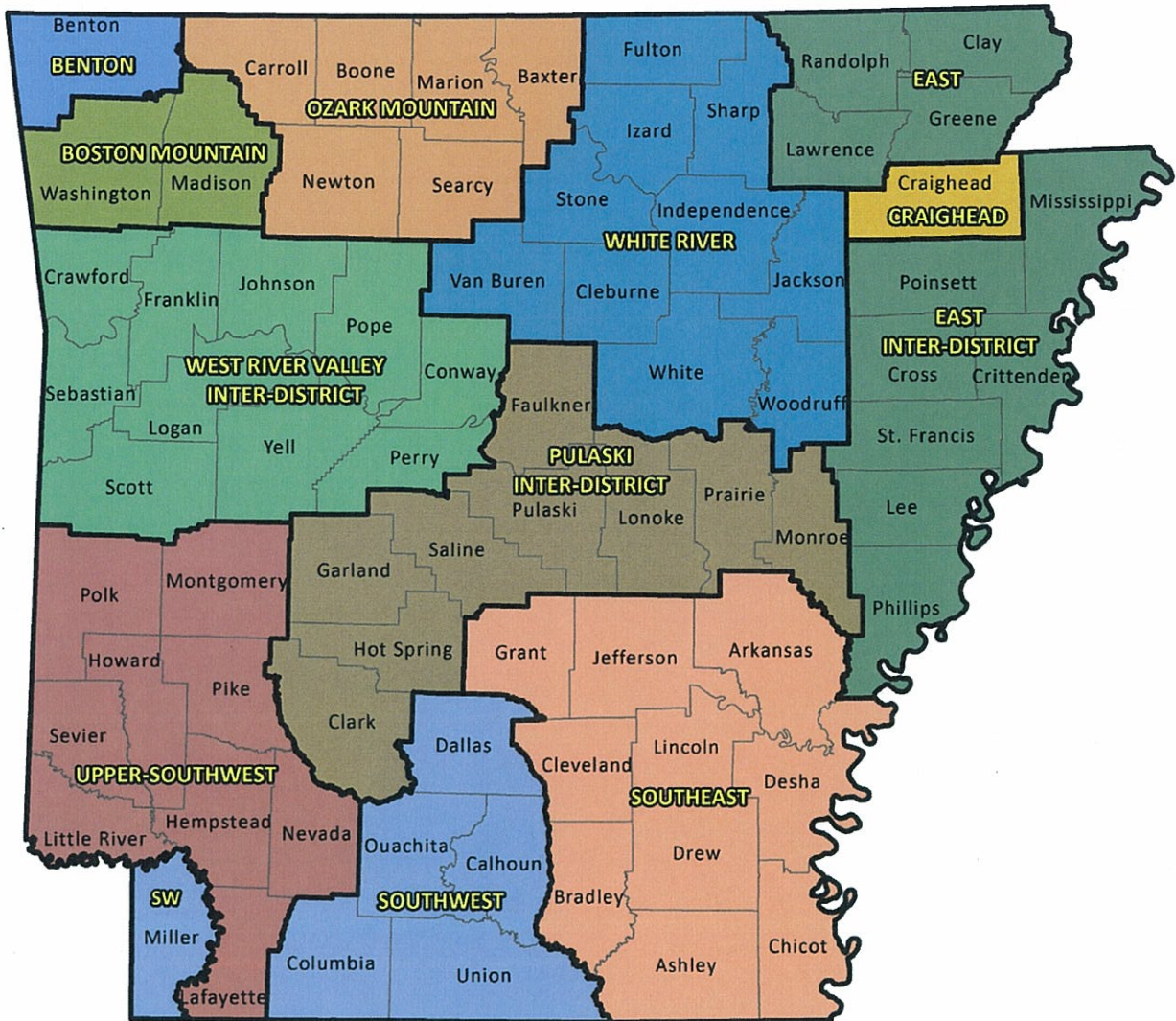


Waste Tire Management Districts



Electronic Waste Legislation

Joint Committees on Public Health, Welfare and Labor

December 7, 2015

Year	Act	Purpose
2001	Act 1410 Establishes a Program for State-owned computers and electronics	Facing the issues surrounding the inevitable avalanche of state-owned waste computers and electronics being amassed, ADEQ is charged with: <ul style="list-style-type: none">• Providing a study and solutions for long-term disposal options for electronics.• Option of placing a ban on such electronics from landfills by January 1, 2005.• Establishing guidelines for a recycling program that will sell surplus state owned electronic equipment to state employees, public schools, and other entities through Marketing and Redistribution Office of DF&A.• Established Computer and Electronic Recycling Fund for grants program for businesses and industries in Arkansas to be innovative in disposal, create jobs, and minimize improper disposal of e-waste.
2005	Act 970 Enhance use of State-owned computers and electronics	Following earlier legislation concerning management of state-owned computers and electronics and the initial date for banning electronics waste in landfills, this Act: <ul style="list-style-type: none">• Made changes in policy on sales or donations of surplus equipment.• Re-set the option for an electronics ban at landfills to January 1, 2008.
2007	Act 512 Created as a funding mechanism to support a computer and electronic equipment recycling program	As a means to establish funding for grants and administrative expenditures from the landfill disposal fees, the Act: <ul style="list-style-type: none">• Recognized the need for funds to establish long-range planning and development of proper solid

2007	Act 512 Continuation	<p>electronic waste management.</p> <ul style="list-style-type: none"> • Establishes landfill disposal fee as the supporting mechanism at \$1.00 per ton on weight basis. • This fee was not to be collected until the Landfill Post-Closure Trust Fund Reached \$25,000,000.
2010	Act 213 Adjusts electronic waste funding	Special language in this Appropriation Bill corrects the funding mechanism for support of the Computer and Electronic Recycling Program, via special earmarked landfill disposal fees to be deposited into the Solid Waste Management and Recycling Fund.
2011	Act 819 Corrects funding language errors	<p>Corrects funding language erroneously included by Act 512 or 2007 and Act 213 of 2010, Act 819 exempts from waste disposal fees used to fund Computer and Electronic Waste Grants Program:</p> <ul style="list-style-type: none"> • A solid waste transporter, as defined in §8-6-603; • And a landfill permittee that is a private industry, operating the landfill solely for disposal of wastes generated by the industry.
