$0
Permits	\$140	\$61	44%	\$61	44%	\$166	\$12
Personnel	\$0	\$0	0%	\$0	0%	\$0	\$0
Raise/bonus fund	\$0	\$0	0%	\$0	0%	\$0	\$0
Postage	\$15	\$26	0%	\$26	0%	\$15	\$8
Printing (copying)	\$10	\$0	0%	\$0	0%	\$1	\$1
Professional Services	\$278,000	\$229,190	82%	\$269,104	97%	\$201,715	\$261,963
Marketing	\$0	\$0	0%	\$0	0%	\$0	\$0
Meeting Expenses	\$4,000	\$3,823	96%	\$3,823	96%	\$0	\$0
Registrations	\$0	\$0	0%	\$0	0%	\$0	\$0
Rent	\$0	\$0	0%	\$0	0%	\$0	\$0
Subscriptions	\$0	\$0	0%	\$0	0%	\$0	\$0
Telephone	\$15	\$0	0%	\$0	0%	\$12	\$0
Travel	\$9,000	\$10,465	86%	\$10,465	116%	\$7,979	\$10,211
Total Expenses	\$309,925	\$267,877	86%	\$307,790	99%	\$224,554	\$286,668
Net Subtotal	\$325	-\$81,490	0%	-\$49,092		-\$43,015	-\$126,453
Net Budget	\$325	-\$81,490		-\$49,092		-\$43,015	-\$126,453

² FY16 and FY17 figures, throughout, are as of the Spring Treasurer's Report, so approximately the same moment in time as the FY18 financials. FY16 figures are cash basis. We switched to accrued basis in FY17.

TPCH Only

Revenue

TPCH revenue to date (cash) is at 73% of the annual budget. All membership dues, state and advisory members, are due in July of each year so the majority are paid in the first quarter. There is only one outstanding dues payment for this fiscal year.

Expenses

Expenses are almost on target at 71%. There have been some small “new” expenses associated with the staff position becoming salaried and that is reflected here.

TPCH budgeted for \$7,100 released from restricted for this fiscal year. For many years, TPCH has had a restricted account resulting from a California SEP. It is used to pay for member travel expenses to the annual meeting. The balance in this account will be approximately \$3,350 at the end of this fiscal year.

Conclusion

Although TPCH’s restricted account is shrinking, TPCH continues to have a strong cash reserve.

TPCH Bank Balances

July 1, 2017	\$71,355	
February 28, 2018	\$78,683	
Net FY18	\$7,327	
Restricted balance	\$3,345	4%
Unrestricted balance	\$75,338	96%

July 1, 2017 – February 28, 2018	TPCH						
	BUDGET	Accrued to date	Accrued % of budget to date	Cash to date	Cash % of budget to date	FY17 ³	FY16
Revenue							
Conference Sponsorship	\$0	\$0	0%	\$0	0%	\$0	\$0
Grants/Consulting	\$0	\$0	0%	\$0	0%	\$0	\$0
Interest	\$50	\$52	38%	\$19	38%	\$25	\$25
State Member Dues	\$27,000	\$17,000	63%	\$32,000	119%	\$28,000	\$24,000
Advisory Member Dues	\$11,000	\$11,000	100%	\$8,000	73%	\$7,000	\$4,000
Registrations	\$0	\$0	0%	\$0	0%	\$0	\$0
State Travel Accounts	\$0	\$0	0%	\$0	0%	\$0	\$0
Contributions	\$0	\$0	0%	\$0	0%	\$0	\$0
Reimbursed Expenses	\$0	\$0	0%	\$0	0%	\$0	\$0
Total Revenues	\$38,050	\$28,052	74%	\$40,019	73%	\$35,025	\$28,025
Released from Cash Reserves	\$0	\$0		\$0		\$0	\$0
Total	\$38,050	\$28,052	74%	\$40,019	73%	\$35,025	\$28,025
Expenses							
Advertising	\$0	\$0	0%	\$0	0%	\$0	\$0
Bank Service Charges	\$0	\$0	0%	\$0	0%	\$0	\$0
Contractors	\$0	\$0	0%	\$0	0%	\$0	\$0
Equipment Purchases	\$0	\$0	0%	\$0	0%	\$0	\$0
Equipment Repairs	\$0	\$0	0%	\$0	0%	\$0	\$0
Gifts & Awards	\$0	\$0	0%	\$0	0%	\$0	\$0
Grants distributed	\$0	\$0	0%	\$0	0%	\$0	\$0
Insurance	\$0	\$0	0%	\$0	0%	\$0	\$0
Internet	\$0	\$91	0%	\$91	0%	\$0	\$84
State Travel Costs	\$3,500	\$0	0%	\$0	0%	\$0	\$0
Office Supplies	\$0	\$0	0%	\$0	0%	\$11	\$0
Permits	\$0	\$0	0%	\$0	0%	\$0	\$0
Personnel	\$25,350	\$18,663	72%	\$20,808	80%	\$13,950	\$19,679
Raise/bonus fund	\$0	\$0	0%	\$0	0%	\$0	\$0
Postage	\$100	\$34	34%	\$34	34%	\$32	\$186
Printing (copying)	\$100	\$55	55%	\$55	55%	\$11	\$27
Professional Services	\$10,000	\$5,000.00	50%	\$5,000	50%	\$7,500	\$7,500
Marketing	\$0	\$0	0%	\$0	0%	\$0	\$0
Meeting Expenses	\$1,000	\$226	16%	\$226	16%	\$987	\$336
Registrations	\$0	\$0	0%	\$0	0%	\$0	\$0
Rent	\$0	\$0	0%	\$0	0%	\$0	\$0
Subscriptions	\$250	\$250	100%	\$250	100%	\$250	\$250
Telephone	\$350	\$200	57%	\$150	43%	\$253	\$225
Travel	\$4,600	\$3,537	101%	\$3,537	101%	\$3,066	\$3,360
Total Expenses	\$45,250	\$28,055	66%	\$30,150	71%	\$26,061	\$31,646
Net Subtotal	-\$7,200	(\$3)		\$9,869		\$8,963	-\$3,620
Release from Restricted	\$7,100	\$3,035	43%	\$3,035	71%	\$2,550	\$1,908
NET for fiscal year	-\$100	\$3,032		\$12,904		\$11,513	-\$1,713

