

Report on the
Alabama Onsite Wastewater Board

Montgomery, Alabama



**Department of
Examiners of Public Accounts**

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May 16, 2018

Representative Howard Sanderford
Chairman, Sunset Committee
Alabama State House
Montgomery, AL 36130

Dear Representative Sanderford,

This report was prepared to provide information for use by the Sunset Committee in conducting its review and evaluation of the operations of the Alabama Onsite Wastewater Board in accordance with the *Code of Alabama 1975*, Section 41-20-9.

The report contains unaudited information obtained from the management, staff, and records of the Alabama Onsite Wastewater Board, in addition to information obtained from other sources.

Please contact me if you have any questions concerning this report.

Sincerely,



Ronald L. Jones
Chief Examiner

Examiner
Daniel Dupree

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PROFILE

Purpose/Authority

The Alabama Onsite Wastewater Board was created by Act No. 571, Acts of Alabama 1999, to examine, license, and regulate persons engaged in the manufacture, installation, or servicing of onsite sewage systems in Alabama. The Board operates under the authority of the *Code of Alabama 1975*, Sections 34-21A-1 through 34-21A-26.

There has been no legislation passed for the Board since the last sunset review.

<u>Characteristics</u>	
Members and Selection	<p>Nine members appointed as follows:</p> <ul style="list-style-type: none">• Three members appointed by the Governor• Three members appointed by the Lieutenant Governor• Three members appointed by the Speaker of the House <p>Industry appointees are selected from a list of three recommendations submitted by the governing board of the Alabama Onsite Wastewater Association. The environmental engineer appointee is selected from a list of three recommendations submitted by the Alabama Board of Licensure for Professional Engineers and Land Surveyors.</p> <p><i>Code of Alabama 1975</i>, Section 34-21A-3</p>
Term	<p>Members serve four-year terms. Members serve until their successors are appointed. Members shall not serve more than two consecutive terms.</p> <p><i>Code of Alabama 1975</i>, Section 34-21A-3(e)</p>
Qualifications	<p>Governor appointees:</p> <ul style="list-style-type: none">• One actively engaged in the business of installing onsite sewage systems.• One actively engaged in the business of manufacturing septic tanks.• One actively engaged in the business of pumping, servicing, or maintaining onsite sewage equipment.• Appointees must be licensees of the board or have ownership in a business employing a designated licensee in a position of responsible charge.

	<p>Lieutenant Governor appointees:</p> <ul style="list-style-type: none"> • One actively engaged in the business of installing onsite sewage systems; must be a licensee of the board or have ownership in a business employing a designated licensee in a position of responsible charge • One licensed by the board or a person having ownership of a business employing a person who: is in a position of responsible charge, provides or rents onsite toilet systems or portable toilet systems, is licensed by the board, and has been involved in the business for five consecutive years. • One actively engaged in the development of a training or educational program or instruction in environmental protection with a minimum of six years' experience. <p>Speaker of the House appointees:</p> <ul style="list-style-type: none"> • One environmental engineer with training in the onsite sewage industry • One actively involved for a minimum of three years in the onsite sewage inspection process and the regulation of onsite sewage systems; employed by a local county health department or the Alabama Department of Public Health • One consumer with an interest in the onsite sewage industry <p><i>Code of Alabama 1975, Section 34-21A-3</i></p>
<p>Racial Representation</p>	<p>No statutory requirement. One black member serving.</p>
<p>Geographical Representation</p>	<p>No statutory requirement.</p>
<p>Consumer Representation</p>	<p>One consumer member required by statute One consumer member serving.</p> <p><i>Code of Alabama 1975, Section 34-21A-3(d)(3)</i></p>
<p>Other Representation</p>	<p>The membership of the board shall be inclusive and the appointing authorities shall consider the racial, gender, geographic, urban/rural, and economic diversity of the state in making their appointments.</p> <p><i>Code of Alabama 1975, Section 34-21A-3(e)</i></p>

Compensation	<p>Members receive \$100 per day for board meetings, and are reimbursed for travel expenses at the same rate as state employees.</p> <p><i>Code of Alabama 1975, Section 34-21A-4(f)</i></p>																																																		
<u>Operations</u>																																																			
Administrator	<p>Melissa Hines, Executive Director Annual Salary \$59,517.60 Appointed by the Board</p> <p><i>Code of Alabama 1975, Section 34-21A-5(b)</i></p>																																																		
Location	<p>60 Commerce Street, Suite 1500 Montgomery, AL 36104 Office Hours: M-F 8:00 – 4:30</p>																																																		
Examinations	<p>Applicants for licensure are required to pass an examination prepared by the Board. The exams are administered by the Executive Director and are given at the conclusion of the Alabama Onsite Wastewater Association (AOWA) licensing classes at the AOWA Training Center located on the University of West Alabama campus in Livingston, Alabama. The schedule of classes is posted on the Board’s website each January. The minimum passing grade for all exams is 80%.</p> <p style="text-align: center;">Basic Installer</p> <table border="1" data-bbox="488 1150 1427 1341"> <thead> <tr> <th></th> <th>2014</th> <th>2015</th> <th>2016</th> <th>2017</th> </tr> </thead> <tbody> <tr> <td># Taking</td> <td>48</td> <td>70</td> <td>69</td> <td>59</td> </tr> <tr> <td># Passed</td> <td>47</td> <td>65</td> <td>56</td> <td>52</td> </tr> <tr> <td># Failed</td> <td>1</td> <td>5</td> <td>13</td> <td>7</td> </tr> <tr> <td>% Passing</td> <td>97.92%</td> <td>92.86%</td> <td>81.16%</td> <td>88.14%</td> </tr> </tbody> </table> <p style="text-align: center;">Advanced Installer I</p> <table border="1" data-bbox="488 1415 1427 1606"> <thead> <tr> <th></th> <th>2014</th> <th>2015</th> <th>2016</th> <th>2017</th> </tr> </thead> <tbody> <tr> <td># Taking</td> <td>4</td> <td>19</td> <td>7</td> <td>13</td> </tr> <tr> <td># Passed</td> <td>4</td> <td>19</td> <td>7</td> <td>13</td> </tr> <tr> <td># Failed</td> <td>0</td> <td>0</td> <td>0</td> <td>0</td> </tr> <tr> <td>% Passing</td> <td>100%</td> <td>100%</td> <td>100%</td> <td>100%</td> </tr> </tbody> </table>		2014	2015	2016	2017	# Taking	48	70	69	59	# Passed	47	65	56	52	# Failed	1	5	13	7	% Passing	97.92%	92.86%	81.16%	88.14%		2014	2015	2016	2017	# Taking	4	19	7	13	# Passed	4	19	7	13	# Failed	0	0	0	0	% Passing	100%	100%	100%	100%
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	Advanced Installer II																				
	2014	2015	2016	2017																	
# Taking	4	4	7	4																	
# Passed	4	4	7	4																	
# Failed	0	0	0	0																	
% Passing	100%	100%	100%	100%																	
	Pumper/Portable																				
	2014	2015	2016	2017																	
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# Passed	21	19	33	35																	
# Failed	0	0	0	0																	
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	Manufacturer																				
	2014	2015	2016	2017																	
# Taking	1	3	4	1																	
# Passed	1	3	3	1																	
# Failed	0	0	1	0																	
% Passing	100%	100%	75%	100%																	
	<p><i>Code of Alabama 1975, Section 34-21A-15</i> <i>Administrative Rule 628-X-3.03</i></p> <p><i>Source:</i> Executive Director</p>																				
Licensees	<p>Licenses as of February 9, 2018*</p> <table border="1" style="width: 100%;"> <tr> <td>Basic Installer</td> <td style="text-align: right;">370</td> </tr> <tr> <td>Advanced Installer I</td> <td style="text-align: right;">329</td> </tr> <tr> <td>Advanced Installer II</td> <td style="text-align: right;">106</td> </tr> <tr> <td>Pumper</td> <td style="text-align: right;">483</td> </tr> <tr> <td>Portable</td> <td style="text-align: right;">16</td> </tr> <tr> <td>Manufacturer</td> <td style="text-align: right;">75</td> </tr> <tr> <td>Inactive</td> <td style="text-align: right;">40</td> </tr> <tr> <td>Total</td> <td style="text-align: right;">1,419</td> </tr> </table> <p>* Some licensees hold multiple licenses</p> <p><i>Source:</i> Executive Director</p>					Basic Installer	370	Advanced Installer I	329	Advanced Installer II	106	Pumper	483	Portable	16	Manufacturer	75	Inactive	40	Total	1,419
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Licensee Demographics	Data not collected by the Board.																				
Reciprocity	None																				

Renewals	<p>Licenses are issued for the current calendar year and are valid only for that calendar year. All licenses expire on December 31.</p> <p>Online renewal is available. Approximately 45% of licensees renewed online in FY 2017.</p> <p><i>Code of Alabama 1975</i>, Section 34-21A-12(d)</p> <p><i>Source:</i> Executive Director</p>
Continuing Education	<p>Basic Installer, Pumper, Manufacturer license, a certificate of education, or any combination of the three, active or inactive - 6 hours each year</p> <p>Advanced Installer I license and additional Alabama Onsite Wastewater Board licenses, active, inactive or a certificate of education – 8 hours each year</p> <p>Advanced Installer II license and additional Alabama Onsite Wastewater Board licenses, active, inactive or a certificate of education– 10 hours each year</p> <p>Portable Restroom license, active, inactive or a certificate of education – 4 hours each year</p> <p><i>Code of Alabama 1975</i>, Section 34-21A-18(b) <i>Administrative Rule</i> 628-X-3.06</p>
Employees	Four Merit System employees
Immigration	E-Verify – Compliant SAVE – Compliant
Legal Counsel	Bettie Carmack, Assistant Attorney General, Attorney General’s Office.
Subpoena Power	None except as provided by the Administrative Procedures Act, <i>Code of Alabama 1975</i> , Section 41-22-12 for hearings and contested cases.
Internet Presence	<p>www.aowb.alabama.gov Information available includes:</p> <ul style="list-style-type: none"> • Contact information • Licensing forms • Consumer complaint form • Online license renewal • Licensee roster search • Class / Testing schedule • Law and rules

Attended Board Member Training	The Executive Director, three Board members and two staff members attended the last training held in 2014.
<i>Financial</i>	
Source of Funds	Licensing fees and penalties
State Treasury	Yes, Special Revenue Fund 1013 <i>Code of Alabama 1975</i> , Section 34-21A-6
Required Distributions	Any funds unspent and unencumbered at the end of each fiscal year that exceed 25 percent of the Board's budget for the previous fiscal year shall be transferred to the State General Fund (<i>See significant issues 2018-01 and 2018-02</i>). <i>Code of Alabama 1975</i> , Section 34-21A-6(b)
Unused Funds	Funds are retained at fiscal year-end.