2015	Act 1176	<p>To clarify the effect of 1333 of 2013 on disposal fees and funds and reports regarding approved Computer and Electronic Equipment Recycling Programs:</p> <ul style="list-style-type: none"> • Designates the districts have an approved computer and electronic equipment recycling program; • Allows redirection of e-waste funds to other recycling projects if District Boards certify the funds are not needed for the approved program; • Allows 10% of funds to be used for administrative purposes for districts; • Special language stated ADEQ shall not require Regional Solid Waste Management Districts to maintain or provide reporting on expenditures of state funds.

Electronic Waste in Arkansas

The Electronic Waste (“E-Waste”) Competitive Grants are funded by 25% of the sale of state owned electronic waste sold by Material and Distribution of DF&A. Since 2006, there have been 84 granted projects to non-profits, businesses, industries, schools in the amount of \$1,724,920.00

The Arkansas Computer and Electronic Recycling Grants Program awarded to RSWMDs, generated from the \$1.00 per ton fee collected pursuant to Ark. Code Ann. § 8-6-612. Since 2012, there have been 358 granted projects to RSWMDs in the amount of \$9.5 million.

E-waste materials are collected at grant-awarded sites and projects are processed by two processors serving Arkansas.

UNICOR, Federal Prison Industries in Texarkana, Texas serves 11 of the Regional Solid Waste Districts and numerous school districts, businesses and industries and state owned equipment. They provide transportation and processing of all types of electronic waste. Materials are tested for reuse or resale while others are dismantled and segregated into reusable and saleable components sold on the market for claimable precious metals or refurbished for use in other electronics. No electronic units are sent overseas for disposal, only sold as marketable components. UNICOR is R2 Certified ensuring they won’t export electronic waste to other counties illegally, system of accountability is in place for all materials accepted, all the way to final disposition and data security is top priority. They hold certifications in ISO 14001:2004 for Environmental Management System, ISO 9001:2008 for Quality Management Systems and OHSAS 18001:2007 for Occupational Health and Safety Management System. They ensure zero electronic waste in landfills.

eSCO Processing and Recycling, LLC in Rogers, Arkansas serves several RSWMDs, schools, businesses and industries across Arkansas and surrounding states. They provide transportation and processing of all types of electronic waste. Materials are tested for reuse or resale while others are dismantled and segregated into reusable and saleable components sold on the market for claimable precious metals or refurbished for use in other electronics. No electronic units are sent overseas for disposal, only sold as marketable components. They ensure zero electronic waste in landfills. The company currently is e-Steward Certified, ISO 14001 Certified, a Microsoft Registered Refurbisher and a member of the ISRI, Institute of Scrap Recycling Industries. A certified e-Stewards Recycler is recognized as an electronics recycler that adhere to the most stringent environmentally and socially responsible practices when recovering electronic materials.