³ FY16 and FY17 figures, throughout, are as of the Spring Treasurer's Report, so approximately the same moment in time as the FY18 financials. FY16 figures are cash basis. We switched to accrued basis in FY17.

Combined Financials

July 1, 2017 – February 28, 2018	Combined (NERC, ERCC, & TPCH)		
	Budget	Total to date/ Accrued	% of Budget to date/Accrued
Revenue			
Conference Sponsorship	\$15,000	\$22,500	107%
Grants/Consulting	\$357,313	\$199,296	22%
Interest	\$2,250	\$1,118	27%
State Membership Dues	\$187,850	\$59,810	32%
Advisory Member Dues	\$164,700	\$116,745	38%
Registrations	\$50,500	\$37,775	47%
State Travel Accounts	\$6,720	\$0	18%
Contributions	\$0	\$0	0%
Reimbursed Expenses	\$1,000	\$0	0%
Total Revenues	\$785,333	\$437,244	31%
Released from Cash Reserves	\$8,842	\$0	0%
Total	\$794,175	\$437,244	31%
Expenses			
Advertising	\$500	\$0	0%
Bank Service Charges	\$4,245	\$3,337	79%
Contractors	\$23,000	\$25,855	112%
Equipment Purchases	\$5,000	\$1,233	25%
Equipment Repairs	\$1,500	\$583	39%
Gifts & Awards Given	\$3,500	\$2,865	82%
Grants distributed	\$25,000	\$0	0%
Insurance	\$4,600	\$790	17%
Internet	\$1,500	\$1,284	86%
State Travel Costs	\$10,000	\$1,321	18%
Office Supplies	\$1,000	\$784	78%
Permits	\$1,440	\$1,117	78%
Personnel expenses	\$335,350	\$225,079	67%
Raise/bonus fund	\$6,200	\$0	0%
Postage	\$315	\$201	64%
Printing (copying)	\$1,360	\$485	36%
Professional Services	\$322,600	\$256,276	79%
Promotion & Marketing	\$2,000	\$800	40%
Program - Meeting Expenses	\$29,000	\$25,743	88%
Registrations	\$6,525	\$1,929	30%
Rent	\$13,000	\$8,761	67%
Subscriptions	\$2,750	\$3,214	117%
Telephone	\$3,565	\$2,552	72%
Travel	\$43,600	\$32,897	77%
Total Expenses	\$847,550	\$597,105	71%
Net Subtotal	-\$53,375	-\$159,861	315%
Release from Restricted	\$53,600	\$10,137	19%
NET budget for fiscal year	\$225	-\$149,724	-5119%

**Vote Taken by NERC Board of Directors
Between Board Meetings**

November 5, 2018 – March 15, 2018

Vote to Approve NERC Board of Director Meeting Minutes from November 2017

- Vote completed December 14, 2017
- Approved

Product Stewardship and Extended Producer Responsibility Policy Statement

Adopted April 5, 2018

Purpose

The purpose of this policy statement is to articulate guiding principles for NERC as it works with policy makers, manufacturers, retailers, consumers, regulators, legislators, waste managers and other stakeholders to develop or implement programs that safely and effectively manage the entire spectrum of consumer products throughout their lifecycle.

