Special Report

Arkansas Legislative Audit

Review of Selected Policies, Procedures, and Transactions

Six Regional Solid Waste Management Districts

For the Period July 1, 2022 through December 31, 2023

INTRODUCTION

This report is issued pursuant to Ark. Code Ann. § 8-6-704, which requires Arkansas Legislative Audit (ALA) to review selected policies, procedures, and transactions of Arkansas's regional solid waste management districts (Districts). For this report, ALA randomly selected six Districts for review. The locations of the 19 Districts in the State are shown in **Exhibit I on page 2.**

OBJECTIVES

The objectives of this review were to determine if the Districts adhered to laws and regulations pertaining to Districts and their Boards of Directors (Boards); competitive bidding; payroll; landfill use; and transactions involving Board members, administrators, and employees. Other objectives were to assess internal control processes related to cash, revenues, receipting, and disbursements.

SCOPE AND METHODOLOGY

The review was conducted for the fiscal year ended June 30, 2023, for the Southwest Arkansas and Pulaski County Districts and for the calendar year ended December 31, 2023, for the Craighead County, Southwest Central, Benton County, and Faulkner County Districts. For each District randomly selected, ALA staff reviewed minutes of Board meetings; pertinent policies, contracts, bank statements, journal entries, expenditure and payroll records, travel expense reimbursements, and credit card and purchasing card (P-card) payments to vendors; related party transactions; applicable Arkansas Code; and audit reports issued by private certified public accounting (CPA) firms on the financial statements. In addition, certain internal control procedures were assessed for adequacy, and key personnel were interviewed.

BACKGROUND

Establishment of Regional Solid Waste Districts

Act 870 of 1989 created eight "Regional Solid Waste Planning Boards" in the State, with their duties to include preparation of regional solid waste needs assessments and issuance of "certificates of need" to applicants for solid waste disposal facility permits within their jurisdiction.

Act 752 of 1991 renamed the Planning Boards as "Regional Solid Waste Management Districts" and required that each District be governed by a Regional Solid Waste Management Board. The Act also expanded the powers and duties of the Districts and allowed the boundaries of the Districts to be modified.

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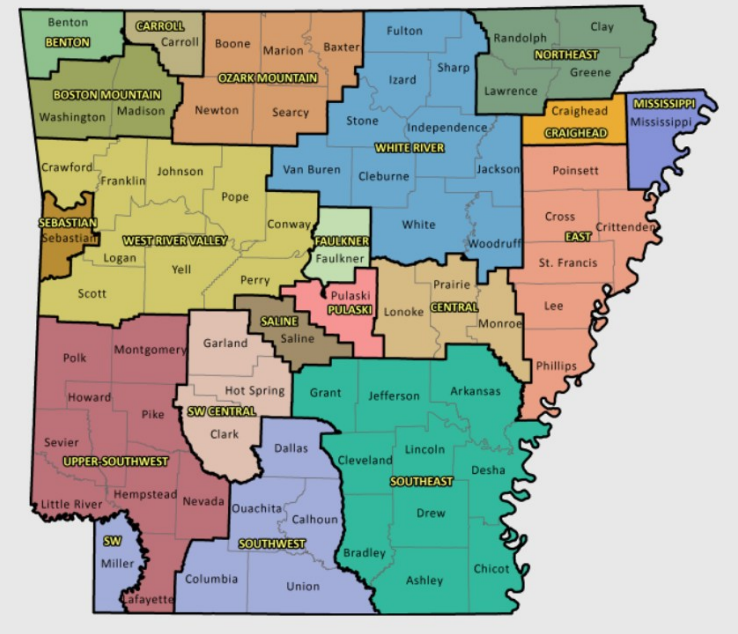
Exhibit I

Arkansas's Regional Solid Waste Management Districts



Note: Carroll County was part of the Ozark Mountain District until October 2019, when it formed its own District.

Source: *Arkansas Department of Energy and Environment website:* https://www.adeq.state.ar.us/ *(unaudited by Arkansas Legislative Audit)*

Waste tires, composting, recycling, and hauler licensing requirements were included in the responsibilities added to the Districts as a result of Act 752 of 1991. Currently, the State has 19 Districts, as shown in **Exhibit I**.

