



Rules of
Department of Natural Resources
Division 80—Solid Waste Management
Chapter 9—Solid Waste Management Fund

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**Title 10—DEPARTMENT OF
NATURAL RESOURCES**

**Division 80—Solid Waste
Management**

**Chapter 9—Solid Waste Management
Fund**

**10 CSR 80-9.010 Solid Waste Management
Fund—Planning/Organizational Grants**
(Rescinded October 30, 2007)

AUTHORITY: sections 260.225 and 260.335, RSMo Supp. 1990. Emergency rule filed Aug. 15, 1991, effective Aug. 25, 1991, expired Dec. 13, 1991. Original rule filed Aug. 15, 1991, effective Feb. 6, 1992. Emergency amendment filed Sept. 15, 1993, effective Sept. 25, 1993, expired Jan. 22, 1994. Amended: Filed Sept. 15, 1993, effective May 9, 1994. Rescinded: Filed Jan. 5, 2007, effective Oct. 30, 2007.

**10 CSR 80-9.020 Solid Waste Management
Fund—Solid Waste Management Areas**

*Original rule filed March 17, 1992.** Emergency rescission of the 1992 rule filed March 19, 1997, effective April 1, 1997, expired Sept. 27, 1997. Rescission of the 1992 rule filed April 3, 1997, effective Aug. 30, 1997.*

***The Missouri Supreme Court in Missouri Coalition for the Environment, et al., v. Joint Committee on Administrative Rules, et al., Case No. 78628, dated February 25, 1997, ordered the secretary of state to publish this rule. The Missouri Department of Natural Resources subsequently filed an emergency rescission of this rule as well as a proposed rescission on this rule which became effective August 30, 1997. See the above authority section for filing dates.*

10 CSR 80-9.030 Scrap Tire Grants

PURPOSE: This rule provides a statewide plan for the use of moneys received under section 260.273, RSMo.

(1) Statewide Plan.

(A) General. In combination with 10 CSR 80-9.035 Scrap Tire Cleanup Contracts, this is a statewide plan to implement section 260.273, RSMo.

(B) Goals. The goals of the statewide plan are to reduce the number of scrap tires produced and encourage sustainable scrap tire markets for reuse, remanufacturing and reprocessing of scrap tires; divert the stream of scrap tires from being landfilled or illegal-

ly dumped; and mitigate the adverse public health, welfare and environmental impacts of illegal scrap tire sites.

(2) Grant Types. The department may provide grants not to exceed five percent (5%) of the moneys received under section 260.273, RSMo, for the following grant types subject to financial resources, appropriations, eligibility requirements and application priorities:

(A) Demonstration grants may be available to pay testing costs required to demonstrate the technical and economic feasibility of utilizing scrap tire materials in the manufacture of a product or as tire-derived fuel or a fuel supplement. Grants may also be available for end use as shock absorbing scrap tire playground or running track material;

1. Grant amount. The department will award grants in an amount determined by the department on an annual basis.

2. Matching share. The grantee's matching share of the total cost of the activity shall be at least fifty percent (50%) of the grant award and shall be a cash contribution toward the project. A match may be required up to fifty percent (50%) for grants utilizing shock absorbing scrap tire playground or running track material; and

(B) Capital expenditure grants may be available for equipment to convert/modify existing facilities for the purpose of using scrap tires as a fuel or fuel supplement; or for equipment to convert or modify existing facilities to manufacture products made from scrap tires.

1. Grant amount. The department will award grants in an amount determined by the department on an annual basis.

2. Matching share. The grantee's matching share of the total cost of the activity shall be up to fifty percent (50%) of the grant award and shall be a cash contribution toward the project.

(3) Eligibility.

(A) This rule applies to any person located in Missouri involved in any activity funded under section (2) of this rule.

(B) Applications for activities that, in the department's professional judgment, would cause a public nuisance or environmental, safety or health hazards, will be disqualified.

(C) Grants will only be awarded for an activity which uses at least forty percent (40%) of its tires from Missouri scrap tire sites, retailers processors or residents. The burden of proof shall be on the applicant to show that the eligibility requirements have been met.

(D) Grants will not be awarded to activities for projects that result in the landfilling of scrap tires.

(4) Application Requirements for Grants.

(A) An applicant shall submit a completed application on forms provided by the department. The application must include all required documentation to be complete.

(B) Applications must be received by the deadline established by the department to be eligible for funding.

(C) Applicants shall prove to the department's satisfaction that the use being proposed is an eligible use as described in sections (3) and (4) of this rule.

(5) Application Review and Evaluation. Applications will be reviewed for completeness and ranked according to the evaluation criteria established by the department with the advice of the Scrap Tire Advisory Group and in light of the goals as set forth in subsection (1)(B) of this rule.

(6) Grant Awards.

(A) Prior to award of funding, the recipient shall:

1. Provide verification to the department that all applicable federal, state and local permits, approvals, licenses or waivers required by law to implement the activity have been obtained or applied for; and

2. Enter into a grant award agreement issued by the department.

(B) Funds awarded by the department must be disbursed in accordance with the department's general terms and conditions, special terms and conditions (if applicable), grant award and contracts.

(7) Costs and Record Keeping.

(A) Eligible costs for demonstration grants are:

1. Air emissions test costs;
2. Salaries and fringe benefit costs of personnel directly engaged in the activity;
3. Drafting, printing and distributing of final reports;
4. Supplies needed and used during the project;
5. Eligibility costs for utilization of playground or running track material are limited to the material itself and any associated delivery costs; and
6. Consultant costs.

(B) Eligible costs for capital expenditure grants are the cost of equipment, cost to convert equipment or modify existing facilities for the purpose of using scrap tires as a fuel



supplement or the cost of equipment to convert or modify existing facilities to manufacture products made from scrap tires.

(C) Ineligible Costs. Demonstration and capital expenditure grants shall not include the following costs:

1. Costs for which payment has been or will be received under another federal, state or local financial assistance program;
2. Project costs incurred prior to or after the grant period;
3. Fines and penalties due to violations or failure to comply with federal, state or local laws or regulations;
4. Ordinary operating expenses of local, county and elected government, such as salaries and expenses that are not directly related to the activity;
5. Acquisition or leasing of real property; and
6. Taxes, vehicle registration, legal and contingency costs.

(D) Grant Payment.