SIGNIFICANT ISSUES

Significant Issue 2018-01 - The Board did not transfer excess funds to the General Fund at the end of fiscal year 2016 as required. The *Code of Alabama 1975*, Section 34-21A-6(b) states: “Any funds unspent and unencumbered at the end of each fiscal year that exceed 25 percent of the board's budget for the previous fiscal year shall be transferred to the State General Fund.” In fiscal year 2016 the Board’s unspent and unencumbered balance exceeded 25 percent of the Board’s budget previous year’s budget by \$52,257.01.

In addition to not transferring excess funds at the end of fiscal year 2016, the Board has consistently overstated its accounts payable at the end of each fiscal year of the examination period. As a result of overstating accounts payables, the Board’s unencumbered balances at year end are understated. The balances did not exceed 25 percent of the Board’s budget for the previous year; therefore, the Board was not required to transfer excess funds to the General Fund. The amounts encumbered at year-end and the actual amounts spent in the next fiscal year are shown in the table below:

Fiscal Year	Reserved for Year End Obligations	Actual Amount of Obligations Spent in next fiscal year
2014	\$ 145,716.44	\$ 12,266.27
2015	\$ 169,926.81	\$ 7,115.93
2016	\$ 10,811.37	\$ 3,152.96
2017	\$ 24,476.76	\$ 8,604.31

The *Code of Alabama 1975* Section 41-1-93 states: “All unencumbered balances of all appropriations shall revert to the State Treasury at the end of each fiscal year and to the credit of the General Fund or the special fund from which the appropriation or appropriations were made.”

Attorney General’s Opinion 82-00572 states, “*Code of Alabama 1975*, Section 41-4-93, provides that, ‘All unencumbered balances of all appropriations shall revert to the State... The implication of this section is that funds can be encumbered so they will not revert to the State. Of course, that implication does not defeat the overall purpose of the law. The purpose of the law is to forbid state departments and agency from carrying forward unspent or unencumbered appropriations. **An agency cannot “creatively” encumber all of its unspent funds for next year’s normal operational expenses.**”

Board’s Response – This issue will not happen again. Once it was discovered, we had to pay Board of adjustment claims out of the 2017 budget. While I agree that the Board consistently overstated its accounts payables at the end of each year, I also understand this isn’t standard practice and this issue will be resolved and not happen again. I have been in touch with my budget analyst and he has referred me to the Comptroller’s Office to instruct me how to complete a cash transfer. I will inform you once this task has been completed.

Significant Issue 2018-02 - The Board's operating disbursements have exceeded operating revenues for the past four fiscal years. In 2014 disbursements exceeded receipts by \$9,178.88. The deficiency increased each year and in 2017 the amount of the deficiency was \$83,157.36. The Board's cash balances at the end of fiscal year is declining. The cash balance at the end of fiscal year 2014 was \$207,200.12 and the cash balance at the end of fiscal year 2017 was \$101,161.02, a decrease of \$106,039.10.

Board's Response – Our licensees have maintained over the last 4 years, however, increasing expenses and unforeseen expenses have caused the Board's cash balances to decline. The 13,000 annual expense of the STAARS Advantage program each year (to be paid off this FY), office rental increase, a vehicle purchase, and in 2016 the retirement expenses of 2 employees as well termination costs of another employee, moving expenses to a new location. The Board is now under new leadership and is currently searching for new ways to increase revenue through its licensing and enforcement divisions. Rent at the new location of the administrative offices is substantially lower as well as personnel costs.

Significant Issue 2018-03 – The Board paid a board member, who is employed as a faculty member of a state university, board member compensation in the amount of \$100 per day for attending board meetings. As a full-time employee of a state university the member was not entitled to the \$100 per day board pay. The member received a total of \$1,000.00 during the examination period.

Attorney General Opinion 2010-061 states, "A person appointed to serve on the Board of Funeral Service, who is employed as a faculty member in a state junior college system, does not hold two offices of profit. Although a person may serve in the stated positions simultaneously, that person may only receive compensation at the rate named for the highest paying position."

Board's Response – If the Board had known this member could not receive compensation, he would not have. The Board member has been sent a letter to repay funds as expected that he will, he will not receive any additional Board Member Compensation.

STATUS OF PRIOR FINDINGS/SIGNIFICANT ISSUES

Finding 2015-03: The Board did not file annual reports of records disposition activity with the State Records Commission for 2013, 2014, and 2015 as required in its approved Records Disposition Authority (RDA).

The *Code of Alabama 1975*, Section 41-13-21, states, "No state officer or agency head shall cause any state record to be destroyed or otherwise disposed of without first obtaining approval of the State Records Commission..." Section 41-13-1 defines "public record" as "all written, typed or printed books, papers, letters, documents and maps made or received in pursuance of law by the public officers of the state, counties, municipalities and other subdivisions of government in the transactions of public business..." To ensure that state records are appropriately preserved, the State Records Commission requires state agencies to prepare, adopt, and approve a records disposition authority, or RDA. The RDA will list all records of the agency and detail a destruction schedule for them, depending on the sensitive/historic/relevant

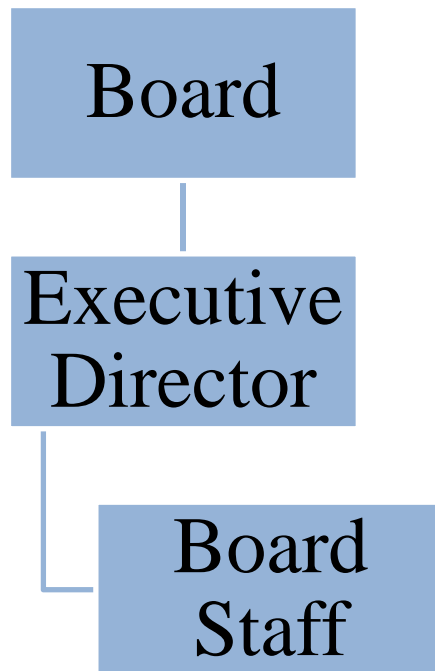
nature of the records.

The Board's RDA, on page 3-6, states, "The Alabama Onsite Wastewater Board will designate a managerial position as the agency records officer. This position is responsible for ensuring the development of quality record keeping systems that meet the business and legal needs of the board, coordinating the transfer and destruction of records, ensuring that permanent records held on alternative storage media (such as microforms and digital imaging systems) are maintained in compliance with national and state standards, **submitting an annual report on records management activities to the State Records Commission in July of each year, and ensuring the regular implementation of the agency's approved RDA.**"

Current Status 2018 – As of February 2018, the Board had not filed annual reports for fiscal years 2016 and 2017.

Board's Response – The Board has filed the annual reports with the State Records Commission.

ORGANIZATION



PERSONNEL

Schedule of Employees By Merit System Classification/Sex/Race						
	#	B/M	B/F	W/F	Salary	Vehicle Assigned
Executive Director (Unclassified)	1			1	59,517.60	
Licensing / Regulatory Compliance Field Officer	1	1			43,339.20	1*
Accounting Technician	1			1	30,724.80	
Retired State Employee	1		1		17.50 / Hr.	
Total	4	1	1	2		

*Vehicle assigned to Field Officer for performance of duties. The Board has one additional vehicle that was previously used by a second Field Officer.

Legal Counsel

Bettie Carmack, Assistant Attorney General, Attorney General's office, provides legal services for the Onsite Wastewater Board.

PERFORMANCE CHARACTERISTICS

Number of Licenses per Employee as of February 2018 - 355

Number of Persons per License in Alabama and Surrounding States

	Population*	Number of Licenses	Persons Per License
Alabama	4,878,747	1,419¹	3,438
Florida	20,984,400	604	34,742
Georgia	10,429,379	1,946	5,359
Mississippi	2,984,100	605	4,932
Tennessee	6,715,984	1,633	4,113
* <i>Source:</i> U.S. Census, July 1, 2017 Population Estimates			
¹ Some licensees hold multiple licenses			

Operating Disbursements per License (FY 2017) - \$279.63

Fines/Penalties as a % of Operating Receipts (FY 2017) – 6.62%

Notification of Board decisions to Amend Administrative Rules

The Board complied with notification procedures prescribed in the Administrative Procedure Act, which includes publication of proposed rules in the Administrative Monthly, and public hearings on proposed rules. Licensees are not specifically notified of proposed changes,

COMPLAINT HANDLING

The *Code of Alabama 1975*, Section 34-21A-22 authorizes the Board to establish procedures to process, review, and investigate reports and complaints of fraud, incompetence, misconduct, and dishonest or illegal acts of licensees in the performance of work covered under licenses of this board. The complaint process can be found in the Board’s *Administrative Rules* 628-X-5.01 through 628-X-5-.08

Initial Contact/Documentation	Complaints accepted by mail, email, or fax. Complaints can be brought by board members and staff. The board has an official complaint form available on its website; the form is not required to be used in filing a complaint. Complaints must be signed, but are not required to be notarized. Complainants are notified by mail or phone that their complaint was received.
Anonymous Complaints	Not accepted
Investigative Process	A probable cause committee consisting of the Executive Director, one Board member, Legal Counsel, and Compliance Officer review complaints to determine if there is probable cause.

Negotiated Settlements	Yes
Notification of Resolution to the Complainant	Complainants are notified of the Board's resolution of the complaint by mail or by phone.

Source: Executive Director

Schedule of Complaint Resolutions Fiscal Years 2014 through 2017						
Year/ / Number Resolved						
FY / Number Received	2014	2015	2016	2017	2018	Pending
2014 / 70	47	23	-	-	-	-
2015 / 47		31	16	-	-	-
2016 / 36			31	4	-	1*
2017 / 59				19	6	34
* On hold pending additional information from a County Health Department						
<i>Source:</i> Executive Director						

Average Time to Resolve Complaints – 111 days

REGULATION IN CONJUNCTION WITH OTHER ENTITIES

The Alabama Department of Public Health (ADPH) prescribes installation and service standards, issues permits for installation and service of onsite wastewater systems, and upon completion, inspects/certifies wastewater installations. The Alabama Onsite Wastewater Board certifies the competency of individuals to engage in the onsite wastewater business and holds its licensees accountable for compliance with the rules and regulations of the ADPH. The Board, with the assistance of the ADPH, inspects the work of its licensees when a complaint is investigated, and defers to the judgment of the ADPH as to whether an installation or service meets the standards set by the ADPH.

FINANCIAL INFORMATION

Source of funds

The Board's operating funds consist of licensing fees and penalties.

Fund

The Board operates from Special Revenue Fund 1013 in the State Treasury, authorized by the *Code of Alabama 1975*, Section 34-21A-6. Year-end balances are retained for the Board's continuous use subject to appropriations.