Private Audit Reports

Ark. Code Ann. § 8-6-704 requires the Districts to obtain an annual audit of their financial statements from a private CPA firm.

The audit reports for the calendar year ended December 31, 2023, contained no findings for the Craighead County, Southwest Central, and Faulkner County Districts.

The audit report for the Benton County District, for the calendar year ended December 31, 2023, contained one finding relating to segregation of duties. The Benton County District responded that certain procedures were changed, which will improve overall lack of segregation of duties, and the District has implemented compensating procedures as applicable.

The audit reports for the fiscal year ended June 30, 2023, contained no findings for the Southwest Arkansas and Pulaski County Districts.

RESULTS OF REVIEW

The sections below provide brief background information for each of the six Districts randomly selected for review, as well as reportable findings. Finding 1 for both the Pulaski County and Faulkner County Districts was referred to the Sixth and Twentieth Judicial District Prosecuting Attorneys, respectively, as well as the Attorney General, for further review, as required by Ark. Code Ann. § 10-4-419. **Exhibit II** provides a summary of the findings by both private CPA firms and ALA for the six Districts reviewed.

Exhibit II

Summary of Findings for Regional Solid Waste Management Districts

	Private Audit Findings (Note 1)	Arkansas Legislative Audit Findings				
Regional Solid Waste Management District	Lack of Segregation of Duties	Payroll not Approved by Board of Directors (Note 2)	Undocumented Credit Card Expenditures	Violations of Arkansas Code (Note 3)	Internal Control Issues (Note 4)	Other Payroll Issues
Benton County	✓			✓	✓	
Pulaski County		✓	✓	✓	✓	✓
Faulkner County		✓			✓	

Note 1: As noted on page 2 of the report, the most recently available audit reports for the Districts were completed for various fiscal years.
Note 2: These findings will be referred to the 6th and 20th Judicial District Prosecuting Attorneys, as well as the Attorney General.
Note 3: These findings involve noncompliance with Arkansas Code sections related to contracts not approved by District Boards and competitive bids.
Note 4: These findings involve electronic funds payment systems, prenumbered receipts not being used, and itemized invoices being maintained.

Source: *Reports from District audits conducted by private certified public accounting firms (unaudited by Arkansas Legislative Audit) and Arkansas Legislative Audit review*

Pulaski County Regional Solid Waste Management District (Pulaski County District)

Board Composition

The Pulaski County District provides services to Pulaski County and the cities within it. The Board is comprised of the Pulaski County Judge and the Mayor of each city entitled to a representative in the District (i.e., all first-class cities, all cities with a population over 2,000, and the largest city of each county).

Sources and Uses of Funds

The Pulaski County District received several types of revenue, including grants for waste tires and recycling; tipping fees of $2 per ton of solid waste disposed; and hauler permits. The District directly operates waste tire and recycling programs and pays expenditures associated with these programs, including salaries and wages, employee benefits, program costs, professional fees, and other related expenditures.

The Pulaski County District was also party to an Inter-District Waste Tire Management Program Tire Collection and Processing Contract between a waste tire contractor and eight Districts. The contract stipulated that the program would be managed by the Pulaski County Regional Solid Waste Management District; therefore, all waste tire grant revenues allocated to the other Districts were deposited directly with the Pulaski County District, which processed the expenditures.

Findings

Finding 1: The following payroll items were not properly approved by the Pulaski County District's Board:

- A $1,690 increase in the Waste Tire Coordinator's contracted salary for the period July 1, 2022 through December 31, 2022.
- A contract for services with the former Chief Financial Officer (CFO) at a rate of $150 per hour for a total of $7,298.
- Bonuses paid to employees in December of 2022 and 2023 in the amounts of $2,599 and $3,682, respectively.