1. Initial payment. After the grant has been approved by the department, reimbursement payments will be made on a quarterly basis, for up to seventy-five percent (75%) of the total amount of the award upon submission of complete payment requests and corresponding quarterly reports.

2. Final payment. The final twenty-five percent (25%) of the grant shall be paid to the recipient only upon approval of the final report and the final accounting of the activity's expenditures. The recipient shall submit the final payment request within sixty (60) days after project completion or at the end of the grant period. The department cannot guarantee funding of an approved activity after the close of the fiscal year in which the activity was approved.

(E) Grant Interim and Final Reports. The reporting requirements shall be provided in the department's approved written grant agreement.

(F) Accountability.

1. The recipient shall maintain an accounting system that accurately reflects all fiscal transactions, incorporates appropriate controls and safeguards, and provides a clear reference, particularly to source or original documents.

2. Financial schedules and statements filed with grant applications and payment requests shall be based on records which meet the following minimum requirements:

- A. Grant accounts shall separate receipts and eligible expenditures from those allocable to other programs and activities;
- B. Receipts and expenditures shall be listed in sufficient detail to provide a basis for accurate and complete program reporting;

C. All activity receipts shall be identified in sufficient detail to reflect their source and purpose;

D. Supporting records for all activity expenditures shall be itemized in detail to indicate the nature and appropriateness of each. As proof of payment, cancelled checks or receipts from vendors shall be maintained;

E. All contractual services shall be verified by a formal written contract or agreement specifying financial terms, contract duration and services to be rendered;

F. The recipient shall retain all records relating to the grant activity and make them available to the department for inspection from the date of submission until three (3) years after the grant period ends;

G. If any litigation, claim, negotiation, audit or other action involving the records relating to the grant activity has been started before the expiration of the three (3)-year period, the records must be retained until completion of the action and resolution of all issues which arise from it, or until the end of the initial three (3)-year period, whichever is later;

H. All general and special terms and conditions of the department applicable to the activity will be applicable to recipients of awards made available by this chapter; and

I. Persons eligible to receive grants through this rule shall comply with the department's reporting requirements, grant award agreements and contracts, general and special terms and conditions, as well as any applicable federal, state and local permits, approvals, licenses or waivers necessary to implement the activity.

AUTHORITY: sections 260.225, RSMo 2000 and 260.273 and 260.276, RSMo Supp. 2006. Emergency rule filed Oct. 5, 1992, effective Nov. 4, 1992, expired March 3, 1993. Original rule filed Oct. 5, 1992, effective June 7, 1993. Amended: Filed April 16, 1997, effective Dec. 30, 1997. Amended: Filed Jan. 2, 2007, effective Sept. 30, 2007.*

**Original authority: 260.225, RSMo 1972, amended 1975, 1986, 1988, 1990, 1993, 1995; 260.273, RSMo 1990, amended 1995, 1999, 2005; and 260.276, RSMo 1990, amended 1995, 2005.*

10 CSR 80-9.035 Scrap Tire Clean-Up Contracts

PURPOSE: This rule complies with section 260.276, RSMo which allows for any person, firm, corporation, state agency, charitable, fraternal or other nonprofit organization to bid on a contract for resource recovery or

nuisance abatement activities authorized under this section.

(1) General. This rule applies to any person involved in the activities set forth in this rule. The department shall fully or partially bid, in accordance with the terms and conditions of the state of Missouri Office of Administration's bid process, contracts for removing and properly disposing of scrap tires that are stored in violation of the Solid Waste Management Law and implementing rules and/or to those that pose a public nuisance or a threat to the health or welfare of the public.

(A) Bid applications will be reviewed and ranked in accordance with the state of Missouri Office of Administration's bid procedure authorized in Chapter 34, RSMo.

(B) Bids for cleanups will be awarded in accordance with state of Missouri Office of Administration's contract award procedures authorized in Chapter 34, RSMo.

(C) Awarded bids will be ranked pursuant to the criteria set forth in section (3) of this rule.

(D) Clean-up Contract Payment and Records. Contractors shall be paid and records shall be kept in accordance with the state of Missouri Office of Administration's bid document terms and conditions.

(E) All clean-up contracts are subject to the department's funding availability and appropriation.

(F) All scrap tire site cleanups must adhere to Best Management Practices (BMPs) for water pollution control as follows:

1. Erosion and sediment control.

A. Stabilize all high traffic areas, including entrance and exit areas to minimize vehicle tracking.

B. Minimize run-on from adjacent properties through the use of diversion dikes, berms, or equivalent.

C. Trap sediment at down-gradient locations and outlets serving unstabilized areas. This may include filter fabric fences, sediment traps, vegetated swales or strips, diversion structures, retention/detention basins or equivalent;

2. Oil and grease.

A. Maintain equipment to prevent leaks and spills.

B. Use drip pans or other containment under equipment or around petroleum storage areas.

C. Have materials such as absorbent pads easily accessible to clean up spills and leakage.

3. Application of fertilizers, pesticides, and herbicides.



A. Observe all applicable federal, state and local regulations when using these products.

B. Strictly follow recommended applications rates and methods (i.e., do not apply in excess of vegetative requirements).

C. Have materials such as absorbent pads easily accessible to clean up spills.

D. Properly dispose of all containers.

E. The use of petroleum products for vegetative control is prohibited;

4. Maintenance.

A. Conduct inspections of BMPs.

B. Perform preventative maintenance as needed on BMPs;

5. Provide employee training on proper handling and maintenance practices; and

6. Discharges shall not cause violations of the general criteria in the Water Quality Standards in 10 CSR 20-7.031(3).

(2) Eligibility. Any person, firm, corporation, state agency, charitable, fraternal, or other nonprofit organization may bid on a contract for each resource recovery or nuisance abatement activity.