Required Transfers

The *Code of Alabama 1975*, Section 34-21A-6(b) requires that any funds unspent and unencumbered at the end of each fiscal year that exceed 25 percent of the board's budget for the previous fiscal year be transferred to the State General Fund.

Schedule of Fees

The *Code of Alabama 1975*, Section 34-21A-11 states, “The board may establish and charge reasonable fees for the processing of all applications, administration of examinations, issuance of all active and inactive licenses, license renewals, license restoration and replacement, supplying information to applicants, licensees, and the general public, and any and all other required board procedures and related activities. A fee schedule shall be developed by the board and adopted as a rule, and all fees shall be commensurate with the cost of fulfilling the duties of the board as defined in this chapter.” The *Code of Alabama 1975*, Section 34-21A-23 authorizes the Board to establish fines for the reinstatement of a license. Fees are set by the Board by Administrative Rule.

Fee Type/ Purpose	Rule	Amount Collected
Application Fee for Any License	628-X-4-.02(1)	\$25.00
Examination Fees		
Basic Installer, Pumper, Manufacturer, Portable Restroom	628-X-4-.02(2)	\$100.00
Advanced Level I Installer	628-X-4-.02(2)	\$150.00
Advanced Level II Installer	628-X-4-.02(2)	\$200.00
License Fees - Annually		
Basic Level Installer	628-X-4-.02(3)(a)	\$200.00
Pumper	628-X-4-.02(3)(a)	\$200.00
Portable Toilet	628-X-4-.02(3)(a)	\$200.00
Manufacturer	628-X-4-.02(3)(a)	\$200.00
Advanced Level I Installer	628-X-4-.02(3)(b)	\$300.00
Advanced Level II Installer	628-X-4-.02(3)(c)	\$500.00
Additional License for Other Categories ¹	628-X-4-.02(4)	\$100.00
Late Renewal Fee, Jan. 1 – Feb. 15 (Each license)	628-X-4-.02(5)	\$100.00
Late Renewal Fee, Feb. 16 – Dec. 31 (Each license) + Late Penalty	628-X-4-.02(6)	\$100.00
Late Penalty	628-X-4-.02(6)	\$250.00
Replacement License	628-X-4-.02(7)	\$50.00
Inactive License / Renewal	628-X-4-.02(8)	\$50.00
Reinstatement of Revoked License Fines	628-X-4-.02(11)	≤\$1,000.00
Reinstatement of Suspended License Fines	628-X-4-.02(12)	≤\$500.00
Fee to maintain record of Certificate of Education	628-X-4-.02(13)	\$75.00
Non-Sufficient Fund Fee	628-X-4-.02(14)	\$30.00
Deficiency Plan Fee	628-X-4-.02(15)	\$25.00
Reinstatement of License for Bond Suspension Fee	628-X-4-.02(16)	\$104.00

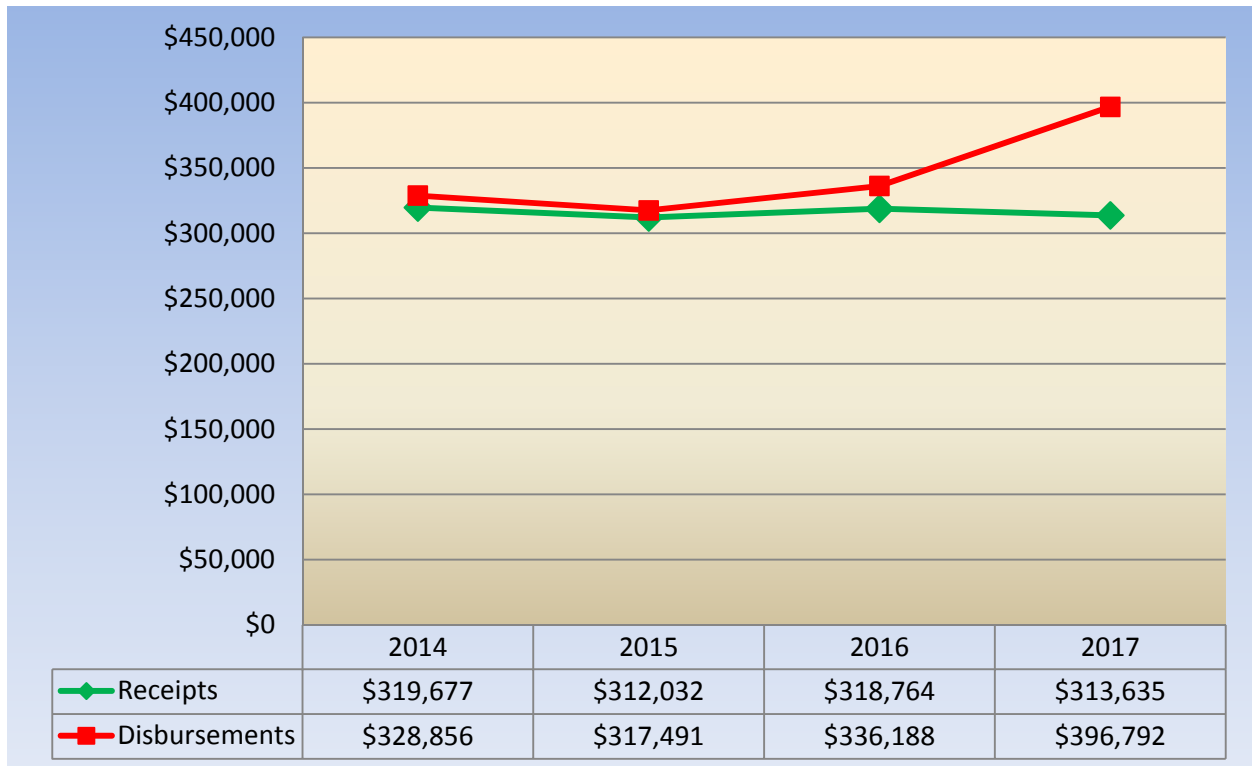
¹A person licensed in more than one category must purchase first the most advanced license for which they have qualified.

Schedule of Receipts, Disbursements and Balances

October 1, 2013 through September 30, 2017

	2016-17	2015-16	2014-15	2013-14
<u>Receipts</u>				
Licensing Fees	\$ 261,900.00	\$ 275,789.45	\$ 268,682.34	\$ 270,863.00
Exam Fees	13,400.00	15,400.00	13,300.00	8,450.00
Late Fees	16,000.00	19,125.00	22,800.00	24,088.00
Board Penalties	4,774.25	8,450.00	7,250.00	15,900.00
Prior Year Refunds	-	-	-	11.25
Insurance Recoveries	17,525.00	-	-	-
Salvage Equipment	35.68	-	-	365.00
Total	<u>313,634.93</u>	<u>318,764.45</u>	<u>312,032.34</u>	<u>319,677.25</u>
<u>Disbursements</u>				
Personnel Costs	207,862.24	187,464.82	167,350.30	162,462.10
Employee Benefits	65,613.87	56,342.30	73,719.35	70,132.52
Travel In State	10,490.72	4,528.14	5,886.97	11,239.57
Repairs and Maintenance	7,687.77	115.00	320.00	285.00
Rentals and Leases	20,774.43	28,999.79	32,256.14	37,149.22
Utilities and Communications	8,068.29	9,556.17	8,298.19	8,941.95
Professional Services	25,568.43	31,874.90	10,720.36	16,033.15
Supplies, Materials, and Operating Exp.	19,026.17	11,464.13	11,239.97	10,094.03
Transportation Equipment Operations	4,588.14	5,528.97	7,699.54	10,479.78
Transportation Equipment Purchases	23,989.00	-	-	-
Other Equipment Purchases	3,123.23	313.49	-	2,038.81
Total	<u>396,792.29</u>	<u>336,187.71</u>	<u>317,490.82</u>	<u>328,856.13</u>
Excess (Deficiency) of Receipts over Disbursements	(83,157.36)	(17,423.26)	(5,458.48)	(9,178.88)
Cash Balances at Beginning of Year	<u>184,318.38</u>	<u>201,741.64</u>	<u>207,200.12</u>	<u>216,379.00</u>
Cash Balances at End of Year	101,161.02	184,318.38	201,741.64	207,200.12
Reserved for Unpaid Obligations	<u>(24,476.76)</u>	<u>(10,811.37)</u>	<u>(169,926.81)</u>	<u>(145,716.44)</u>
Unreserved Cash Balances at end of Year	<u>\$ 76,684.26</u>	<u>\$ 173,507.01</u>	<u>\$ 31,814.83</u>	<u>\$ 61,483.68</u>

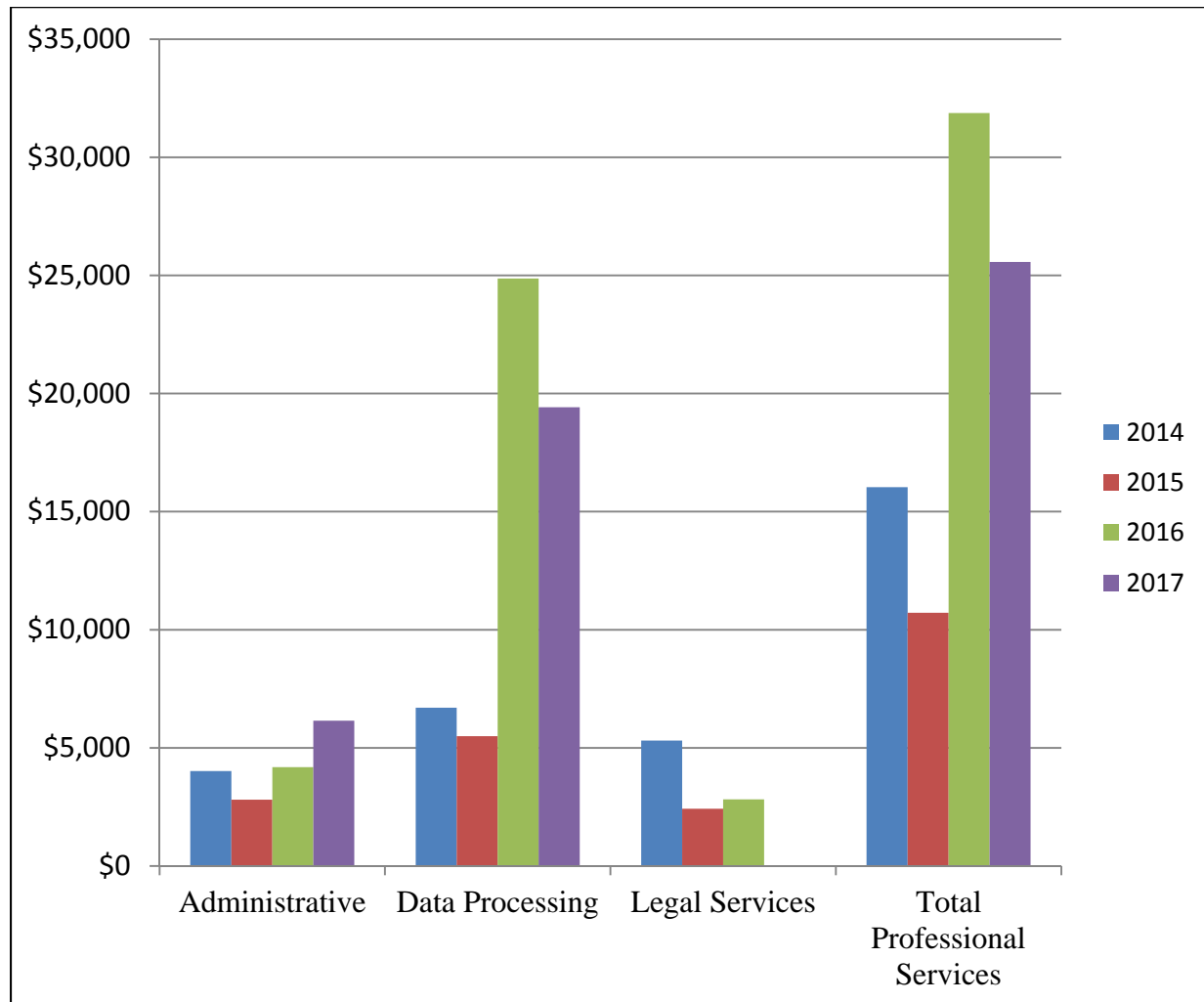
Operating Receipts vs. Operating Disbursements (Chart)