Finding 2: A review of credit card disbursements totaling $43,294 revealed purchases of $17,213 (39.76%) did not have proper supporting documentation at the time the payment was made. Most of these purchases appear to be business related based on the vendor or review of other related documentation. Per the District, it is their practice to not remit or maintain receipts such as gas, meals, office supplies, etc. ALA recommends the Pulaski County District obtain and maintain supporting documentation for auditing and accounting purposes for all credit card purchases. Additionally, personal expenditures totaling $129 on the District credit card were refunded by the Executive Director on August 19, 2025.

Finding 3: All contracts for services were not properly approved by the Pulaski County District's Board, in noncompliance with Ark. Code Ann. § 8-6-704. ALA recommends that all contracts for services be approved by the Board and approval be noted in the meeting minutes.

Finding 4: ALA noted the following issues related to car allowances, personal use of Pulaski County District vehicles, and cell phones:

- Adequate documentation in the form of a mileage log was not maintained to support the Waste Tire Coordinator's car allowance totaling $3,270. Additionally, the car allowance was not included on the employee's Internal Revenue Service (IRS) Form W-2.
- The District provided four employees, including the Executive Director, with vehicles that are used for personal and business purposes, including fuel. The Executive Director and one other employee noted on the District's Employee Representation Regarding Use of Company Vehicle Form that they did not have another vehicle available for personal use. Although amounts were added to the employees' IRS Form W-2, adequate documentation in the form of mileage logs was not maintained to support business and personal use of the vehicles. In addition, the District paid for Sirius XM services in the vehicles.
- Though approved by the District's Board, payments on the Executive Director's personal cell phone bill by the District were not included on the employee's IRS Form W-2.

ALA recommends the District contact the IRS for guidance regarding documentation of car allowances, vehicles provided for business and personal use, and cell phones.

Finding 5: Competitive bids were not solicited for the cost of billboard advertising, CFO services, public radio advertisements, and hazardous waste recycling in the amounts of $71,280, $48,029, $37,357, and $48,861, respectively, in noncompliance with Ark. Code Ann. §§ 8-6-704, 14-22-104.

Finding 6: The Pulaski County District did not establish an electronic funds payment system with written policies and procedures for internal accounting controls and documentation for audit and accounting purposes.

Management Response: *Management response from the Pulaski County District is provided in its entirety in* ***Appendix A****.*

Other Issues

Advertising Expense

The Pulaski County District expended $312,977 in public monies for advertising, which appears excessive in comparison with amounts expensed by other Districts in this report. **Exhibit III** provides total advertising expenses, as well as advertising cost per person based on the population for each district, as noted in the 2020 Federal Census.

Exhibit III

Advertising Expense Comparison for Regional Solid Waste Management Districts

Summary	Expense Amount	District Population (Note)	Per Person
Pulaski County District:			
Newspaper advertisements	$ 23,642		
Radio advertisements (6 stations)	76,919		
Television advertisements (4 stations)	41,708		
Electronic billboards	71,280		
Postage for recycling mailouts	26,477		
Other advertising	2,806		
Media placement contract	70,144		
Totals	$ 312,976	399,125	$ 0.784
Other Districts in this Report:			
Craighead County	$ 6,539	111,231	$ 0.059
Faulkner County	1,818	123,498	0.015
Southwest Arkansas	264	95,726	0.003
Benton County	150	284,333	0.001
Southwest Central	0	154,666	0
Totals	$ 8,771	769,454	

Note: Per the 2020 Federal Census.

Source: *General ledgers/private audit reports provided by the Districts' management (unaudited by Arkansas Legislative Audit)*

Equipment Sales

Additionally, as noted in a prior report,[1] the Pulaski County District had a contract with a Vendor that required the Vendor to repair and maintain District-owned equipment located at the Vendor's facility and used by the Vendor. However, the District paid for maintenance of the equipment from the District's "Maintenance and Repair (Capital Fund)." Included in the District-owned equipment used by the Vendor were 46 24-foot tandem axle trailers purchased by the District in fiscal years 2010 through 2016 at a total cost of $248,295. Subsequent to the issuance of the prior report, the District closed the "Maintenance and Repair (Capital Fund)" and sold the 46 trailers to the Vendor for a total sales price of $4,600.