(A) Vender Preference. In letting contracts for the performance of any job or service for the removal or clean up of scrap tires under this chapter, the Department of Natural Resources shall, in addition to the requirements of sections 34.073 and 34.076, RSMo, and any other points awarded during the evaluation process, give to any vendor that meets one (1) or more of the following factors a five percent (5%) preference and ten (10) bonus points for each factor met:

1. The bid is submitted by a vendor that has resided or maintained its headquarters or principal place of business in Missouri continuously for the two (2) years immediately preceding the date on which the bid is submitted;

2. The bid is submitted by a nonresident corporation vendor that has an affiliate or subsidiary that employs at least twenty (20) state residents and has maintained its headquarters or principal place of business in Missouri continuously for the two (2) years immediately preceding the date on which the bid is submitted;

3. The bid is submitted by a vendor that resides or maintains its headquarters or principal place of business in Missouri and, for the purposes of completing the bid project and continuously over the entire term of the project, an average of at least seventy-five percent (75%) of such vendor's employees are Missouri residents who have resided in the state continuously for at least two (2) years immediately preceding the date on which the bid is submitted. Such vendor must

certify the residency requirements of this subdivision and submit a written claim for preference at the time the bid is submitted;

4. The bid is submitted by a nonresident vendor that has an affiliate or subsidiary that employs at least twenty (20) state residents and has maintained its headquarters or principal place of business in Missouri and, for the purposes of completing the bid project and continuously over the entire term of the project, an average of at least seventy-five percent (75%) of such vendor's employees are Missouri residents who have resided in the state continuously for at least two (2) years immediately preceding the date on which the bid is submitted. Such vendor must certify the residency requirements of this section and submit a written claim for preference at the time the bid is submitted;

5. The bid is submitted by any vendor that provides written certification that the end use of the tires collected during the project will be for fuel purposes or for the manufacture of a useable good or product. For the purposes of this section, the landfilling of scrap tires, scrap tire chips, or scrap tire shreds in any manner, including landfill cover, shall not permit the vendor a preference.

(3) Nuisance Abatement and Resource Recovery Activities.

(A) The department shall give first priority to cleanup of illegal scrap tire sites owned by persons who present satisfactory evidence that such persons were not responsible for the creation of the nuisance conditions or any violations of sections 260.270 through 260.278, RSMo at the site. In evaluating whether a site qualifies for cleanup under this subsection, the department may consider:

1. The degree of responsibility or culpability of such persons for the creation or maintenance of the scrap tire site;

2. The extent to which such persons profited from the hauling, disposal and/or storage of the scrap tires;

3. The extent to which such persons took steps to stop the illegal deposition of tires on the property;

4. The nature of such persons' interest in the property on which the scrap tires were deposited; and

5. The degree of cooperation that such persons provide to the department in abating the scrap tire violations, including the willingness of such persons to allow timely access to the property to conduct any nuisance abatement or resource recovery activities.

(B) Any person who purchases property containing scrap tires in violation of sections

260.270 through 260.278, RSMo after the effective date of this rule shall not qualify for cleanup under subsection (3)(A).

(C) The department shall use the following list of criteria to rank sites for contract cleanups:

1. Presence of mosquitoes and/or other disease-carrying vectors;

2. Risk of fire at the site;

3. Proximity of the scrap tire site to populated areas, businesses, public use areas or highways;

4. Number of complaints received concerning the site;

5. Number of scrap tires present and age of the site;

6. Location of the site in relation to a flood plain, sinkhole, or losing stream;

7. Ability of a person to pay for cleanup of the site;

8. Willingness of a person/local authorities to expedite cleanup of the site;

9. Status of enforcement against any responsible parties;

10. The existence of local programs to prevent illegal dumping or the willingness of local authorities to prosecute persons responsible for illegal dumping; and

11. Any other criteria necessary to protect the public health, safety or welfare and the environment.

(D) The department shall conduct resource recovery or nuisance abatement activities designed to reduce the volume of scrap tires or alleviate any nuisance condition at any site if the owner or operator of such a site fails to comply with the regulations under sections 260.270 through 260.278, RSMo, or if the site remains in violation of such statutes and rules. The department reserves all rights to recover all or a portion of the costs of cleanup from the property owner and any other parties responsible for creation of the scrap tire site except where the property owner presents evidence that such persons were not responsible for the creation of the nuisance conditions or any violations of sections 260.270 through 260.278, RSMo at the site.

(4) Any charitable, fraternal, or other nonprofit organization that voluntarily cleans up land or water resources may be reimbursed for properly disposing of scrap tires collected in the course of such cleanup. Funds will be allocated each year for these types of activities. The amount of funds allocated will depend on funding availability and amount of appropriations.

(A) A portion of the funds allocated will be available to any charitable, fraternal, or other nonprofit organization that wishes to clean up small, illegal scrap tire sites in their area.



These funds will be awarded under the following conditions:

- 1. On a first-come-first-served basis;
- 2. The organization(s) shall receive written approval from the department prior to conducting the cleanup. The organization(s) shall state where they will dispose of the tires and shall estimate the number of tires and the associated disposal costs for which the organization plans to seek reimbursement from the department; and

3. Reimbursement shall be for disposal costs only.

(B) Another portion of the funds allocated will be available for tires picked up as incidental wastes by nonprofit groups which voluntarily clean up land or water resources and collect scrap tires in the course of such cleanup. These funds will be awarded under the following conditions:

- 1. On a first-come-first-served basis;
- 2. The organization(s) shall receive written approval from the department prior to conducting the cleanup. The organization(s) shall state where they will dispose of the tires and shall estimate the number of tires and the associated disposal costs for which the organization plans to seek reimbursement from the department; and

3. Reimbursement shall be for disposal costs only.

(C) The department reserves the right to deny funding under section (4) to any charitable, fraternal or other nonprofit organization if adequate funds are not available or if the requirements of this section are not met.

(D) The charitable, fraternal or other not-for-profit organization shall submit documentation (on forms provided by the department) of the number of tires picked up and disposed of before reimbursement will be approved or made.

AUTHORITY: sections 260.225, RSMo 2000 and 260.273, and 260.276, RSMo Supp. 2006. Original rule filed April 16, 1997, effective Dec. 30, 1997. Amended: Filed Jan. 2, 2007, effective Sept. 30, 2007.*

**Original authority: 260.225, RSMo 1972, amended 1975, 1986, 1988, 1990, 1993, 1995; 260.273, RSMo 1990, amended 1995, 1999, 2005; and 260.276, RSMo 1990, amended 1995, 2005.*

10 CSR 80-9.040 Solid Waste Management Fund—Financial Assistance for Waste Reduction and Recycling Projects

PURPOSE: This rule contains procedures and provisions to provide financial assistance for solid waste management projects to any district, county or city of the state or to any

other person or entity involved in waste reduction or recycling as provided for in section 260.335.2(5), RSMo.

PUBLISHER’S NOTE: The publication of the full text of the material that the adopting agency has incorporated by reference in this rule would be unduly cumbersome or expensive. Therefore, the full text of that material will be made available to any interested person at both the Office of the Secretary of State and the office of the adopting agency, pursuant to section 536.031.4, RSMo. Such material will be provided at the cost established by state law.