SUMMARY SCHEDULE OF PROFESSIONAL SERVICE DISBURSMENTS*				
As of September 30 th				
Type Service	FY 2014	FY 2015	FY 2016	FY 2017
Administrative	\$ 4,020.75	\$ 2,808.60	\$ 4,184.00	\$ 6,149.27
Data Processing	6,702.40	5,491.76	24,870.90	19,419.16
Legal Services	5,310.00	2,420.00	2,820.00	0.00
Total	\$ 16,033.15	\$ 10,720.36	\$ 31,874.90	\$ 25,568.43

* A detailed schedule of professional service disbursements by vendor is continued in the appendices of this report.

Professional Service Disbursement Chart



QUESTIONNAIRES

Board Member Questionnaire

A letter was sent to all eight members of the Onsite Wastewater Board requesting participation in our survey. Three participated in our survey. The percentages, where shown, are based on the number who responded to the question.

1. What are the most significant issues currently facing the Alabama Onsite Wastewater Board and how is the board addressing these issues?

Board Member #1 – “Illegal installations of onsite wastewater systems. Citizens sometimes pay significant money (\$1000-\$5000) and sometimes do not get proper installations nor proper permitted (approved by the Health Dept.) installations.”

Board Member #2 – “Compliance with established requirements of installers and pumper so. Education and training courses are offered frequently at various locations and inspectors respond quickly to concerned consumers

Board Member #3 – “1. Adjusting the hearing fee structure to cover our costs and to increase the fine structure so it has an impact on our licensees. 2. Continue to raise the bar of our training/testing to insure our licensees are meeting the needs of our consumers. 3. Working closer with the ADPH to define our distinct roles in the industry. 4. Including industry changes in our testing and certification process.”

2. What, if any, changes to the Board’s laws are needed?

Board Member #1 – “Higher penalties for those guilty of breaking the law”

Board Member #2 – “Would like sellers of septic system ensure that the buyers have permits to install or repair their specific system.”

Board Member #3 – “To address #1 above regarding fees and fine tuning requirements in the area of manufacturer vs distributor vs installer.”

3. Is the Board adequately funded?

Yes	2	67%
No	1	33%

Board Member #1 – “No. The board and its support staff seem to be funded at a bare minimum level. Office space has been an issue because of cost. Higher penalty fees allowed (see question 2 above) would help provide additional funds to allow appropriate operation.”

4. Is the Board adequately staffed?

Yes	3	100%
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Board Member Questionnaire

5. Does the Board receive regular reports on the operations of the Board from the Executive Director?

Yes 3 100%

6. Are you satisfied with the reports the board receives from the Executive Director?

Yes 3 100%

7. Has the Board experienced any recent significant changes to its operations?

No 3 100%

8. What, if any, changes does the Board plan to make to its operations?

Board Member #1 – “Training classes to obtain installer licenses are currently being upgraded. Licensing exams are also being upgraded to insure licensees have appropriate knowledge.”

Board Member #3 – “As of our last meeting we are making a change in our legal representation.”

Did not respond - 1

Licensee Questionnaire

A letter was sent to two hundred licensees requesting their participation in our survey. Thirty participated in the survey. The percentages, where shown, are based on the number who responded to the question.

1. Do you think regulation of your profession by the Alabama Onsite Wastewater Board is necessary to protect public welfare?

Yes	19	64%
No	7	23%
Unknown	1	3%
No Opinion	3	10%

Respondent #8 – “No opinion. I do know there are flaws in the current system.”

Respondent #11 – “No. Most of the regulations are not necessary create a hardship on general public.”

Respondent #17 – “No. The health department inspects and oversees our work. The court system can and does handle any claims brought against the contractor/business.”

2. Do you think any of the Board’s requirements are irrelevant to the competent practice of your profession?

Yes	11	37%
No	17	57%
Unknown	1	3%
No Opinion	1	3%

Respondent #2 – “Yes. Yearly continuing education classes.”

Respondent #8 – “Yes. Why is it required to have an installer license to do maintenance only on engineered systems? The way it is set up now it is impossible to get an advanced installers license if you are not an installer but your job is to do work on engineered systems”

Respondent #10 – “Yes. Annual training not necessary waste of time and money for installers. Semiannual would more than suffice.”

Respondent #11 – “Yes. We only had to uncover 1 end of s/t for a lifetime then board placed a uncover both lids and we cannot charge for extra work. All board is concerned with fining licensee not for making things better for all.”

Respondent #21 – “Yes. Continued education is a waste of my time and money as it is done now! Either change it or stop it please.”

3. How are you informed by the Board of changes to and interpretations of the Board’s positions, policies, rules and laws?

Respondent #1 – “I find out through the health department or other installers.”

Respondent #3 – “I am usually contacted by email or newsletter.”

Respondent #4 – “Mail and email”

- Respondent #5** – “Emails and newsletters”
- Respondent #6** – “I am not informed.”
- Respondent #7** – “Do not really hear from them”
- Respondent #8** – “I get emails from time to time”
- Respondent #9** – “Email”
- Respondent #10** – “Mailers”
- Respondent #11** – “No never happened only after they placed a fine after there was a change to rules”
- Respondent #12** – “Mail and email”
- Respondent #13** – “Through newsletters and updates from the AOWA.”
- Respondent #14** – “Mail”
- Respondent #15** – “There is not very good communication”
- Respondent #16** – “Mail, education hours every year”
- Respondent #17** – “Health department”
- Respondent #18** – “Meetings and memos”
- Respondent #21** – “Annual continued education”
- Respondent #22** – “Mail”
- Respondent #23** – “Newsletter”
- Respondent #24** – “AOWA Magazine & Word of Mouth”
- Respondent #25** – “By mail.”
- Respondent #26** – “Continuing Ed.”
- Respondent #27** – “Mail”
- Respondent #28** – “Letter, email and yearly class”
- Respondent #29** – “By AOWA and county health officials”
- Respondent #30** – “Yearly meeting at continuing Ed.”

Did not respond: 3

4. Has the Board performed your licensing and renewal in a timely manner?

Yes	29	97%
No	1	3%

Respondent #5 – “Yes. Lost check in past, delays on CEU confirmations BUT never made my license late or caused me any problems.”

Respondent #12 – “No. Paid for license for 2017. I couldn't secure bond required to obtain insurance policy, which was also paid for. No refund from either the board or [REDACTED] insurance.”

5. What do you think is the most significant issue(s) currently facing your profession in Alabama and what is the Board doing to address the issue(s)?

Respondent #1 – “I think the health dept. should be inspecting all systems there should be an environmentalist in every county. Mobile home dealers should have to report every sale to health dept. The board does nothing about to see if the mobile home purchaser has a legal septic system.”

Licensee Questionnaire

Respondent #3 – “I think un-licensed individuals will always be a problem. I believe the board is monitoring it well with the personnel that is on hand.”

Respondent #6 – “The state needs to set the amount of field lines on a repair job so each installer will be on a level playing field. For an example, one installer will give a price on 200' and the next one will give price on 100'. Which installer do you think they would go with? They would go with the 100'. CHEAPER”

Respondent #7 – “Permitting of unsuitable lots.”

Respondent #8 – “The required yearly continuing education classes are a joke, and just another way of fattening a few pockets, very little has varied in the 7 years that I had to go to them.”

Respondent #10 – “Not enough done to protect the public from dishonest installers and especially pumpers that take advantage of people and charge for unnecessary work”

Respondent #11 – “Customers does not have the money to get work don now how do we tell a customer in a 1500.00 house trailer that they need to spend 3000.00 or more to fix job.”

Respondent #13 – “Educating the public as well as the licensees. Training is offered for the licensees, but the public education is primarily up to the licensees since they have direct contact. I don't believe the Board can help with this, but it is an issue.”

Respondent #14 – “Because of the cost of the classes, cost of taking time off to attend, not learning anything new for someone that's been installing for 30 years, most of the companies in my area have just shut down. They say it's not worth it. One gentleman said someone's wife must have needed a job so they created this board.”

Respondent #15 – “The age of installers, not really sure but we need to be recruiting more people into the industry.”

Respondent #18 – “Illegal installation”

Respondent #21 – “As a septic system installer - If I am required to have annual continued education to keep my license, then please make it practical to teach me new or better ways to install systems. Don't waste a day of work, school fees, motel cost, and meals etc. with a day of so called education of which almost nothing applies! I suppose it's all about revenue for the board! Would appreciate practical educating. Thanks for the opportunity to vent.”

Respondent #22 – “Unlicensed installers”

Respondent #23 – “Location of testing for licenses”

Respondent #24 – “Field line repair permits. Not heard of any changes yet.”

Respondent #28 – “Helping people that can't afford a system. Unknown”

Respondent #29 – “In general I am a believer in less regulation. However, at the present time, I think we have the right mix of common sense and regulation. We should always take into account the cost to the customer; i.e. the public when new regulations are passed.”

