

Report on the

# Water Pollution Control Authority

## State of Alabama

Montgomery, Alabama

October 1, 2014 through September 30, 2017

Filed: November 23, 2018



## Department of Examiners of Public Accounts

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*Rachel Laurie Riddle, Chief Examiner*



State of Alabama  
Department of  
**Examiners of Public Accounts**

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Rachel Laurie Riddle  
*Chief Examiner*

Honorable Rachel Laurie Riddle  
Chief Examiner of Public Accounts  
Montgomery, Alabama 36130

Dear Madam:

Under the authority of the *Code of Alabama 1975*, Section 41-5A-19, as added by Act Number 2018-129, I submit this report on the results of the examination of the Water Pollution Control Authority for the period October 1, 2014 through September 30, 2017.

Sworn to and subscribed before me this  
the 8<sup>th</sup> day of November, 20 18.

Kelly D. Matthews  
Notary Public

Respectfully submitted,

Daniel Dupree  
Examiner of Public Accounts

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Department of  
**Examiners of Public Accounts**

**SUMMARY**

**Water Pollution Control Authority  
October 1, 2014 through September 30, 2017**

The Water Pollution Control Authority (the “Authority”) issues revolving loan bonds and lends the proceeds to eligible municipalities for the construction of wastewater treatment and related facilities. The Authority operates under the *Code of Alabama 1975*, Sections 22-34-1 through 22-34-17.

This report presents the results of an examination of the Authority and a review of compliance by the Authority with applicable laws and regulations of the State of Alabama. This examination was conducted in accordance with the requirements of the Department of Examiners of Public Accounts under the authority of the *Code of Alabama 1975*, Section 41-5A-12, as added by Act Number 2018-129. Our examination was performed for the purpose of determining whether the public officers, agents, and employees of the Authority properly and lawfully accounted for all money and other public assets or resources received, disbursed, or in the custody of the Authority. Our examination included determining compliance by the Authority with state laws and regulations that pertain to financial transactions; personnel; safeguarding of state-owned assets, property, and resources; information dissemination, processing, and retention; and official actions, rulemaking procedures, and meetings. As a part of our examination, we also reviewed internal control policies and procedures relating to the areas listed above. Our examination did not encompass managerial and operational matters, such as whether the Authority accomplished its mission or its regulatory, enforcement, investigative, or other oversight activities in an efficient, fair, timely, or legal manner.

Tests performed during the examination did not disclose any significant instances of noncompliance with applicable laws and regulations.

The staff of the Water Pollution Control Authority was invited to an exit conference held on October 18, 2018. Individuals in attendance were Kris Berry, Chief of the State Revolving Fund; Brian Espy, Chief of General Services Branch; Pam Cousins, Alabama Department of Environmental Management Fiscal Officer; Russell A. Kelley, Chief of Permits and Services Division; Diane Lockwood, Senior Accountant; and Martha B. Lewis, Accountant, along with Robin Hutcheson, Audit Manager, and Daniel Dupree, Examiner, from the Department of Examiners of Public Accounts.



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**COMMENTS**

**Water Pollution Control Authority  
October 1, 2014 through September 30, 2017**

The Water Pollution Control Authority (the “Authority”) issues revolving loan bonds and lends the proceeds to eligible municipalities for the construction of wastewater treatment and related facilities. The Authority operates under the *Code of Alabama 1975*, Sections 22-34-1 through 22-34-17.

The Authority is governed by a five-member board of directors. The board consists of the following ex officio members: the Governor, the Lieutenant Governor, the Speaker of the House of Representatives, the Director of the Alabama Department of Environmental Management (ADEM), and the Director of Finance.

The Alabama Department of Environmental Management (ADEM) is designated by the State of Alabama as the agency to administer the revolving loan program. ADEM is authorized by the *Code of Alabama 1975*, Section 22-34-3 to establish procedures and adopt such regulations as may be required to administer the revolving loan fund program in accordance with the Federal Clean Water Act.

Financial information pertaining to the Authority’s operations can be found in the State of Alabama’s Comprehensive Annual Financial Reports as a component unit for the 2015 and 2016 fiscal years.

The Authority does not have any employees. Instead, ADEM charges and is reimbursed for the cost of time spent on the revolving loan program activities by employees. Charges include the salaries and benefits of the employees, as well as indirect costs allocated to the Authority based on direct salary costs.

The Authority does not own any property.

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***Authority Members***  
***October 1, 2014 through September 30, 2017***

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<b>Members</b>		<b>Term Expires</b>
Hon. Kay Ivey	President	Ex Officio
Hon. Mac McCutcheon	Member	Ex Officio
Hon. Lance LeFleur	Member	Ex Officio
Hon. Clinton Carter	Member	Ex Officio
Hon. Robert Bentley	Member	2017
Hon. Mike Hubbard	Member	2016
Hon. Bill Newton	Member	2016