(1) Eligibility.

(A) Definitions. Definitions for key words used in this rule may be found in 10 CSR 80-2.010. Additional definitions specific to this rule are as follows:

1. Solid Waste Advisory Board. The advisory board created within the Department of Natural Resources and composed of the chairman of the executive board of each of the solid waste management districts; and

2. Waste reduction. Residential, commercial and industrial activities or practices which avoid or reduce the amount of waste produced.

(B) Applicability.

1. This rule applies to any district, county or city within Missouri or to any other person or entity involved in waste reduction or recycling activities, as described in paragraphs (1)(C)1. and 2. of this rule.

2. Any applicant directly involved in the selection and award of financial assistance under this chapter, or who has a conflict of interest in the selection and receipt of that assistance, shall be ineligible for monies made available under this chapter. An applicant shall have a conflict of interest whenever an applicant’s employee, spouse or partner, participates in the selection, award or administration of financial assistance under this chapter or receives an award, contract, gratuity or favor from that participation.

(C) Solicited Projects—Grant Financed. The funds are to be allocated for targeted projects that are determined to meet statewide waste reduction and recycling priorities. Annually, the department will consult a variety of informational sources including the SWAB to determine which services, materials or activities should be targeted for funding in the subsequent financial assistance cycle. Upon evaluating targeting options and priorities, the department will then present recommendations to the SWAB for their advice. In consideration of the recommendations and advice solicited, the department will establish

the targeted services, materials and activities that will be eligible to receive financial assistance.

(D) Costs.

1. In-kind contributions. In-kind contributions are allowable project costs when they directly benefit and are specifically identifiable to the project.

2. Eligible costs. Applicants can request monetary assistance in the operation of eligible projects for the following types of costs. Eligible costs may vary depending on the targeted services, materials and activities, as specified in the financial assistance application.

A. Collection, processing, manufacturing or hauling equipment;

B. Equipment installation costs including installation freight or retrofitting of the equipment;

C. Salaries directly related to the project;

D. Development and distribution of informational materials;

E. Planning and implementation of informational forums including, but not limited to, workshops;

F. In-state travel necessary for project completion;

G. Buildings; and

H. Retrofitting of buildings.

3. Ineligible costs. The following costs are considered ineligible for project funding:

A. Operating expenses, such as staff salaries and expenses, that are not directly related to the project activities;

B. Costs incurred before and after the project period;

C. Taxes;

D. Legal costs;

E. Contingency funds; and

F. Land acquisition.

(E) Unsolicited Projects—Loan Financed. Funds are to be allocated from a loan subaccount of the Solid Waste Management Fund for waste reduction and recycling projects. Applications for projects funded by a loan may be submitted at any time.

1. Eligible costs. Applicants can request monetary assistance in the operation of eligible projects for items of nonexpendable equipment.

2. All other costs are ineligible.

(2) Financial Assistance Awards to Grant and Loan Recipients.

(A) Awards. All financial assistance awards are subject to the appropriation process. The department cannot guarantee funding of an approved project after the close of the fiscal year in which the project was approved.



(B) Grant Awards as a Percent of Total Funds Available. No less than twenty-five percent (25%) of the funds made available annually by this rule shall be allocated as grant awards. Funds not expended for targeted grants shall be allocated as other forms of credit or credit enhancements, including loans.

(C) Maximum Amounts.

1. The total amount of funds available for eligible projects under this rule will be determined annually by the department, subsequent to appropriations by the state legislature.

2. The maximum amounts available from the Solid Waste Management Fund for targeted waste reduction and recycling activities is up to one hundred twenty-five thousand dollars (\$125,000) per project.

3. The maximum loan amount for unsolicited projects shall not exceed twenty-five percent (25%) of the revolving loan fund balance on the date the loan is approved and shall be determined by the department on a case-by-case basis.

(D) Match Share for Grants. A twenty percent (20%) applicant match is required.

(3) Application Requirements for Financial Assistance.

(A) All grant and loan applicants shall submit proposals on application forms provided by the department. The application must include all applicable documentation as stated in section (4) as necessary in order to be considered complete.

(B) In addition to the information required in section (4), a loan applicant shall document the financial ability to repay the loan by submitting a completed loan application on forms approved by the department.

(C) An applicant shall submit evidence that a licensed professional engineer has approved any engineering plans, studies or specifications necessary for the project, if required in the application pertinent to the project.

(D) Applications for solicited grants shall be submitted by the deadline established by the department to be eligible for funding. Application materials received after the deadline shall be returned to the applicant and shall not be considered.

(E) Applications for unsolicited loan projects may be submitted to the department at any time.

(4) Proposal Content and Supporting Documents. A project proposal shall be required for both grant and loan applicants and should include the following information, as appropriate:

1. An executive summary of the project objectives and the problem to be solved. This should be no longer than two (2) pages;

2. The location of the project;

3. A work plan which identifies project tasks, the key personnel and their qualifications;

4. A timetable showing anticipated dates for major planned activities and expenditures, including the submittal of quarterly reports and the final report;

5. An estimate of the costs for conducting the project, itemized to show the total budget of eligible items only. Estimates shall be provided for all major planned activities or purchases and shall be supported by documentation showing how each cost estimate was determined. The budget must delineate the percentages and dollar amounts of the total project costs by categories of state and applicant contributions, if a match is required;

6. Verification that all applicable federal, state and local permits, approvals, licenses or waivers necessary to implement the project have been obtained or applied for and will be obtained prior to an award and demonstrate that the project is in zoning compliance;

7. A description of the evaluation procedures to be used throughout the project to quantitatively measure the success of the project including amount of waste diversion, if applicable; or other measure as specified for a targeted activity;

8. Documentation that shows a commitment for the match, if applicable;

9. Provide or show evidence of a request for a letter of endorsement from the executive board of the solid waste management district in which the project is physically located or from the city or county governing body responsible for the solid waste decision making, if the county has not joined a solid waste management district;

10. The following supporting documents for projects involving assistance over twenty thousand dollars (\$20,000):

A. To demonstrate technical feasibility, a preliminary project design, engineering plans and specifications for any facilities and equipment; and

B. Financial information, including:

(I) A marketing plan. The plan shall include a market analysis with information demonstrating that the applicant has secured the commitments necessary to complete the project;

(II) A description of project financing, including projected revenue from the project, if applicable;

(III) A letter of credit; and/or three (3) years previous financial statements or reports; and

11. Confidential business information and availability of information. Any person who submits information to the department in accordance with this rule may assert a claim of business confidentiality covering a part or all of that information by including a letter with the information which requests protection of specific information from disclosure. The department shall handle specific information as nonpublic data upon review and approval by legal counsel, as per Chapter 610, RSMo. However, if no claim accompanies the information when it is received by the department, the information may be made available to the public without further notice to the person submitting it.