Respondent #30 – “The fact that engineers do not personally inspect the work they provide in paperwork. A very weak system. No one is the sheriff! If engineers run the State Health Dept. – They need to get off their ass.”

Did not respond 12

Complaint Questionnaire

A letter was sent to twenty-two complainants requesting their participation in our survey. Six participated in the survey. The percentages, where shown, are based on the number who responded to the question.

1. How was your complaint filed with the Alabama Onsite Wastewater Board?

Mail	4	66%
Phone	1	17%
Other	1	17%

Respondent #3 – “Initially I called and then I emailed the package to AOWB.”

2. Was receipt of your complaint acknowledged?

Yes	6	100%
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3. If your answer to Question 2 was “YES”, how long after you filed your complaint were you contacted by the board?

Immediately	2	32%
Within 10 days	1	17%
Within 20 days	1	17%
Within 30 days	1	17%
More than 30 days	1	17%

Respondent #3 – “I believe my complaint was submitted in November and it took me following up with [REDACTED] several times before any action was taken. It wasn't until January 25th the following year before I received an email confirming the actual investigation would begin the following week. They told me delay was caused due them being short staffed.”

4. Was the Board employee who responded to your complaint knowledgeable and courteous?

Knowledgeable	2	33%
Courteous	1	17%
Both	3	50%

Respondent #3 – “[REDACTED] was courteous but I never felt like my complaint was taken seriously nor was it considered time sensitive by the AOSW Board which bothered me considering I had waste all in my back yard for months while this was going on.”

5. Did the board communicate the results of investigating your complaint to you?

Yes	6	100%
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6. Do you think the Board did everything it could to resolve your complaint?

Yes	4	67%
No	2	33%

Respondent #3 – “No, I never thought the Board ever had any intentions of helping me. When you buy a new home you would never expect your septic system to completely shut down due to faulty installation and lack of any oversight on the front end. My system never worked properly from the first day I bought my house but I didn't actually realize this was the case until several years after the fact. I didn't see the warning signs in my yard until much later. However, no one should have to pay \$25,000 to have an entirely new septic system installed on a home they just purchased brand new 8 years earlier. I was under the impression the AOSW Association's duty was to be a watch dog over Septic System Installers to prevent this sort of thing from happening.”

Respondent #4 – “No. The board member who contacted me knew the individual whom I filed the complaint against and worked with him to get him the best outcome available for him.”

7. Were you satisfied with your dealings with the Board?

Yes	4	67%
No	2	33%

Respondent #3 – “No. My complaint was denied even though NO inspection was ever done by Elmore County Health Department. I called them to get a copy of the original inspection and was told the date the inspector was set to come out and do the inspection it was raining and the inspection was never rescheduled. Had an inspection been done there is a very good chance the problem would've been found and ALL of this could've been prevented. It also took three months before someone from the AOSW Board came out to my house to inspect the problem. I was told then by [REDACTED] and [REDACTED] that they doubted anything would be done to help me due to the amount of time that went by from the original installation up until that point but they would see what they could do. They were clear I had major problems but it was obvious to me that day nothing would be done to hold the original installer accountable for not installing the system properly. Hence, I had to pay out of pocket to have an entirely different and WAY more expensive system installed (Drip System). Needless to say I wasn't and still am not happy with my experience. Based on multiple conversations with several installers I received quotes from on the new system I was told they couldn't recall a time where the AOSW Board had ever helped a homeowner with a similar problem. I'm not sure why this board exists if they don't hold installers accountable. Thanks”

APPENDICES

Applicable Statutes

Section 34-21A-1 Purpose.

The Alabama Onsite Wastewater Board is created to examine, license, and regulate persons engaged in the manufacture, installation, or servicing of onsite sewage systems in Alabama. As more residences are built in rural areas where public sewer hookups and centralized sewage treatment systems are often unavailable, many property owners must rely on onsite sewage systems, such as septic systems, to handle residential waste and sewage. The improper manufacture, installation, service, cleaning, and maintenance of onsite sewage equipment and treatment systems can contaminate and pollute the environment and pose significant harm to public health and the rural environment. This board is created to establish the qualification levels for those engaged in the manufacture, installation, servicing, or cleaning of onsite sewage systems and equipment in Alabama and promote the proper manufacture, installation, and servicing of onsite sewage systems.

(Act 99-571, p. 1265, §1; Act 2010-258, p. 453, §1.)

Section 34-21A-2 Definitions.

The following terms shall have the meanings respectively ascribed to them as used in this chapter unless the context requires a different meaning:

- (1) BOARD. The Alabama Onsite Wastewater Board.
- (2) CONVENTIONAL ONSITE SEWAGE SYSTEM. An onsite sewage system consisting of a septic tank, or an Alabama Department of Public Health approved pretreatment device, with effluent discharging into a subsurface effluent disposal medium, where all portions of the effluent disposal field sidewalls are installed below the elevation of undisturbed native soil, including a conventional onsite sewage system as defined by the Alabama Department of Public Health regulations.
- (3) ENGINEERED ONSITE SEWAGE SYSTEM. An onsite sewage system that varies from conventional onsite sewage system equipment, methods, processes, and installation procedures in accordance with the rules and regulations of the Alabama Department of Public Health.
- (4) GOOD STANDING WITH LOCAL HEALTH AUTHORITIES OR OFFICIALS. A person in good standing with local health authorities or officials shall have had no substantiated complaints filed against him or her with the local health authorities or officials regarding the work of the person in the onsite sewage industry, and shall be known by the local health authorities or officials to be a person who abides by the rules and regulations of the Alabama Department of Public Health.
- (5) GREASE TRAP. A receptacle containing nontoxic, nonhazardous liquid waste generated by a commercial food operation or institutional food preparation facility including, without limitation, fats, oil, grease, and food scraps, whether connected to a city sewer or not, to include a sewage tank, as defined by the Alabama Department of Public Health rules.
- (6) INDIVIDUAL. A human person.
- (7) INSTALLATION. The act of installing a conventional or engineered onsite sewage system.
- (8) LICENSE. A valid and current certificate of qualification issued by the board which shall give the named person to whom it is issued authority to engage in the specialized area and level of qualification described on the certificate.
- (9) LICENSEE. A qualified individual holding a license issued by the board.

(10) LICENSING PROCEDURE. The process of testing at the state level to determine the knowledge and skill of an individual with respect to onsite sewage systems, and the issuing of licenses to indicate that an individual has passed the examinations and met all other board-established qualifications for licensure.

(11) LOCAL HEALTH AUTHORITY OR OFFICIALS. The county health department in the county or counties in which a licensee performs work in or is engaged in the manufacture, installation, cleaning, servicing, or maintenance of onsite sewage systems or equipment.

(12) MANUFACTURER. Person engaged in the production of septic tanks or receptacle equipment used in onsite sewage systems.

(13) ONSITE SEWAGE SYSTEM. Any system of piping, treatment devices, pumps, alarms, or other facilities or devices that carry or convey, store, treat, or dispose of sewage (human waste) where the system is not connected to a public sewer, including an onsite sewage treatment and disposal system onsite septic system (OSS) as defined by the Alabama Department of Public Health rules.

(14) RESPONSIBLE CHARGE. The person in responsible charge must direct the projects involving the installation or service and repair of an onsite sewage system under Alabama law. The person in responsible charge must be a full-time employee, owner, partner, or a corporate officer of the partnership, corporation, business trust, or other legal entity. The person in responsible charge must possess the required skill, knowledge, and experience and have the responsibility to supervise, direct, manage, and control the installation, service, or repair activities of the business entity with which he or she is affiliated. The board may examine the technical and personal qualifications of the person in responsible charge and may investigate and/or examine the person's qualifications.

(15) SERVICING. The act of cleaning, maintaining, or repairing an installed onsite sewage system.

(Act 99-571, p. 1265, §2; Act 2002-521, p. 1351, §1; Act 2003-58, p. 83, §3; Act 2010-258, p. 453, §1.)

Section 34-21A-3 Alabama Onsite Wastewater Board.

(a) There is established the Alabama Onsite Wastewater Board. The board shall consist of nine members who shall, at the time of appointment and during the entire time for which appointed, be residents and citizens of Alabama. The initial appointments to the board shall be effective October 1, 1999, with required licensing beginning January 2000, or as soon as possible thereafter. Of the nine members of the board, three members shall be appointed by the Governor, three members shall be appointed by the Lieutenant Governor, and three members shall be appointed by the Speaker of the House of Representatives of the Alabama Legislature.

(b) Of the three members appointed by the Governor, one shall be actively engaged in the business of installing onsite sewage systems and shall serve an initial term of two years. One member appointed by the Governor shall be actively engaged in the business of manufacturing septic tanks and shall serve an initial term of two years. One member appointed by the Governor shall be actively engaged in the business of pumping, servicing, or maintaining onsite sewage equipment and shall serve an initial term of three years. Appointees to these positions on the board shall be licensees of the board or have ownership in a business employing a designated licensee in a position of responsible charge. The appointments and successor appointments by the Governor shall be made from a list of recommendations submitted by the governing board of the Alabama Onsite Wastewater Association, which list of recommendations shall include three individuals recommended for each board position.

(c)(1) Of the three members appointed by the Lieutenant Governor, one member shall be actively engaged in the business of manufacturing septic tanks and shall serve an initial term of four years, and one member shall be actively engaged in the business of installing onsite sewage systems and shall serve an initial term of four years. Appointees to these positions on the board shall be licensees of the board or have ownership in a business employing a designated licensee in a position of responsible charge. These two appointments by the Lieutenant Governor shall be made from a list of recommendations submitted by the governing board of the Alabama Onsite Wastewater Association, which list of recommendations shall include three individuals for each board position.

At the end of the term of the board member serving in the septic tank manufacturing position following June 1, 2010, subsequent appointments to that position shall be to either a person licensed by the board or a person having ownership of a business employing a person who meets all of the following requirements that he or she: Is in a position of responsible charge, provides or rents onsite toilet systems or portable toilet systems, is licensed by the board, has been involved in his or her respective business for five consecutive years, is in good standing with the local health authorities and the Alabama Department of Public Health.

Subsequent appointees to the onsite system installer position shall be either a licensee of the board or a person having ownership in a business employing a designated licensee in a position of responsible charge.

(2) The Lieutenant Governor shall also appoint a member actively engaged in the development of a training or educational program or instruction in environmental protection, preferably experienced in the area of the sewage industry, and this member shall serve an initial term of three years. This member shall: Have a minimum of six years' experience in the stated area of educational expertise, be in good standing with his or her professional or regulating boards, and possess a reputation of high standards within the academic community.