[1] Review of Selected Policies, Procedures, and Transactions Pertaining to Waste Tires − Department of Energy and Environment − Division of Environmental Quality and Used Tire Programs − For the Period July 1, 2021 through August 31, 2022 (SPSR00622) is available on the ALA website at www.arklegaudit.gov.

A separate sale to a second Vendor included a box truck, forklift, ramps, and a shrink wrap turntable for a total sales price of $2,500. Detailed descriptions and purchase prices were not available for the items in this sale.

Faulkner County Regional Solid Waste Management District (Faulkner County District)

Board Composition

The Faulkner County District provides services to Faulkner County and the cities within it. The Board is comprised of the Faulkner County Judge and the Mayors of all cities with populations over 2,000.

Sources and Uses of Funds

The Faulkner County District received several types of revenue; including grants for recycling and e-waste; hauler permits; and a host fee of half of $1.50 per ton of waste collected in the District and disposed of in other Districts. The District directly operates recycling programs and pays expenditures associated with these programs, including salaries and wages, employee benefits, program costs, and other related expenditures.

The Faulkner County District was also party to an Inter-District Waste Tire Management Program Tire Collection and Processing Contract between a waste tire contractor and eight Districts. The contract stipulated that the program would be managed by the Pulaski County District; therefore, all waste tire grant revenues allocated to the Faulkner County District were deposited directly with the Pulaski County District, which processed the expenditures.

Findings

Finding 1: Our review revealed the following payroll items that were not properly approved by the Faulkner County District Board:

- Payments totaling $31,541 made to an employee's family member.
- Bonuses totaling $3,682 paid to the Director, Office Manager, Administrative Assistant, and recycling route drivers.
- Salary and wage rates.

A similar finding was issued in a prior report.

Management Response: *The related parties are no longer employed by the District. Personnel and payroll policies are being revised and will be included in the District's updated employee handbook. Presentation to the District Board for adoption is expected within 90 days.*

Finding 2: Accepted accounting practices provide that all income be formally receipted by use of receipts prenumbered by a printer or an electronic receipting system that accomplishes the same purpose as prenumbered receipts. The Faulkner County District did not issue prenumbered receipts or retain documentation for revenue received. A similar finding was issued in a prior report.

Management Response: *A prenumbered receipt system is currently implemented.*

Finding 3: Accepted accounting practices provide that adequate supporting documentation and approval be maintained for all disbursements. The Faulkner County District did not maintain supporting documentation and indication of management approval for all disbursements. Additionally, timesheets were not maintained for all payroll disbursements. A similar finding was noted in a prior report.

Management Response: *All disbursements currently require supporting invoices/receipts and documented approval. Employee timesheets are currently maintained monthly.*

Finding 4: The Faulkner County District did not establish an electronic funds payment system with written policies and procedures for internal accounting controls and documentation for audit and accounting purposes. A similar finding was noted in a prior report.

Management Response: *A formal Electronic Funds Transfer (EFT) Policy is being prepared and will be included in the District's updated employee handbook. Presentation to the District Board for adoption is expected within 90 days.*

Benton County Solid Waste Management District (Benton County District)

Board Composition

The Benton County District provides services to Benton County and the cities within it. The Board is comprised of the Benton County Judge and the Mayors of Bella Vista, Bentonville, Cave Springs, Centerton, Gentry, Gravette, Little Flock, Lowell, Pea Ridge, Rogers, and Siloam Springs. The Benton County District operates as an independent entity with its own management and employees.

Sources and Uses of Funds

The Benton County District received several types of revenue, including grants for recycling and waste tires, sale of recyclables, per capita fees from participating entities, rental income, hauler license fees, a waste assessment fee of $1.50 per ton of waste hauled from Benton County, and charges for services related to the disposal of waste from citizens collected at the various transfer stations in the District. The District directly operates recycling and waste disposal programs and pays expenditures associated with these programs, including salaries and wages, employee benefits, recycling and waste disposal program costs, and other related expenditures.

Findings

Finding 1: The Benton County District did not establish an electronic funds payment system with written policies and procedures for internal accounting controls and documentation for audit and accounting purposes.