(5) Proposal Review and Evaluation.

(A) The department shall evaluate each grant proposal that is determined to be eligible, using the evaluation method as established by the department and the Environmental Improvement and Energy Resources Authority (EI ERA) and with the advice of the Solid Waste Advisory Board. The department will present a list of approved proposals to the Solid Waste Advisory Board.

(B) A committee made up of representatives from the Department of Natural Resources' Solid Waste Management Program, the Environmental Improvement and Energy Resources Authority and other state agencies, as applicable, shall evaluate each loan proposal that is determined to be eligible using the evaluation method established by the department and with the advice of the Solid Waste Advisory Board. This committee shall submit recommended loan proposals to the department for approval. The department will present each approved loan proposal to the Solid Waste Advisory Board.

(C) For all proposals funded by grants or loans, the evaluation method shall include the following core criteria, as appropriate:

1. Conformance with the integrated waste management hierarchy as described in the *Missouri Policy on Resource Recovery*, as incorporated by reference in this rule;

2. Conformance with the State Targeted Materials List;

3. Degree to which the project contributes to community based economic development;

4. Degree to which funding to the project will adversely affect existing entities in the market segment;



5. Degree to which the project promotes waste reduction or recycling through the proposed process;

6. Demonstration of cooperative efforts through a public/private partnership or among political subdivisions;

7. Compliance with federal, state or local requirements;

8. Transferability of results;

9. The statewide need for the information;

10. Technical ability of the applicant;

11. Managerial ability of the applicant;

12. Ability to implement in a timely manner;

13. Technical feasibility;

14. Availability of commitments necessary to conduct the project;

15. Level of commitment for financing;

16. Type of contribution by applicant;

17. Effectiveness and quality of marketing strategy;

18. Quality of budget; and

19. Selected financial ratios.

(6) Project Awards. Before awarded funds are distributed to any proposed awardee, they shall do the following:

(A) Obtain all applicable federal, state and local permits, approvals, licenses or waivers required by law and necessary to implement the project;

(B) Enter into a financial assistance agreement issued by the department.

(7) Project Reports.

(A) Quarterly Reports. Projects receiving financial assistance through this rule shall submit to the department, at no less than three (3)-month intervals, a report which contains the following:

1. The details of progress, including the volume or weight of waste diverted for each type of recovered material utilized in the project, if appropriate;

2. Problems encountered in project execution; and

3. Other information necessary for proper evaluation of the project.

(B) In the event that a time period for a project is less than a full year, only quarterly reports appropriate to the project time period need be submitted.

(C) Final Report. Projects receiving financial assistance through this rule shall submit a final report, within thirty (30) days of the project completion date as specified in the financial assistance agreement, that shall contain the same information as described for quarterly reports in subsection (7)(A) of this rule, as well as a comparison of actual accomplishments to the goals established and

reasons why goals were either not met or were exceeded.

(8) Accountability.

(A) Projects receiving financial assistance through this rule shall comply with the department's reporting requirements, pursuant to section (7) of this rule.

(B) Projects receiving financial assistance through this rule shall maintain an accounting system that accurately reflects all fiscal transactions, incorporates appropriate controls and safeguards, and provides clear references to the project proposal. Accounting records must be supported by source documentation such as canceled checks, paid bills, payrolls, time and attendance records, contracts and agreement award documents. These documents shall be made available to the department upon request at any time during the term of the financial assistance agreement and for the three (3)-year retention period after the grant as required by subsection (8)(E) of this rule.

(C) The department shall retain fifteen percent (15%) of the financial assistance from the approved project until that time approval is given to the final report and the final accounting of project expenditures.

(D) Project officials must invoice the department for all project costs within one hundred eighty (180) days of the end date of the project or funds may be disencumbered and no longer made available for the reimbursement of project costs.

(E) Retention and Custodial Requirements for Records.

1. Projects receiving financial assistance through this rule shall retain all records and supporting documents directly related to the project during the term of the agreement and for a period of three (3) years from the date of submission of the final status report and make them available to the department.

2. If any litigation, claim, negotiation, and audit or other action involving the records has been started before the expiration of the three (3)-year period, the records must be retained until completion of the action and resolution of all issues which arise from it, or until the end of the regular three (3)-year period, whichever is later.

(F) All general terms and conditions of the department applicable to the recipients of financial assistance will be applicable to projects funded to include but not limited to the following: the utilization of minority, women's and small disadvantaged business enterprise firms; compliance with the Davis-Bacon Act; and the use of recycled paper.

AUTHORITY: sections 260.225 and 260.335, RSMo Supp. 1999. Emergency rule filed Aug. 4, 1992, effective Oct. 1, 1992, expired Jan. 28, 1993. Original rule filed Aug. 4, 1992, effective April 8, 1993. Amended: Filed Dec. 14, 1999, effective Aug. 30, 2000.*

**Original authority: 260.225, RSMo 1972, amended 1975, 1986, 1988, 1990, 1993, 1995; and 260.335, RSMo 1990, 1993, 1995.*

10 CSR 80-9.050 Solid Waste Management Fund—District Grants

PURPOSE: This rule contains procedures and provisions for solid waste management districts to qualify for grant funds from the Solid Waste Management Fund as provided for in section 260.335.2, RSMo.

PUBLISHER'S NOTE: The publication of the full text of the material that the adopting agency has incorporated by reference in this rule would be unduly cumbersome or expensive. Therefore, the full text of that material will be made available to any interested person at both the Office of the Secretary of State and the office of the adopting agency, pursuant to section 536.031.4, RSMo. Such material will be provided at the cost established by state law.