(d)(1) Of the three members appointed by the Speaker of the Alabama House of Representatives, one member shall be an environmental engineer with training in the onsite sewage industry, be experienced in and have an understanding of the design and construction of onsite sewage systems, and be in good standing with the Alabama Board of Licensure for Professional Engineers and Land Surveyors. This member shall serve an initial term of four years and shall be appointed from a list of three recommendations provided by the Alabama Board of Licensure for Professional Engineers and Land Surveyors.

(2) The Speaker of the House shall also appoint one member who has been actively involved for a minimum of three years in the onsite sewage inspection process and the regulation of onsite sewage systems and is employed by a local county health department or the Alabama Department of Public Health. This member shall serve an initial term of four years.

(3) The Speaker of the House shall also appoint a member who is a consumer who will represent the public at large and who has an interest in the onsite sewage industry. The consumer member may not be engaged in or otherwise connected with any person or firm or corporation or business dealing with the onsite sewage industry and shall serve an initial term of four years.

(e) Upon the expiration of the initial terms of office, and thereafter, all members appointed to the board shall serve four-year terms, or until their successors are appointed. Their successors, who shall be appointed by the same respective appointing authorities and shall possess the same respective qualifications as required for the initial appointees, shall each serve not more than two consecutive terms of office. The membership of the board shall be inclusive and the appointing authorities shall consider the racial, gender, geographic, urban/rural, and economic diversity of the state in making their appointments.

(f) If an appointment of a member to the board is to be made from a list of recommendations from an association, organization, or other board, the list of recommendations shall be submitted to the appointing authority at least 30 days prior to the expiration of the current term of the vacating board member.

(g) An appointing authority may rescind any appointment and replace any board member who is unable or unwilling to fulfill his or her duties to the citizens of Alabama through service on the board and who has not tendered his or her resignation.

(Act 99-571, p. 1265, §3; Act 2003-58, p. 83, §3; Act 2010-258, p. 453, §1.)

Section 34-21A-4 Meetings, compensation, expenses of the board.

(a) Within 30 days after annual appointment of new members, the board shall meet for the purpose of organizing, electing new officers, and transacting such business as deemed necessary. This organizational meeting shall not be considered a regular quarterly meeting of the board.

(b) The board shall meet at least four times a year on a quarterly basis with the board designating the months of the meetings for the coming year at its annual organizational meeting. Regular meetings shall be called by the chair who shall designate the time and place of each regular meeting. The chair or a majority of the members of the board may also call a special meeting of the board.

(c) Board members shall be given at least 10 days' notice of regular meetings and a minimum of five days' notice for special meetings. The executive director shall give notice of any meeting to the media as considered appropriate under the circumstances.

(d) A quorum of the board shall consist of not less than five of the duly appointed members.

(e) Any motion passed by the board requires a majority of those members present.

(f) The members of the board shall receive one hundred dollars (\$100) per day for board meetings and a per diem as recommended by the board consistent with applicable state laws for attending sessions of the board and for time spent in necessary travel to attend meetings of the board. In addition, each member shall be reimbursed for related travel expenses at the same rate as state employees receive, all to be paid from fees collected and deposited in the board fund.

(Act 99-571, p. 1265, §4; Act 2010-258, p. 453, §1.)

Section 34-21A-5 Officers, executive director, and administration of the board.

(a) At its annual organizational meeting, the board shall elect from its members a chair, vice-chair, and a secretary/treasurer for a one-year term of office. No board member shall serve more than three consecutive one-year terms in any one office. The chair shall exercise general supervision of the board's affairs, preside at all meetings, appoint committees, and perform all duties pertaining to the office. The vice-chair, in the absence of the chair, shall perform the duties of the chair. The secretary/treasurer shall perform duties as designated by the board.

(b) The board shall select and employ an executive director who shall serve at the pleasure of the board and who shall be responsible for the administration of board policies. The executive director shall be responsible for employing and supervising other support personnel as directed by the board. The executive director shall be designated as the agent for the board for service of legal process upon the board, act as its recording and corresponding secretary, have custody of and safeguard and keep in good order all property and records of the board, sign all instruments and matters that require approval of the board, and perform all duties as the board may assign or delegate.

(c) The records maintained by the board shall include, without limitation, all of the following:

- (1) A permanent record of all license applications, whether accepted or rejected, and supporting documentation and information.
- (2) A permanent record of all examination results.
- (3) A permanent record of all licenses issued; a permanent record of all investigative, enforcement, and disciplinary actions taken by the board.
- (4) All other evidence of the important business of the board.
- (d) The executive director may issue a license in accordance with the standards established by the board.
- (e) All correspondence to the board, including submission of applications for licenses and requests for information should be made to the executive director at the board's office in Montgomery, Alabama.
- (f) The board may employ other full-time or part-time administrative staff, including an administrative assistant and clerical support or others who shall work under the direction and supervision of the executive director.
- (g) All board administrative staff, including the executive director, shall be entitled to reimbursement for authorized travel and travel related expenses at the same rate state employees receive for in-state and out-of-state travel. Authorized travel in a board employee's personal automobile shall be reimbursed at the same rate per mile as paid to state employees.
- (h) The chair and executive director shall, before entering the duties of their offices, make and file with the Secretary of State an official bond in the sum of five thousand dollars (\$5,000) unless covered by the state blanket bond. The appropriate premiums on the bonds shall be paid out of the funds of the board. The bonds shall be executed by an approved bonding fidelity or guaranty company qualified to do business in Alabama and acceptable to the Secretary of State. (*Act 99-571, p. 1265, §5.*)

Section 34-21A-6 Funding and financial administration of the board.

- (a) There is hereby established a separate special fund in the State Treasury to be known as the "Alabama Onsite Wastewater Board Fund." All receipts and monies collected under this chapter shall be deposited in the fund and used only to carry out the provisions of this chapter. The fund shall be disbursed only by warrant of the state Comptroller upon the State Treasury upon itemized vouchers approved by the executive director. No funds shall be withdrawn or expended except as budgeted and allotted according to Sections 41-4-80 to 41-4-96, inclusive, and 41-19-1 to 41-19-12, inclusive, and only in amounts as stipulated in the general appropriation bill or other appropriation bills.
- (b) Any funds unspent and unencumbered at the end of each fiscal year that exceed 25 percent of the board's budget for the previous fiscal year shall be transferred to the State General Fund. (*Act 99-571, p. 1265, §6.*)

Section 34-21A-7 Duties and authority of the board.

The duties of this board shall include, but not be limited to the following:

- (1) Establish procedures and qualifications for the licensure of individuals engaged in the manufacture, installation, servicing, repair, or maintenance of onsite sewage systems and equipment installed in Alabama and issue such licenses to those individuals who qualify for licensure.
- (2) Approve all training required for any license or license renewal under this chapter and approve and administer any examination required for specialized areas and levels of qualification of licensing under this chapter.

- (3) Establish the dates, times, and locations for all license examinations, including at least three examination dates each year.
- (4) Accept and process applications from individuals meeting the board-established qualifications for licenses and the renewal of licenses and collect necessary fees according to the schedule of fees established by the board.
- (5) Provide written notification to a candidate of the candidate's examination results and provide information regarding the procedures required to complete the license process, including bond information and local health department fees.
- (6) Accept annual license renewal applications and approve required continuing education and required documentation for license renewal.
- (7) Maintain a complete up-to-date roster of licensees.
- (8) Establish a complaint process and the confidential procedures to investigate alleged violations as set forth in this chapter; establish disciplinary procedures including suspension or revocation of licenses; establish an appeals process; and notify the Alabama Department of Public Health and the appropriate local health departments of any disciplinary action taken by the board. Any member of the board or duly appointed representative designated by the board may administer oaths and take testimony concerning all matters within the jurisdiction of the board.
- (9) Reinstate a revoked or suspended license if the holder of the revoked or suspended license meets specific requirements established by the board and the reinstatement is approved by a majority of the board.
- (10) Oversee all financial, business, and administrative matters necessary to carry out the operation of this board including, but not limited to, accepting fees, paying bills, salaries, expenses, and refunds, and any other action deemed appropriate to conduct business pertinent to its operation.
- (11) Hire and set compensation for an executive director who shall be responsible for the administrative functions of the board.
- (12) Adopt a seal for its use containing the words "Alabama Onsite Wastewater Board."
(*Act 99-571, p. 1265, §7; Act 2010-258, p. 453, §1.*)

Section 34-21A-8 Annual report of the board.

The board shall annually submit to the Governor a report of its transactions for the preceding fiscal year, and file a copy of the report with the Secretary of State and the State Division of Records and Reports.

(*Act 99-571, p. 1265, §8.*)

Section 34-21A-9 Rules and regulations.

The board may adopt and issue rules and regulations necessary to carry out this chapter, subject to the Alabama Administrative Procedure Act, Chapter 22 of Title 41.

(*Act 99-571, p. 1265, §9.*)

Section 34-21A-10 Exemptions.

The licensing requirements of this chapter shall not apply to owners of property for the purpose of installing, cleaning, servicing, or maintaining an onsite sewage system on their own property with a one-family or two-family residence used as their primary residence so long as the owners of the property with an onsite sewage system complete all installation, cleaning, servicing, or maintenance themselves, without help, at their primary residence.

(Act 99-571, p. 1265, §10; Act 2010-258, p. 453, §1.)

Section 34-21A-11 Fees.

The board may establish and charge reasonable fees for the processing of all applications, administration of examinations, issuance of all active and inactive licenses, license renewals, license restoration and replacement, supplying information to applicants, licensees, and the general public, and any and all other required board procedures and related activities. A fee schedule shall be developed by the board and adopted as a rule, and all fees shall be commensurate with the cost of fulfilling the duties of the board as defined in this chapter.

(Act 99-571, p. 1265, §11.)

Section 34-21A-12 Licenses.

(a) The board shall establish the following types of licenses:

- (1) A basic level installer license.
- (2) An advanced level I installer license.
- (3) An advanced level II installer license.
- (4) A manufacturer's license.
- (5) A pumper license.
- (6) A portable toilet license.

(b) A person shall first obtain a basic level installer license before qualifying for an advanced level installer license. Additional areas of qualification and license levels may be established by the board based on future evaluations of industry needs and technology advancements.

(c) Licenses issued by the board shall be recognized as evidence of qualification and knowledge of the licensee by the Alabama Department of Public Health and county or local health authorities, and no other additional level of qualification or certification or other requirement shall be required by the Alabama Department of Public Health or any county or local health authorities for those persons engaged in the manufacture, installation, or servicing of onsite sewage systems.

(d) A license shall be issued for the current calendar year and the license shall be valid only for that calendar year. All licenses shall expire on December 31 of each calendar year.