Management Response: *The District acknowledges that a formal electronic funds payment policy has not yet been established. The District recognizes the importance of implementing a formalized electronic funds payment system supported by comprehensive written policies and procedures to ensure strong internal controls, accurate documentation, and efficient audit review. The District has initiated the development of a written electronic funds payment policy. Draft EFT policies and procedures are currently being prepared by the District's Assistant Director. The District anticipates completing and adopting the formal EFT policies and procedures by December 31, 2025 with administrative staff training to follow immediately thereafter.*

Finding 2: Bid documentation was not maintained for waste tire disposal services totaling $64,850, in noncompliance with Ark. Code Ann. §§ 8-6-704, 14-22-112.

Management Response: *The District acknowledges our unintentional failure to comply with state statutes in this instance. The District recognizes that maintaining complete bid documentation is required for compliance with state procurement laws and is essential to ensuring transparency, accountability, and proper oversight of District funds. The District will retain all bid solicitations, responses, evaluations, and other related bid documentation electronically in accordance with statutory requirements.*

Southwest Central Regional Solid Waste Management District (Southwest Central District)

Board Composition

The Southwest Central District provides services to Clark, Garland, and Hot Spring Counties. The Board of Directors is composed of the County Judges, Mayors of the cities that are County seats, and the Mayor of Gurdon. All the Board members, except the Mayor of Gurdon, are also on the Board of the West Central Arkansas Planning and Development District, with which the Southwest Central District contracts for all management and accounting functions since it has no employees.

Sources and Uses of Funds

The Southwest Central District received several types of revenue, including grants for recycling, tonnage fees from haulers, and hauler permits. The District holds yearly recycling events and reimburses entities for expenses incurred for the events. The District also pays for disposal of e-waste and hazardous household waste directly to the disposal company on behalf of the individual entities. Historically, the District has purchased equipment for and contracted with the City of Hot Springs to maintain and operate a recycling center. In 2019, the District turned over operation of the center and sold the recycling equipment to the City. In 2023, the District signed over ownership and title to equipment previously purchased by the District to the member cities and counties in which the equipment was being used.

The Southwest Central District was also party to an Inter-District Waste Tire Management Program Tire Collection and Processing Contract between a waste tire contractor and eight Districts. The contract stipulated that the program would be managed by the Pulaski County District; therefore, all waste tire grant revenues allocated to the Southwest Central District were deposited directly with the Pulaski County , which processed expenditures.

Finding

ALA issued no findings for the Southwest Central District.

Southwest Arkansas Regional Solid Waste Management District (Southwest Arkansas District)

Board Composition

The Southwest Arkansas District provides services to Calhoun, Columbia, Dallas, Miller, Ouachita, and Union counties. The Board is composed of the County Judges and Mayors of

the cities that are County seats. All the Board members are on the Board of the Southwest Arkansas Planning and Development District (SWAPDD), which performs all management and accounting functions since the Southwest Arkansas District has no employees. The Board has an Administrative Services Agreement with SWAPDD for administrative services provided. The cost of the administrative services contract is $85,000 annually.

Sources and Uses of Funds

The Southwest Arkansas District received several types of revenue, including recycling grants, license fees from haulers, rental income from tire trailers, and a per capita fee from participating counties and cities. Entities within the Southwest Arkansas District apply for a portion of each year's grant funds for specific purposes. A majority of the Southwest Arkansas District's expenditures are checks to reimburse those entities for approved projects for which the entities have already paid; therefore, bidding and expenditure requirements are the responsibility of the individual entity not the Southwest District. The Southwest Arkansas District also will reimburse for disposal of electronic waste directly to the entities, until all remaining e-waste funding is depleted.

Finding

ALA issued no findings for the Southwest Arkansas District.

Craighead County Regional Solid Waste Management District (Craighead County District)

Board Composition

The Craighead County District provides services to Craighead County and the cities within it. The Board is composed of eight members appointed by the Mayor of Jonesboro, two members appointed by the Craighead County Judge, the Mayor of Monette, and the Mayor of Bono. All Board members are on the Board of the Craighead County Regional Solid Waste Disposal Authority (CCRSWDA), which performs all management and accounting functions for the Craighead County District since it has no employees. The Board has a Cooperation Agreement for payment and reimbursement of certain unrestricted funds; however, no rate of compensation is specified. The Craighead County District reimburses CCRSWDA for actual expenses incurred.