Definitions

Product Stewardship

The act of minimizing health, safety, environmental, and social impacts, and maximizing economic benefits of a product and its packaging throughout all lifecycle stages. The producer of the product has the greatest ability to minimize adverse impacts, but other stakeholders, such as suppliers, retailers, government, and consumers, may also play a role. Product stewardship can be implemented through either voluntary programs or legal requirements.

Extended Producer Responsibility

Is a mandatory type of product stewardship that includes, at a minimum, the requirement that the producer's responsibility for its product extends to post consumer management of that product. There are two related features of producer responsibility: (1) shifting financial and management responsibility, with government oversight, upstream to the producer and away from the public sector; and (2) providing incentives to producers to incorporate environmental considerations in the design of their products.

Policy Statement

NERC believes that it is in the best interest of the public and the environment to reduce the adverse health, financial, environmental, and other impacts associated with the lifecycle of consumer products and that the responsibility for reducing these impacts must be shared among manufacturers, retailers, government, and consumers. NERC believes that the greater the ability/efficiency an entity or interest group has to minimize a product's lifecycle impacts, the greater is its degree of responsibility and opportunity for addressing those impacts. NERC believes that extended producer responsibility programs in the Northeast have a demonstrated record of increasing recycling, saving municipalities money, and creating recycling related jobs.

It is through regional and multi-stakeholder dialogue and cooperation and the leadership of state and local governments that product stewardship and extended producer responsibility strategies are most effectively developed and implemented.

NERC recognizes that the goals of product stewardship and extended producer responsibility are to:

- Use the efficiencies of the free market to increase recycling and composting,
- Increase the use of recycled materials in product manufacturing,
- Encourage source and waste reduction throughout the product lifecycle,
- Encourage durability, reusability, and recyclability of products,
- Encourage manufacturers to produce products that contain fewer toxic and virgin components,
- Educate stakeholders about the environmental and health impacts of the lifecycle of products, and
- Shift the costs of end-of-life product management from municipal tax payers and generators to consumers and product manufacturers.

NERC Action Guidelines

To implement this policy NERC will pursue actions, including but not limited to:

- Initiating, participating in and/or facilitating multi-stakeholder dialogue and national and regional activities to establish agreements that promote shared lifecycle management of products and encourage source reduction, reuse, recycling, and decreased use of toxic and virgin components.
- Working with governmental entities to develop and establish policies and programs that encourage product stewardship and extended producer responsibility.
- Cooperating in outreach and educational activities that encourage and support product stewardship and extended producer responsibility strategies.
- Analyzing and sharing data about product stewardship and extended producer responsibility programs.
- Initiating, participating in and/or facilitating efforts that support the efficient and effective implementation of product stewardship and extended producer responsibility programs.
- Assessing and considering available research and data relative to product stewardship and extended producer responsibility initiatives and the associated environmental impacts before making strategic decisions.

Background

NERC worked with the Northeast newspaper publishers to negotiate a commitment to use more recycled newsprint, and with the Direct Marketing Association and Yellow Pages Publishers to use recycled content paper and improve recyclability of the Yellow pages. In addition, NERC was a signatory to the national carpet stewardship agreement and participant in the dialogues that led to the agreement. NERC also served as an active stakeholder in the National Electronics Product Stewardship (NEPSI) Dialogue, and adopted the first used electronics market development policy in the United States. It continues to support product stewardship through its Toxics in Packaging Clearinghouse and Electronics Recycling Coordination Clearinghouse programs.