Processors segregate the parts of the electronics for further destruction, breaking them down into plastic, metals, glass, and circuit boards.

BlueOak will not be a processor. BlueOak will partner with collectors who gather used electronics primarily from corporations. Those collectors separate the plastics and other materials from the waste, and send BlueOak the parts that contain high value metals. The company charges these collectors an upfront processing fee. Then, after the precious metals are extracted and sold, it returns the majority of the profits to the collectors.

Audits of Solid Waste Management Districts

Both state statute and Arkansas Pollution Control & Ecology Commission Regulations require Regional Solid Waste Management Boards to procure an annual financial audit of the district.

Ark. Code Ann. § 8-6-704(d)(1) Each regional solid waste management board shall procure an annual financial audit of the district. Such audits shall be conducted following each board's fiscal year end. Regional solid waste management funds which are subject to audit in conjunction with a single audit performed consistent with Governmental Auditing and Reporting Standards are not required to have a separate audit.

(2) (A) Each district shall choose and employ accountants in good standing with the Arkansas State Board of Public Accountancy to conduct these audits in accordance with Governmental Auditing and Reporting Standards issued by the Comptroller of the Currency of the United States.

(B) The regional solid waste management district shall pay for such audits from their administrative moneys.

(3) Each audit report and accompanying comments and recommendations shall be reviewed by the appropriate regional solid waste management board.

(4) Copies of each audit report of a regional solid waste management district shall be filed with the department and with the Division of Legislative Audit. In addition, one (1) copy of the audit report shall be kept for public inspection with the books and records of the district.

(5) Failure to provide a full and complete audit report, as required by this subchapter, shall prohibit future distribution of revenue from funding programs that are administered by the department unless otherwise authorized by the director.

Reg.11.407(G) Audit Requirements

Each Regional Solid Waste Management Board shall procure an annual financial audit.

(1) Such audits shall be conducted following each District's fiscal year end.

(2) Such audits shall, at the minimum define recycling grant funds and other grant funds distributed by the Department separate from other District revenues, delineating interest and/or other receipts received as a result of the funds and documenting their expenditure. Such audits shall also identify project or contractual costs separate from administrative costs.

- (3) Such audits shall be conducted by a Certified Public Accountant in good standing with the Arkansas State Board of Public Accountancy and in accordance with the Governmental Auditing and Reporting Standards issued by the Comptroller General of the United States.
- (4) Each audit report and accompanying comments and recommendations shall be reviewed by the appropriate Regional Solid Waste Management Board.
- (5) Copies of each Regional Solid Waste Management District's annual audit report shall be filed with the Department and the Division of Legislative Audit, and shall be available for public inspection with the books and records of the District.
- (6) An audit report containing a qualified opinion or adverse opinion shall require written explanation and supporting documentation from the Regional Solid Waste Management Board or the Regional Solid Waste Management Board's chairman or designee and shall become part of the audit report.
- (7) An audit report with an unqualified opinion, but containing control deficiencies, significant deficiencies, or material weaknesses shall require written explanation and supporting documentation from the Regional Solid Waste Management Board or the Regional Solid Waste Management Board's chairman or designee and shall become part of the audit report.
- (8) Failure to provide the Department and the Division of Legislative Audit with a full and complete annual audit report within nine (9) months of the District's fiscal year ending date shall be cause to suspend or terminate any and all revenue from funding programs that are administered by the Department unless otherwise authorized by the Director.

ADEQ Process for Review of Financial Audits

There are eighteen (18) Regional Solid Waste Management Boards (RSWMBs). Seven RSWMBs observe a State Fiscal Year (July 01 to June 30); ten RSWMBs observe a Calendar Fiscal Year (January 01 to December 31); and one RSWMB observes a Federal Fiscal Year (October 1 to September 30).