(1) Definitions. Definitions for key words used in this rule may be found in 10 CSR 80-2.010. Additional definitions specific to this rule are as follows:

(A) Allocated district funds. Monies from the Solid Waste Management Fund that are set aside to be disbursed to each district by the department;

(B) Competitive bid process. Procurement of goods or services that follows the guidelines outlined in 1 CSR 40;

(C) Disbursed district funds. District funds paid to each district or subgrantee;

(D) Disposal cost. Fees charged to collect, transport or deposit solid waste in a landfill, transfer station or other approved facility;

(E) District administrative grant. Planning and organizational grants disbursed by the department to each district prior to August 28, 2004;

(F) District carryover. Any remaining district funds of any completed grants that have been disbursed by the department to each district for district administrative grants, district operations grants, plan implementation grants or district subgrants;

(G) District funds. The revenue generated from the solid waste tonnage fee collected and deposited in the Solid Waste Management Fund and allocated to each dis-



trict pursuant to section 260.335.2, RSMo, plus district carryover, interest income earned and state required local match funds;

(H) Executive board. The board established by each district's solid waste management council or by the alternative management structure chosen by a district as provided for in section 260.315.4(2), RSMo;

(I) Interest income. All interest earned by each district from the holding of revenue generated from the Solid Waste Management Fund;

(J) Project. All approved components of an organized undertaking described in a proposal, including any supporting documents as required by project type;

(K) Solid Waste Management Fund. The fund created in section 260.330, RSMo, to receive the tonnage fee charges submitted by sanitary and demolition landfills for waste disposed of in Missouri and transfer stations for waste transported out of state for disposal;

(L) State required local match funds. Funds committed by local governments to each district as match for district administrative grants; and

(M) Unencumbered district funds. District funds that have not been obligated by the executive board for goods and services in the form of purchase orders, contracts or other form of documentation.

(2) Eligibility.

(A) Applicability. This rule applies to the members of the executive boards of all department-recognized solid waste management districts in Missouri.

(B) Projects. The district funds are to be allocated for projects in accordance with the following provisions:

1. Grant monies made available by this rule shall be allocated by the district for projects contained within the district's approved solid waste management plan. These funds will be used for solid waste management projects as approved by the department. However, no grant funds will be made available for incineration without energy recovery;

2. In the event that the district solid waste management plan has not been submitted to the department, any eligible projects approved by the district and allocated monies made available by this rule shall be included in the district's solid waste management plan prior to submission;

3. In the event that the district solid waste management plan has been submitted to the department, any eligible projects approved by the district and allocated monies made available by this rule, but not contained

within the plan, shall be considered an addenda to the plan. The addenda will be evidenced in quarterly and final project reports required under subsection (6)(B) of this rule. Projects serving as addenda to the plan in this manner must be included in any documents required by the department to be submitted by the districts that update the plan or that verify implementation of the plan pursuant to section 260.325.5, RSMo;

4. District funds shall not be awarded for a project whose applicant is directly involved in the evaluation and ranking of that particular project;

5. District funds shall not be awarded for a project that displaces existing resource recovery services, unless the proposed project demonstrates how it will result in improvement or expansion of service; and

6. District funds shall not be awarded for a project that collects solid waste for disposal on a continuous basis.

(C) Grant Funds.

1. As determined by statute, an amount of the revenue generated from the solid waste tonnage fee collected and deposited in the Solid Waste Management Fund shall be allocated annually to the executive board of each officially recognized solid waste management district for district grants. Further, each officially recognized solid waste management district shall be allocated, upon appropriation, a minimum amount for district grants pursuant to section 260.335.2, RSMo.

2. The district shall enter into a financial assistance agreement with the department prior to the disbursement of district funds. The financial assistance agreement shall, at a minimum, specify that all district funds will be managed in accordance with statute and this rule. Financial assistance agreements shall be provided to the districts by the department at the beginning of the state fiscal year.

3. Quarterly the department shall notify the executive board of each district of the amount of grant funds for which the district is eligible. Upon request, the department will provide to a district the reported tonnages and tonnage fees paid into the Solid Waste Management Fund.

4. Grant money available to a district under subsection (2)(C) of this rule within a fiscal year may be allocated for district operations, projects that further plan implementation and subgrantee projects of cities and counties within the district pursuant to section 260.335.2, RSMo.

5. Any district funds allocated to a district but not requested by the district following the procedures outlined in this rule within twenty-four (24) months of the end of the

state fiscal year in which it was allocated may be reallocated by the department pursuant to section 260.335.2, RSMo.

6. At the end of a district's fiscal year, any district carryover funds and interest income in excess of twenty thousand dollars (\$20,000) shall be allocated for projects other than district operations in the district's next request for project proposals in accordance with section 260.335, RSMo, unless approved by the department.

7. A solid waste management district may elect to use more than one fiscal year's allocation of funds to finance a project. Prior to the department encumbering funds for this project, the district shall submit a request to the department for approval that provides justification and financial supporting documentation. Following the department's approval, the district may request that these funds be transmitted to the district. All interest income earned by the district shall be obligated to this project until the total amount needed is reached.

8. All district funds shall be used for implementation of a solid waste management plan, district operations, solid waste management, waste reduction, recycling and related services as approved by the district executive board and the department.

(D) Costs. In general, the following paragraphs list eligible and ineligible costs for district funds. Items not listed in this section or in subsections (3)(A) and (4)(B) should be discussed with the department.

1. Eligible costs. Applicants can request monetary assistance in the operation of eligible projects for the following types of costs. Eligible costs may vary depending on the services, materials and activities, as specified in the grant application:

A. Collection, processing, manufacturing or hauling equipment;

B. Materials and labor for construction of buildings;

C. Engineering or consulting fees;

D. Salaries and related fringe benefits directly related to the project;

E. Equipment installation costs including installation, freight or retrofitting of the equipment;

F. Development and distribution of informational materials;

G. Planning and implementation of informational forums including, but not limited to, workshops;

H. Travel as necessary for project completion;

I. Overhead costs directly related to the project;

J. Laboratory analysis costs; and

K. Professional services.



2. Ineligible costs. The following costs are considered ineligible for district grant funding:

A. Operating expenses, such as salaries and expenses that are not directly related to district operations or the project activities;

B. Costs incurred before the project start date or after the project end date;

C. Taxes;

D. Legal costs;

E. Contingency funds;

F. Land acquisition;

G. Gifts;

H. Disposal costs, except for projects as indicated in paragraph (2)(B)6. of this rule;

I. Fines and penalties;

J. Food and beverages for district employees, board members or subgrantees at non-working meetings;

K. Memorial donations for board members, district employees, or subgrantees;

L. Office decorations, except as indicated in paragraph (3)(A)4. of this rule; and

M. Lobbyists, pursuant to section 105.470, RSMo.

(3) District Operations.