Sources and Uses of Funds

The Craighead County District received several types of revenue, including grants for waste tires and recycling; license fees from haulers; and an assessment fee of $0.50 per ton of waste disposed of in Craighead County. The District retains $0.16 of the $0.50 fee for future grant funding or District purposes, with the remaining $0.34 distributed among the cities in Craighead County with curbside recycling programs. Recycling grant funds are paid to each city monthly based on the city's contract with a Vendor for recycling services. The District pays the Vendor directly for recycling education, school recycling, and e-waste recycling. The Craighead County District also reimburses the Craighead County Solid Waste Disposal Authority for a portion of operating expenses and the cost to haul waste tires.

Finding

ALA issued no findings for the Craighead County District.

SUMMARY

ALA staff review of six randomly selected regional solid waste management districts revealed payroll not approved by the Board of Directors, undocumented expenditures, violations of Arkansas Code, internal control issues, and other payroll issues, as summarized in **Exhibit II on page 3.**

Finding 1 for both the Pulaski County and Faulkner County Districts was referred to the Sixth and Twentieth Judicial District Prosecuting Attorneys, respectively, as well as the Attorney General, for further review, as required by Ark. Code Ann. § 10-4-419.

Advertising expenditures by the Pulaski County District appear excessive when compared to the other Districts in this report, as summarized on **Exhibit III on page 5.** Additionally, the Pulaski County District sold numerous equipment items to two District Vendors, including 46 24-foot tandem axle trailers for a total of $4,600.

Appendix A

Pulaski County Regional Solid Waste Management District
Management Response

December 11, 2025

Mr. Charles Camp
Mr. Adam Hair
Arkansas Legislative Audit
State Capitol
500 Woodlane St.
Little Rock, AR 72201

Dear Charlie and Adam:

Thank you for taking time to come to our office for the audit engagement "exit" presentation and discussion. As promised, what follows are our comments and responses on your 2023 Reportable Findings listed by item number, followed by Other Issues responses, and a comment on the Supplemental Finding.

Item 1: Payroll Items – The increase in the Waste Tire Coordinator's contracted salary for the period July 1, 2022, through December 31, 2022, was approved by the Board based on the Board's approval of the Contract Services line item in the 2022-2023 fiscal year budget. Likewise, contract services for the former COO/CFO were approved by the Board based on the Board's approval of the Contracted Services line item in the 2022-2023 fiscal year budget. Board approval of end-of-calendar-year bonuses were included in Board approval of the Salary and Benefits line item. All decisions on contracted salaries, fees, and merit-based bonuses were made by the Executive Director consistent with Board-approved, line-itemed budgets.

Item 2: Contracts for Services – Under the Board-approved District Bylaws, the Board "may authorize any officer or officers, agent or agents, to enter into any contract or execute and deliver any instrument in the name of or on behalf of the District, and such authority may be general or confined to specific instance." The Executive Director of the District has been given by the Board such authorization.

Item 3: Internal Control – An electronic funds payment system (EFT) has been established and procedures for EFT disbursements has been completed.

Item 4: Compliance/Internal Control – As noted in the Finding, personal and business use of vehicles are approved by the Board and noted annually on the District's Employee

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BOARD OF DIRECTORS: Barry Hyde • Pulaski County Judge
Terry C. Hartwick, Mayor, North Little Rock • Frank Scott, Jr., Mayor, Little Rock • Mary Jo Heye-Townsell, Mayor, Sherwood
Jeff Elmore, Mayor, Jacksonville • Caleb Norris, Mayor, Maumelle • Derrick M. Rainey, Mayor, Wrightsville

Representation Regarding Use of Company Vehicle Form. Amounts and costs for personal use of vehicles are added to employees' W2s. While mileage logs are not maintained, the District CFO has contacted the IRS for guidance, based on the recommendation by Legislative Audit.