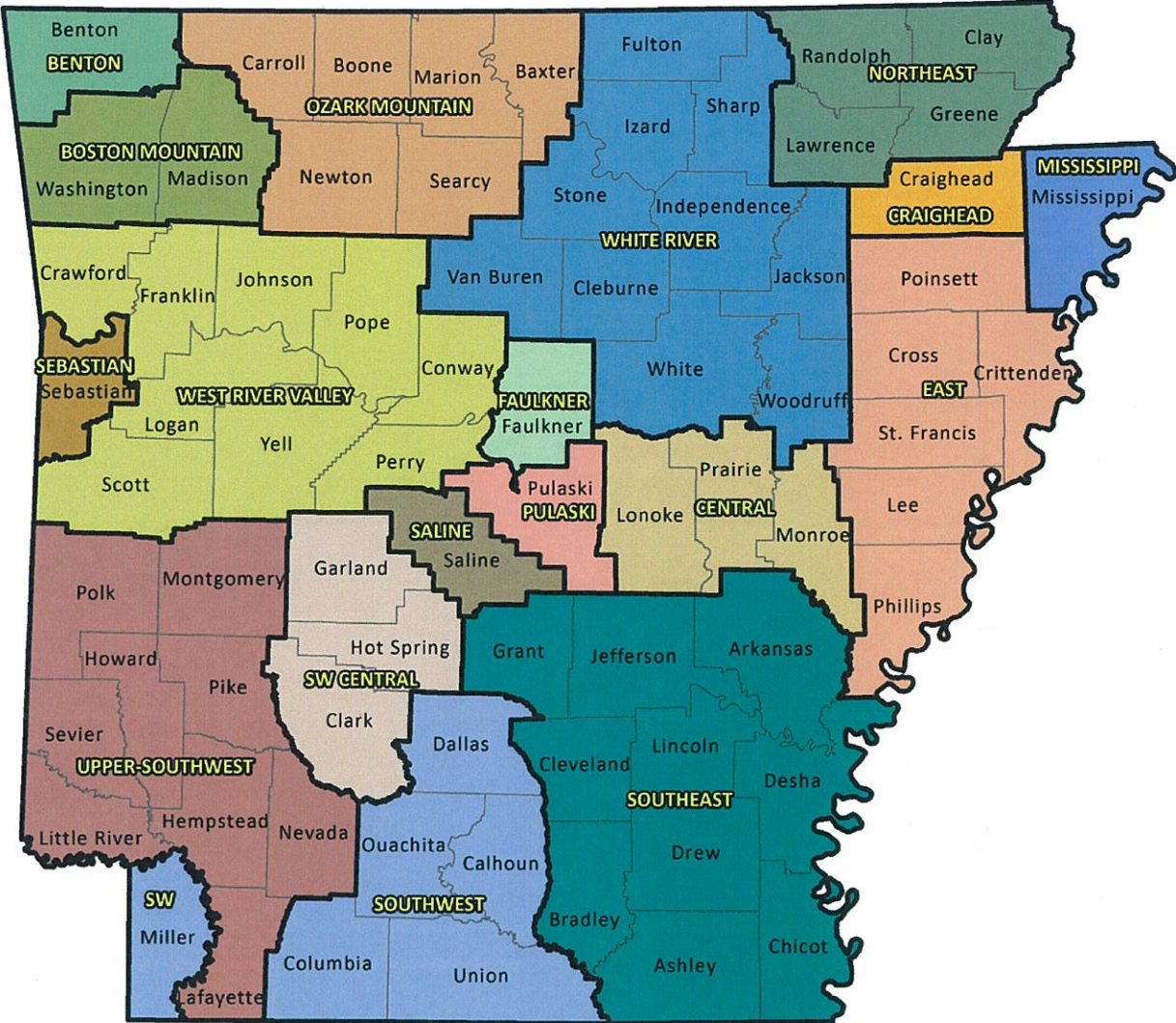
Sixty days (60) prior to the close of the RSWMBs fiscal year, the Programs Branch sends a reminder notice to each Board contact. If an audit is not received by the due date, revenue from Department funding programs cease until the audit is received.

When audits are received, they are reviewed to insure Department funds are accounted for in the balance sheet (E-Waste Grants, Recycling Distributions, and Waste Tire Grants). Check amounts for the period reviewed are double checked through the AASIS system and with managers of each grant program listed previously.

If funds are not easily accounted for in the audit documentation, we contact the RSWMB for further clarification. Not every RSWMB accounting firm employs the same method of accounting. Some accountants use financial accounting, while others use cost accounting. If there is a particularly complicated audit where revenues and expenses are not easily identified, we often seek the counsel of our Fiscal Manager, Keith Reed.

Financial audits are filed by year on the Divisions drive.

Regional Solid Waste Management Districts



Arkansas Planning and Development Districts