(e) No individual, business, partnership, or corporation shall engage in the manufacture, installation, servicing, cleaning, or maintenance of an onsite sewage system installed in the State of Alabama unless the individual, or the person in responsible charge for the business, partnership, or corporation, has received the required specific license from the board. Persons engaged in the installation or servicing of onsite sewage systems shall obtain a basic level installer license for conventional onsite sewage systems or an advanced level installer license for engineered onsite sewage systems. All manufacturers of onsite sewage septic tanks or receptacles for onsite sewage systems shall qualify and obtain a manufacturer's license. Licenses issued under this chapter shall be granted to individuals meeting the criteria for qualification as established by this board. The licensee shall perform no work outside the level of competency stated on the certificate of license. An individual may be licensed in all areas of eligibility.

(f) No individual, business, partnership, or corporation shall advertise, solicit, bid, obtain permit, conduct business, or perform the function of manufacturing, installing, cleaning, servicing, repairing, or maintaining onsite sewage equipment or systems in Alabama unless the person or persons in responsible charge are licensed as defined in this chapter.

(g) No official charged with the duty of issuing business licenses to any individual, partnership, corporation, or other business entity to operate a business performing the function of

manufacturing, installing, cleaning, servicing, repairing, or maintaining onsite sewage equipment or systems in Alabama shall issue such a business license unless there is presented for inspection a license certificate as provided herein issued by the board to the individual or to some person in responsible charge with the partnership, corporation, or business entity.

(h) No license shall be issued except to an individual. A firm, partnership, association, or corporation shall not be licensed. Partnerships, corporations, or other business entities shall designate the licensed individual in responsible charge under whose name its business is to operate to the local business licensing authority, the board, and the local health officials. If that designated person ceases to be employed by the business entity, notice shall be made immediately to the board and the local health officials. The partnership or corporation shall then have 45 days to re-designate a licensed individual responsible for work performed by the business entity. During this 45-day period, no work shall be initiated by the business entity without the knowledge and approval of local health officials. Any work performed during this time shall be inspected by local health officials and approved by the officials before being considered complete and put into operation. Under special circumstances, a business entity engaged in the manufacture of septic tanks can petition the board for an extension of time beyond the 45-day period to re-designate a licensed individual in a position of responsible charge under whose manufacturer's license the business is to operate. Under no condition may this extension of time extend more than three weeks past the date of the next examination offered by the board for a manufacturer's license.

(i) License certificates suitable for framing, bearing the licensee's name, level and type of license, license number, and the calendar year in which the license is valid shall be issued to all qualified licensees. Every licensee holding a license issued by the board shall display it in a conspicuous manner at his or her principal place of business.

(j) All licensees shall abide by all federal, state, and local laws and ordinances. No license issued by the board may be sold or transferred. Any license misused may be revoked by the board.

(k) Every licensee shall notify the board of the address of his or her place of business, the counties in which he or she does business or performs work, and the name under which the business is carried on. Licensees shall give immediate notice to the board of any change in this information. Service of any process shall be achieved by mailing notice of such information by first class postage, U.S. Postal Service, to the address of record. No further service of process shall be required.

(Act 99-571, p. 1265, §12; Act 2002-521, p. 1351, §1; Act 2010-258, p. 453, §1.)

Section 34-21A-13 Form of application for licenses, examinations, and license renewals.

(a) All applicants for licenses, examinations, or license renewals shall be required to complete specific application forms developed and provided by the board. Information required to be provided on license application forms shall include, but not be limited to, the following:

(1) The applicant's name, date of birth, Social Security number, residence address, telephone number, and county of residence.

(2) The name of the applicant's employer, or the name of the applicant's business, including the business address and telephone number of the employer or applicant's business.

(3) Details of the applicant's business experience, details of the applicant's work experience, and classroom training in the areas of requested licensing.

(4) A signed statement from an official from the applicant's county health department stating that the applicant is in good standing with the local or county health department.

(b) Application forms may also require any information deemed by the board to be significant in evaluating the qualifications of an applicant for license, examination, or license renewal.

(c) All required fees and documentation shall accompany any application form filed with the board.

(d) The board shall approve through its executive director the issuing of a license to each applicant meeting the qualifications as set forth by the board, or deny a license to each applicant not meeting the qualifications as set forth by the board.

(Act 99-571, p. 1265, §13; Act 2010-258, p. 453, §1.)

Section 34-21A-14 Eligibility requirements for license application.

(a) The board shall develop eligibility requirements to be met by applicants seeking licensing by the board. The minimum application requirements shall include, but are not limited to, the applicant's:

(1) Business experience.

(2) Work experience in the requested area of licensure.

(3) Completion of training requirements as established by the board.

(4) Successful completion of the required examination.

(5) Evidence of bond.

(6) Proof that the applicant is a citizen of the United States or, if not a citizen of the United States, a person who is legally present in the United States with appropriate documentation from the federal government.

(b) The board shall develop the qualifications and requirements relating to the manufacturer's license, which shall include, but not be limited to:

(1) Completion of classroom instruction.

(2) Successful completion of required examination.

(3) Passing an inspection of the manufacturing plant by a member of the board or some other person designated by the board to perform manufacturing plant inspections.

(4) Proof that the applicant is a citizen of the United States or, if not a citizen of the United States, a person who is legally present in the United States with appropriate documentation from the federal government.

(c) Any plant holding a current manufacturing certification issued by the National Precast Concrete Association shall be considered to have sufficiently met the plant inspection requirement.

(Act 99-571, p. 1265, §14; Act 2010-258, p. 453, §1; Act 2011-172, p. 335, §3.)

Section 34-21A-15 Requirements of examination, areas, and levels of qualification.

(a) No license shall be issued by the board without examination of the applicant for the purpose of ascertaining his or her qualifications for such work, except those licenses issued pursuant to Section 34-21A-17. No examination shall be required for the timely annual renewal of a current license.

(b) The board shall offer and provide examinations which test the knowledge, skill, and qualifications of the applicants.

(c) The board may charge each applicant a reasonable fee for the examination based on the actual costs of administering the examinations.

(d) The board shall establish dates and locations for a minimum of three separate examinations each calendar year.

- (e) The board shall establish the minimum examination grade necessary for successful completion of an examination.
- (f) The board shall develop or approve two separate and specific examinations to test the knowledge and qualifications of those applicants for basic level license and advanced level licenses as follows:
- (1) The basic installer level license examination shall test the knowledge and qualifications of applicants seeking a license to install, clean, service, repair, or maintain conventional onsite sewage systems.
- (2) The advanced level installer license examination shall test the knowledge and qualifications of applicants seeking a license to install, clean, service, repair, or maintain engineered onsite sewage systems.
- (g) A person shall first obtain a basic level installer license before qualifying to take the examination for an advanced level installer license.
- (h) The board shall develop a specialized examination to test the qualifications of those applicants seeking a manufacturer's license.
- (i) The board shall develop or approve any other additional examinations as may be necessary for additional areas of qualification and license levels as may be established by the board to meet industry requirements and technological advancements in the onsite sewage industry.
- (j) Examinations shall be administered by the executive director or persons designated by the board. Any national standardized examination which the board may approve, or any other examination developed under the direction of the board, or any combination thereof, may be administered to applicants to test their knowledge and qualifications. The board shall establish the level of achievement as shall be required for a passing grade for examinations.
- (k) Written examination results shall be provided within 14 days of taking the examination. Successful candidates shall also be informed of the procedures required to complete the license process. Any person who fails an examination may, upon reapplication and payment of required fees, take the examination when offered by the board.
- (l) The executive director shall provide to the Alabama Department of Public Health and the appropriate local health authorities a list of all candidates who successfully qualify for a license within 14 days following the date the license is issued by the board.
- (Act 99-571, p. 1265, §15; Act 2007-200, p. 240, §3; Act 2010-258, p. 453, §1.)*

Section 34-21A-16 Bond requirement for licensees.

In order to assure financial stability and professional competence and performance of licensees, all licensees, without exception, are required to be bonded for any work performed under the license. Minimum amounts for required bonds shall be established by the board and evidence of bond shall be provided to the board before any license will be issued. In no event may the minimum required bond amounts set by the board be less than fifteen thousand dollars (\$15,000) for a basic level license, a pumper license, a portable toilet license, or a manufacturer's license, and thirty thousand dollars (\$30,000) for an advanced level license. Each active licensee shall maintain a current bond for each license he or she holds. The executive director shall immediately suspend any active license without a current bond on file. The executive director shall reinstate the license once a reinstatement fee is paid by the licensee and the bond is reactivated or replaced. In the event the licensee contends his or her license has been unjustly suspended, the licensee may request a hearing and the executive director shall hold a hearing within 10 business days of the request.

(Act 99-571, p. 1265, §16; Act 2010-258, p. 453, §1.)

Section 34-21A-17 Applicability of licensing provisions.

After December 31, 1999, individuals not currently licensed will be required to follow the requirements for license application, including completing required training and successfully passing any required examination.

(Act 99-571, p. 1265, §17; Act 2010-258, p. 453, §1.)

Section 34-21A-18 Annual renewal of license.

(a) A license is only valid during the calendar year indicated on the license. At the end of that calendar year, the license will expire unless it is renewed by the licensee. All licensees shall make application for license renewal at least 30 days prior to the expiration of a current license.

(b) Specific license renewal application forms and license renewal requirements shall be developed by the board. License renewal requirements shall include, but not be limited to, continuing education and training requirements for each level and type of license and evidence of adequate bond. The license renewal application form shall be accompanied by all required documentation and renewal fees. The board shall verify that the renewal applicant is a current licensee who is eligible for renewal before issuing a new license.

(c) Failure to meet renewal requirements shall result in expiration and revocation of a license. Upon expiration of a license, the licensee's name will be removed from the board's official list and the Alabama Department of Public Health and the appropriate local health authorities will be notified of the license expiration. A license which has expired for failure to renew may only be restored within one year from the date of expiration after application and payment of the license restoration fee established by the board. Any license which has not been restored within one year following its expiration may not be renewed, restored, or reissued, and the holder may apply for and obtain a new license only upon compliance with all qualifications and requirements for the issuance of a new license.

(Act 99-571, p. 1265, §18.)

Section 34-21A-19 Inactive license.

The board shall formulate rules and criteria under which an applicant may request an inactive license and determine circumstances when a license may become inactive by state or local health department request. The board shall develop a standard official definition of an inactive license in the formulation of the board's rules and regulations.

(Act 99-571, p. 1265, §19.)

Section 34-21A-20 Replacement licenses.

The board shall issue a replacement to a licensee who shows upon application that the current license has been lost, destroyed, or stolen or if the licensee's name has been changed by marriage or court order. An application for a replacement license shall be accompanied by all required fees.

(Act 99-571, p. 1265, §20.)

Section 34-21A-21 Revocation and suspension of license.