(A) Eligible Costs. The department shall allocate funding for the costs that are reasonable and necessary for proper and efficient performance and administration of the district. District operations costs must be specifically for the purpose of district operations and may include:

1. Salaries and related fringe benefits of employees;

2. Cost of materials and supplies acquired, consumed or expended;

3. Rental or leasing of office space;

4. Office decorations costing less than five hundred dollars (\$500) per year;

5. Equipment and other capital expenditures;

6. Travel expenses incurred;

7. The cost of utilities, insurance, security, janitorial services, upkeep of grounds, normal repairs and alterations and the like to the extent that they keep property at an efficient operating condition, do not add to the permanent value of property or appreciably prolong the intended life and are not otherwise included in rental or other charges for space;

8. Contracted services for eligible costs acquired through a competitive bid process;

9. Non-cash service awards which are reasonable in cost; and

10. Legal costs for contract review and other costs directly related to the district grant administration.

(B) Grant Application. Districts eligible to receive district operations grant funding shall submit a written request to the department, on forms provided by the department, that includes:

1. A completed district operations budget, containing such detail as specified by the department, that has been approved by the executive board, including an executive summary and list of tasks for the budget period.

2. Copies of any contracts in effect for district operations services.

3. If applicable, documentation of the bidding process used to procure district operations services.

4. The grant and budget period shall cover up to a one (1)-year time period, unless otherwise approved by the department.

5. Districts may apply for district operations funds at any time during the year, provided that all requirements outlined in this section are followed.

(4) Plan Implementation Projects.

(A) Projects. The department shall allocate plan implementation funds for projects in accordance with the following provisions:

1. Grant monies made available by this rule shall be allocated by the district for projects contained within the district's solid waste management plan or which enable the district to plan and implement activities pursuant to section 260.325, RSMo;

2. Projects shall be conducted by district staff or through a contract with the district. Contracted services must be procured through a competitive bid process;

3. Projects should benefit the counties or cities who are members of the district; and

4. A project period shall be determined that allows for the purpose of the project to be accomplished and for adequate reporting of the results of the project to determine if the project met its intended goals. Project and budget periods may allow for up to a two (2)-year time period for project completion. A maximum of one (1) six (6)-month extension may be allowed beyond the two (2) years when approved by the executive board. Any extension of the project or budget periods beyond two (2) years and six (6) months must have the prior approval of the executive board and the department.

(B) Eligible Costs. Districts may request monetary assistance in the operation of eligible plan implementation projects for the types of costs listed in paragraph (2)(D)1. of this rule. Eligible costs may also include costs associated with revising the district's solid waste management plan.

(C) Grant Application. Districts eligible to receive plan implementation grant funding

shall submit a written request to the department that includes copies of all plan implementation project proposals approved by the executive board as documented in meeting minutes. At a minimum, project proposals must include:

1. An executive summary of the project objectives and the problem to be solved, referencing the district's solid waste management plan component to which it applies;

2. The location of the project, project name, and the project number assigned by the district;

3. A work plan which identifies project tasks, the key personnel and their qualifications;

4. A timetable showing anticipated dates for major planned activities and expenditures, including the submittal of quarterly reports and the final report;

5. A budget that includes an estimate of the costs for conducting the project. Estimates shall be provided for all major planned activities or purchases by category;

6. Documentation that all required proposal content has been received and reviewed by the district executive board including cost estimates, verification that all applicable federal, state and local permits, approvals, licenses or waivers necessary to implement the project are either not needed or have been applied for, and demonstration of compliance with local zoning ordinances;

7. The type of waste and estimated tonnage to be diverted from landfills or other measurable outcomes;

8. A description of the evaluation procedures to be used throughout the project to measure the success or benefit of the project;

9. For projects involving awards over fifty thousand dollars (\$50,000), supporting documentation must be provided to demonstrate technical feasibility, including a preliminary project design, preliminary engineering plans and specifications for any facilities and equipment required for a proposed project, if applicable; and

10. If requested by the department, copies of any or all approved project proposals and supporting documents.

(5) District Subgrantee Procedures.

(A) Notification by the Districts. The district executive boards shall request project proposals by giving written notification to the governing officials of each member county and city over five hundred (500) in population and by publishing a notice in a newspaper officially designated by the chief elected official of each member county, for public notices for every member county and city with a population over five hundred (500)



within the district. The district executive board shall provide the written notification and newspaper notice at least thirty (30) days prior to when proposals are due. If the district executive board will request project proposals more often than annually, the district executive board may issue the written notification and newspaper notice annually specifying when the district will be accepting project proposals for the upcoming year.

(B) Proposal Content and Supporting Documents. The districts shall, as appropriate, require the proposals to include but not be limited to the following information:

1. An executive summary of the project objectives and the problem to be solved, referencing the district's solid waste management plan component to which it applies;

2. The location of the project and name, address and phone number of the official subgrant recipient(s);

3. A work plan which identifies project tasks, the key personnel and their qualifications;

4. A timetable showing anticipated dates for major planned activities and expenditures, including the submittal of quarterly reports and the final report;

5. A budget that includes an estimate of the costs for conducting the project. Estimates shall be provided for all major planned activities or purchases by category and shall be supported by documentation showing how each cost estimate was determined. If the project includes matching funds, the budget must delineate the percentages and dollar amounts of the total project costs for both district funds and applicant contributions;

6. Verification that all applicable federal, state and local permits, approvals, licenses or waivers necessary to implement the project are either not needed or have been obtained or applied for and will be obtained prior to an award;

7. Demonstration of compliance with local zoning ordinances;

8. A description of the evaluation procedures to be used throughout the project to quantitatively and qualitatively measure the success or benefit of the project;

9. Documentation that shows a commitment for the match, if applicable;

10. The following supporting documents for projects involving allocations over fifty thousand dollars (\$50,000):

A. To demonstrate technical feasibility, a preliminary project design, preliminary engineering plans and specifications for any facilities and equipment required for a proposed project, if applicable;

B. A financial report including:

(I) A three (3)-year business plan for the proposed project. For projects involving recycling and reuse technologies, the plan shall include a market analysis with information demonstrating that the applicant has secured the supply of and demand for recovered material and recycled products necessary for sustained business activity;

(II) A description of project financing, including projected revenue from the project; and

(III) A credit history; and/or up to three (3) years' previous financial statements or reports; or for governmental entities a bond rating;

11. Confidential business information and availability of information. Any person may assert a claim of business confidentiality covering a part or all of that information by including a letter with the information which requests protection of specific information from disclosure. Confidentiality shall be determined or granted in accordance with Chapter 610, RSMo. However, if no claim accompanies the information when it is received by the department, the information may be made available to the public without further notice to the person submitting it; and

12. In the event that more than one (1) solid waste management district proposes to participate in a project as joint subgrantees, each participating district's responsibilities will be outlined in the subgrantee Financial Assistance Agreement. One (1) of the participating districts must be designated as project manager. The project will be administered as provided for in sections (5) and (6) of this rule.