Item 5: Competitive Bids – Two of the noted costs – billboards and public radio advertising – did not undergo competitive bidding because there is only one billboard company and only one public radio station for advertising messages targeting Pulaski County audiences. Household hazardous waste (HHW) recycling services were, in fact, the result of a competitive bid selection process, the five-year contract expiring on December 31, 2025. (HHW services recently were subject to a subsequent competitive bidding and the award of a five-year contract has been completed for the January 1, 2026-December 31, 2031, period.) Competitive bids were not solicited for acting CFO services in 2022 due to the unplanned and unexpected retirement of the sitting CFO. The District has and will engage in the competitive bid process for all services required by Pulaski County Purchasing and state statute.

Item 6: Credit Cards – As noted in the Finding, most purchases were business related "based on the vendor or review of other related documentation." (There was listed one personal use of a District credit card, which has been reimbursed to the District.) While it has been the practice of the District not to require receipts for credit card purchases because credit card statements include descriptions of the purchases, the District has and will now require all employees who use a District credit card to produce receipts for all purchases.

Other Issues: Advertising Expenses – The audit noted 2022 expenditures of $312,922 for advertising, "which appears excessive in comparison with amounts expensed by other Districts…" However, the comparison is irrelevant based on four primary reasons:

a. Media costs in Pulaski County are greater per person, based on the reach, frequency, and cost per point for selected target audiences than other markets in the state (particularly Northwest and Southwest Arkansas and Craighead County);
b. Pulaski County recycling services include more recyclable items than other districts, requiring greater and more repetitive attention to education and information for residential customers (recycling does not work and contamination increases if the residential customer does not understand what does and does not go in the curbside recycling cart). Further, the District communicates with residential customers to inform them of the options for recycling, including at the curb, five, drop-off Green Stations throughout the county, and special MSW collections, including electronics;
c. Multiple state statutes and regulations regarding solid waste and recycling management programs encourage the use of annual grant-eligible expenditures for, "Solid waste education and public awareness programs. Education and public awareness activities and materials are eligible if, in accordance with the legislative intent of the Solid Waste Management and Recycling Fund Act…" Consequently, advertising expenditures

targeting Pulaski County residents are in accordance with legislative intent to "protect the public health and the state's environmental quality;" and

d. One objective of recycling, paradoxically, is to reduce solid waste volumes deposited in landfills, although funding for Regional Solid Waste Management Districts is derived, in part, from tipping fees based on volumes deposited in landfills. Recycling advertising to reduce volumes in landfills is funded by the state's annual recycling grant and District-generated revenue, both revenue sources based on landfill tipping fees.

Other Issues: Equipment Sales – As noted in the audit report, the issue of equipment sales was covered in the previous Waste Tire Program Audit. Current District management inherited the partial ownership of waste tire processing equipment, consistent with Regulation 11. In consultation with the Division of Land Resources of the Department of Energy & Environment's Division of Environmental Quality, the District decided to liquidate outdated equipment. While the Board approved the District's assistance in the maintenance of the equipment through a Capital Fund to ensure effective waste-tire services, maintenance costs became burdensome. Consequently, the equipment was sold back to the vendor, and the Capital Fund closed. The sales prices were based on the age and condition of the equipment.

Supplemental Finding: Employee Events – Payments for an employee retirement event and an employee Christmas lunch were made in recognition of the business and public purpose of employees' contributions to the success of District programs, including their roles in significantly reducing annual curbside recycling cart contamination. (Contamination retards the mission of recycling by reducing materials that can be re-processed, which increases solid waste volumes in local landfills.) As noted in the Finding, "These expenditures were made before this issue was brought to the District's attention in a prior report."

As we understand it, this letter will be provided to the Committee on Counties and Municipalities. Also, please provide a copy of this letter to the Prosecuting Attorney.

Please let us know if you have any further questions.

Best regards,

Craig

Craig Douglass
Executive Director

CD/csd

cc: Barry Hyde, Pulaski County Judge
Rachel Blair, CFO
Leslie Morris, COO

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