(a) The board shall establish criteria for circumstances warranting the suspension or revocation of a license and establish the procedures for suspension or revocation of licenses. These circumstances shall include, but not be limited to, the following:

(1) Obtaining a license under false pretense.

- (2) Obtaining a license by having another person take the examination.
 - (3) Allowing another person to use the license in violation of the regulations of the board.
 - (4) Selling or conveying the license to another person.
 - (5) Failure to timely renew a license.
 - (6) Failure to follow the rules and regulations of the State of Alabama Department of Public Health or the appropriate local health department or authorities.
 - (7) Committing a dishonest or illegal act in the performance of work covered under the license.
 - (b) The board shall take appropriate action to enforce the rules adopted with regard to license suspension or revocation.
 - (c) After suspension or revocation of a license of any licensee, the board shall publish this information to the public.
- (Act 99-571, p. 1265, §21; Act 2010-258, p. 453, §1.)*

Section 34-21A-22 Complaint and regulation procedures.

- (a) The board shall establish procedures to process, review, and investigate reports and complaints of fraud, incompetence, misconduct, and dishonest or illegal acts of licensees in the performance of work covered under licenses of this board; and complaints supported by evidence shall be reviewed at a disciplinary hearing, which hearing shall be conducted in compliance with the provisions of the Alabama Administrative Procedure Act and held before the board. The board shall establish the procedures for such disciplinary hearings. A member of the board who has a conflict of interest concerning the parties involved or issues involved in the disciplinary hearing shall recuse himself or herself from the hearing and the disciplinary proceeding.
 - (b) The board, upon its findings, may suspend or revoke the individual's license.
- (Act 99-571, p. 1265, §22; Act 2010-258, p. 453, §1.)*

Section 34-21A-23 Reinstatement of license.

This board shall determine the procedure to be followed for reinstatement of a suspended or revoked license. The procedures shall include, but not be limited to, application to the board for reinstatement, hearing before the board, correction of the problem causing the board's action in suspending or revoking the license, recommendations for reinstatement from the appropriate health department regulators, payment of levied fines or fees, completion of any education classes determined to be needed by the individual to aid in assuring no recurrence of the violation, and a published apology.

(Act 99-571, p. 1265, §23.)

Section 34-21A-24 Appeal procedure.

After revocation or suspension of license, the licensee may, within 10 days of notice of the board's order and finding, file with the board a written notice of his or her intent to appeal the order of the board. Appeals from orders of the board shall be filed with the Circuit Court of Montgomery County, Alabama, for a determination by the court as to whether the decision of the board is supported by a preponderance of the evidence. If the court finds that the decision of the board is supported by evidence, it shall affirm the board's action.

(Act 99-571, p. 1265, §24; Act 2010-258, p. 453, §1.)

Section 34-21A-25 Penalties and sanctions.

- (a) Any person who undertakes or attempts to undertake the business of manufacturing, installing, servicing, cleaning, repairing, or maintaining any onsite sewage system or equipment

without first having obtained and having possession of a current, valid license from the board or who knowingly presents or files false information with the board for the purpose of obtaining a license or otherwise fraudulently obtains a license, or who knowingly violates any provision of this chapter regulating the onsite sewage industry shall be guilty of a Class A misdemeanor, as defined by the state criminal code.

(b) Whenever it appears to the board that an individual has violated or is about to violate this chapter, it may in its own name petition the circuit court of the county where the violation is occurring or is about to occur to issue a temporary restraining order or other appropriate injunctive relief enjoining the violation.

(c) The board may reprimand in writing any licensee who provides substandard or dangerous service, repair, or installation or who otherwise violates this chapter.

(d) The board may levy and collect an administrative fine not to exceed one thousand dollars (\$1,000) for each violation of this chapter or a rule, as amended, of the board or Alabama Department of Public Health rules pertaining to the manufacture, installation, servicing, cleaning, or maintenance of an onsite sewage system or portable toilets.

(e) In addition to or in lieu of the criminal penalties and administrative sanctions provided in this chapter, the board may issue an order to any person, firm, or corporation engaged in any activity, conduct, or practice constituting a violation of this chapter directing the person, firm, or corporation to immediately cease and desist from the activity, conduct, practice, or performance of any work then being done or about to be commenced. The order shall be issued in the name of the State of Alabama under the authority of the board. A person, firm, or corporation that does not comply with a cease and desist order shall be deemed in violation of this chapter and shall be subject to all disciplinary powers, penalties, fines, and remedies available to the board.

(Act 99-571, p. 1265, §25; Act 2010-258, p. 453, §1.)

Section 34-21A-26 Sunset provisions.

The operations of the board shall terminate October 1, 2003, and every fourth year thereafter unless continued in accordance with the Alabama Sunset Law.

(Act 99-571, p. 1265, §26.)

Professional Services by Vendor

	2014	2015	2016	2017
Legal Services				
Attorney Generals Office	\$ 5,310.00	\$ 2,420.00	\$ 2,820.00	\$ -
Total Legal Services	5,310.00	2,420.00	2,820.00	-
Department of Finance - Data Processing				
Data Processing	3,814.40	3,035.40	9,180.94	4,536.69
Mailing Services	90.53	12.73	1.36	57.90
FRMS Services	993.46	793.08	925.64	387.05
Interfund Contract - STAARs	-	-	13,000.00	13,000.00
Finance & IT Planning/Oversight	250.00	255.00	237.50	270.00
Comptroller Services	1,554.01	1,395.55	1,525.46	1,167.52
Total Dept. of Finance - Data Processing	6,702.40	5,491.76	24,870.90	19,419.16
Administrative Services				
Baker Court Reporting and Video	1,949.75	1,388.60	2,501.50	3,009.75
AL Association of Regulatory Boards	700.00	-	-	-
Food Services				
Barranco Enterprises LLC	-	-	-	85.70
Chappy's Deli	-	-	242.50	-
Coleman American Moving	-	-	-	1,572.82
Personnel Services (State Personnel Dept.)	1,371.00	1,420.00	1,440.00	1,481.00
Total Administrative Services	4,020.75	2,808.60	4,184.00	6,149.27
Total Professional Services	\$ 16,033.15	\$ 10,720.36	\$ 31,874.90	\$ 25,568.43

Board Members



ALABAMA ONSITE WASTEWATER BOARD

60 COMMERCE STREET
SUITE 1500
P. O. BOX 303552
MONTGOMERY, ALABAMA 36130-3552
334-353-9250
www.aowb.alabama.gov

February 6, 2018

Mr. Daniel Dupree
Examiner of Public Accounts
P.O. Box 302251
Montgomery, Alabama 36130

Per your request, please find the names, positions, city and state of residence and expiration of term of each current Board Member and the agency head.

Randall Anderson, Chairman
Installer Seat
Guntersville, AL 35976
Expiration of Term: 09/30/2019

Derrick Hutchins, Vice-Chairman
Pumper Seat
Sylacauga, AL 35150
Expiration of Term: 09/30/2019

Michael Dansby, Treasurer
Portable Restroom Seat
Hope Hull, AL 36043
Expiration of Term: 09/30/2018

Dr. Kevin White
Educator Seat
Mobile, AL 36693
Expiration of Term: 09/30/2018

Michelle Stephens
Manufacturer Seat
Luverne, AL 36049
Expiration of Term: 09/30/2021

Leigh Willis
Regulator Seat
Montgomery, AL 36104
Expiration of Term: 09/30/2019

David Mastin, Jr.
Installer Seat
Montgomery, AL 36108
Expiration of Term: 09/30/2021

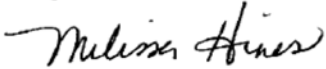
David Vogelgesang
Consumer Seat
Wetumpka, AL 36093
Expiration of Term: 09/30/2019

Sharon Kimbrough
Engineer Seat
Madison, AL 35757
Expiration of Term: 09/30/2019

Melissa Hines
Executive Director
Prattville, AL 36066

If additional information is needed, please feel free to contact me directly.

Regards,

A handwritten signature in cursive script that reads "Melissa Hines".

Melissa A. Hines
Executive Director
Alabama Onsite Wastewater Board

Response to Significant Issues



ALABAMA ONSITE WASTEWATER BOARD

60 COMMERCE STREET
SUITE 1500
P.O. BOX 303552
MONTGOMERY, ALABAMA 36130-3552
PH: 334-353-9250
www.aowb.alabama.gov

April 2, 2018

Ms. Maria L. Catledge
Board of Examiners of Public Accounts
Director
Operational Division
P.O. Box 302251
Montgomery, AL 36130-2251

Dear Ms. Catledge:

Below, please find the responses to the significant findings in the recent sunset audit conducted by your agency:

2018-01 - The Board did not transfer excess funds to the General Fund at the end of FY 2016 - This was discovered by me after I came back as director. I can't answer for what happened while I was in retirement mode. This issue will not happen again. Once it was discovered, we had to pay Board of adjustment claims out of the 2017 budget. While I agree that the Board has consistently overstated its accounts payable at the end of each fiscal year, I also understand this isn't standard practice and this issue will be resolved and not happen again. I have been in touch with my budget analyst - Taylor Cooper and he has referred me to Randy Head in the comptrollers office to instruct me how to complete a cash transfer. I will inform you once this task has been completed.

2018-02 - The Board's operating disbursements have exceeded operating revenues for the past four fiscal years - Our licensees have maintained over the last 4 years, however, increasing expenses and unforeseen expenses have caused the Boards cash balances to decline. The 13,000 annual expense of the STAARS Advantage program each year (to be paid off this FY), Office rental increase, a vehicle purchase, and in 2016 the retirement expenses of 2 employees as well as termination costs of another employee, moving expenses to a new location. The Board is now under new leadership and is currently searching for new ways to increase revenue through its licensing and enforcement divisions. Rent at the new location of the administrative offices is substantially lower as well as personnel costs.

2018-03 - The Board paid a board member, who is employed as a faculty member of a state university, board member compensation in the amount of \$100.00 per day for attending board meetings. - If the Board had known this member could not receive compensation, he would not have. The Board member has been sent a letter to repay funds as expected that he will, he will not receive any additional Board Member Compensation. (copy of letter was emailed earlier today)

Status of prior findings/significant issues

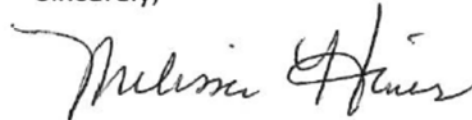
2015-03

This issue has been resolved. (I forwarded the email to you earlier today)

I hope that I have responded to all of the issues.

Please let me know if any further information is needed.

Sincerely,

A handwritten signature in black ink that reads "Melissa Hines". The signature is written in a cursive style with a large initial "M" and a long, sweeping underline.

Melissa Hines
Executive Director
Alabama Onsite Wastewater Board