Status Report - Implementation of NERC-NEWMOA Strategic Plan

Task	Status
<i>Food Scraps Reduction, Recovery & Management</i>	
Form a Joint Food Waste Workgroup (FWW)	Held a joint Workgroup call (notes available upon request); planning a regional in-person meeting in June to discuss implementation of state food waste bans and other programs (meeting would be in conjunction with a conference that the Food Policy Law Center at Harvard and ReFed are holding.
Promote NERC’s organics listserv through NEWMOA and through the Zero Waste Connection	Completed
Create a web page for the NEWMOA & NERC websites that includes links to existing state resources that identify food donation locations, commercial composting, & AD facilities in the region	Conducted research into resources and other sources of information. The FWW discussed the idea, and there was little interest in doing this; there are existing sources for this information which we can promote, but no need to duplicate.
Catalogue funding opportunities for generators and developers of food de-packaging technologies/facilities, AD and composting facilities, including support for conducting waste audits	Completed by NERC, and posted.
Harmonize organics symbols & images	FWW identified this as a high priority; was a main topic of discussion during the December 15, 2017 call. Email was distributed to NEWMOA/NERC Boards for consideration on an initiative on this topic.
Webinar plans	Held a webinar for the Workgroup and others on compostable food ware on March 8 (35 participants).
<i>Recyclables Collection Strategies & Impacts on Manufacturing/End-users</i>	
Support information sharing on emerging technologies to enhance material processing at MRFs and improve quality of output. <ul style="list-style-type: none"> • Develop initial list of who to contact and exact question to ask. • Contact consultants/MRFs regarding their thinking. 	Developed a list of consultants and MRFs to be interviewed and a list of questions. However, the changed circumstances due to the “China situation” resulted in re-thinking this strategy. Instead, interviewed people at several MRFs and others to learn about circumstances with markets, and changes that they may be implementing or planning (either process or equipment) to meet China’s new requirements. Collected additional information during ISRI’s MRF subcommittee meeting at its Board meeting. Asked state program solid waste program managers during a NEWMOA SW and SMM Steering Committee call about how they and the facilities in their states are responding to the China situation; shared the results of the conversation with NERC (available upon request). Have kept up-to-date on circumstances through webinars, publications, and conference calls.
Support information sharing and networking with state programs around the country that are making a significant commitment to sustainable materials management including examining ways to solve the challenges associated with lower quality recyclables.	Held a well-received webinar on the Mass DEP Recycling IQ Tool Kit for more than 400 participants. Presenters included Mass DEP and the Recycling Partnership. Recording and PowerPoints posted on NERC website. Distributed answers to questions that were asked on webinar and not answered due to lack of time. Follow-up webinar scheduled for April 10 th .

Product Stewardship

<p>Form umbrella organization for state Product Stewardship Councils</p> <ul style="list-style-type: none"> • Speak with state Product Stewardship Councils to get their thoughts on the proposal and what they would find most beneficial. • After conversations, come up with draft description, announcement, and set a date for first call. 	<p>Developed list of questions and contact list; made calls and contacts. Summarized results (available upon request). Received positive feedback on the idea of holding regional conversations and providing information sharing opportunities.</p> <p>Discussed plans with PSI.</p> <p>Planned a conference call of product stewardship leaders in the region for March 28. Preliminary agenda has been developed and distributed along with pre-call survey.</p>
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Climate Change & Impacts on the Recycling & Solid Waste Infrastructure

<p>Support information sharing and networking with state programs around the country that are studying and documenting the impacts of sustainable materials management on greenhouse gas emissions.</p>	<p>Interviewed representatives from Oregon Department of Environmental Quality (DEQ) for suggestions and insights.</p> <p>Worked with the Northeast Committee on the Environment (NECOE) and the New England Governors and Eastern Canadian Premiers on the Regional Climate Change Action Plan on sections related to sustainable materials management.</p> <p>Planning a webinar on Oregon DEQ’s modeling efforts.</p> <p>Held a conference call with the West Coast Climate Forum to share ideas about ways of collaborating. Received positive feedback on the proposals for sharing information and working together. Exploring joint opportunities.</p> <p>They recommended the following joint action items:</p> <ul style="list-style-type: none"> • Share newsletter articles • Invite their lists to webinars, share webinar archives • Collaborate on a future webinar series <p>Longer term (requires funding)</p> <ul style="list-style-type: none"> • Update/develop toolkits. v.2.0 for our audiences • Case studies of use of toolkits, different community practices/policies that illustrate/achieve goals, etc. <p>Held 2 conferences calls in December of a small regional working group on Climate and Materials to develop some recommendations (notes available upon request).</p>
<p>Develop methods to track and report GHG benefits of waste reduction, reuse, composting, AD, and recycling</p>	<p>Contacted Re-Trac and Oregon Department of Environmental Quality to explore opportunities, including data used for the Oregon consumption-based inventory and how they calculate greenhouse gas impacts.</p>
<p>Identify waste facilities that are particularly vulnerable to sea level rise and extreme weather events.</p>	<p>Learned that federal climate change risk maps are not published and to acquire information about potential flooding maps will require state-by-state calls and research.</p>

Construction & Demolition (C&D) Materials

Create a web page for use on both organizations' websites that has links to existing resources for C&D debris management:

- Pull out C&D materials processing/disposal information from NERC's existing database of SW facilities
- Add information to NEWMOA's website on C&D materials facilities

Web page pending.

Held a well-received national webinar in January 2018 to share the results of NEWMOA's C&D materials data analysis and NERC's project for Massachusetts on C&D materials recycling opportunities (more than 185 participants). Recording and PowerPoint presentations posted on NERC website.