(C) A project period shall be determined that will allow an adequate time period for the subgrantee to accomplish the purpose of the project and provide reporting of the results and accomplishments. Project and budget periods may allow for up to a two (2)-year time period for project completion. A maximum of one (1) six (6)-month extension may be allowed beyond the two (2) years when approved by the executive board. Any extension of the project or budget periods beyond two (2) years and six (6) months must have the prior approval of the executive board and the department.

(D) Proposal Review and Evaluation. The executive boards must review, rank and approve proposals as outlined in this subsection. The executive board may appoint a committee to review and rank proposals. The executive board shall make final approval.

1. Review for eligibility and completeness. For all proposals received by the deadline as established in their public notices to the media, the board shall determine the eli-

gibility of the applicant, the eligibility of the proposed project, the eligibility of the costs identified in the proposal and the completeness of the proposal.

2. Notice of eligibility and completeness. If the district executive board determines that the applicant or the project is ineligible or incomplete, the board may reject the proposal and shall notify the applicant. A project may be resubmitted up to the application deadline.

3. Proposal evaluation. The executive board or their appointed committee shall evaluate each proposal that is determined to be eligible and complete. The board will develop a District Targeted Materials List to be used as one of the evaluation criteria. The evaluation method will include the following criteria, as appropriate per project category:

A. Conformance with the integrated waste management hierarchy as described in the *Missouri Policy on Resource Recovery*, as incorporated by reference in this rule;

B. Conformance with the District Targeted Materials List;

C. Degree to which the project contributes to community-based economic development;

D. Degree to which funding to the project will adversely affect existing private entities in the market segment;

E. Degree to which the project promotes waste reduction or recycling or results in an environmental benefit related to solid waste management through the proposed process;

F. Demonstrates cooperative efforts through a public/private partnership or among political subdivisions;

G. Compliance with federal, state or local requirements;

H. Transferability of results;

I. The need for the information;

J. Technical ability of the applicant;

K. Managerial ability of the applicant;

L. Ability to implement in a timely manner;

M. Technical feasibility;

N. Availability of feedstock;

O. Level of commitment for financing;

P. Type of contribution by applicant;

Q. Effectiveness of marketing strategy;

R. Quality of budget; and

S. Selected financial ratios.

4. The executive board shall develop minimum criteria for the approval of grant funding.

(6) District Documentation.



(A) Subgrantee Proposals. The following documentation must be submitted by the district to the department as part of the grant application process:

1. A completed project request summary form provided by the department that includes, at a minimum, the following information:

A. Copies of the executive summaries of the eligible proposals submitted to the executive board, or narratives prepared by the district, that describe the location of project, project objectives, tasks and general timeline of each eligible proposal;

B. For each project approved for an award by the executive board indicate the name of the project, the project number assigned by the district and:

(I) The total amount awarded to each project, what amount is awarded from the current undisbursed allocation funding, any carryover from previous awards by the district and the source of the carryover, and any interest accrued by the district;

(II) The project budget by category;

(III) The type of waste and estimated tonnage to be diverted from landfills or other measurable outcomes;

(IV) The project start and stop dates; and

(V) Documentation that all required proposal content has been received and reviewed by the district;

2. The aggregate executive board rankings for each of the eligible proposals or documentation that the proposals meet the minimum criteria for funding set by the executive board using the evaluation criteria as described in paragraph (5)(D)3.;

3. If requested by the department, copies of any or all approved project proposals and supporting documents;

4. A copy of the notices given to the governing bodies and published in the newspapers within the district;

5. A copy of the subgrantee(s) financial assistance agreement between the district and subgrantee(s), any amendments made to the subgrantee(s) financial assistance agreement indicated in subsection (7)(H) of this rule and invoice; and

6. Documentation that the executive board discussions and votes for approved subgrants took place in open session, in accordance with sections 610.010 to 610.200 of the Missouri Sunshine Law.

(B) Quarterly Reports. On quarterly status report forms provided by the department, the district shall submit the following information to the department thirty (30) days after the end of each state fiscal year quarter:

1. Project status. For each plan implementation and district subgrantee project in progress the district shall provide:

A. The details of progress addressing the project tasks outlined in the plan implementation application or subgrantee financial assistance agreement;

B. Problems encountered in project execution;

C. Budget adjustments made within budget categories, with justifications;

D. The weight in tons of waste diverted for each type of recovered material utilized in the project for the most recent quarter following the implementation of the diversion activity or other measurable outcomes, as appropriate;

E. A copy of an amended subgrantee financial assistance agreement, if appropriate; and

F. Other information necessary for proper evaluation of the progress of the projects.

2. In the event that a time period for a project is less than a full year, only quarterly information appropriate to the project time period need be included in the district report.

3. Project financial summary. For each grant (district operations, plan implementation and district subgrantee project) the district shall provide:

A. The original award amount taken from the accrued allocation held by the department;

B. Any district carryover used to fund a project or district operations;

C. Any accrued interest income used to fund a project or district operations;

D. Total grant award for that project or district operation (total of subparagraphs (6)(B)3.A., B., and C. of this rule);

E. Cumulative amount of district disbursement of funds to each subgrantee or to the district during that reporting period;

F. Balance of that project or district operations during that reporting period;

G. Any carryover funding held by the district that has not been obligated for projects or district operations; and

H. Any accrued interest income held by the district that has not been obligated for projects or district operations.

4. Final project reports. The district shall submit to the department a final report for each plan implementation or district subgrantee project that shall contain the same information as described for project status in paragraph (6)(B)1. of this rule, as well as a comparison of actual accomplishments to the goals established and a description as to how goals were either met, not met or were exceeded.

5. District operations status:

A. The details of progress in completing the district operations tasks outlined in the district operations application;

B. Problems encountered in district operations;

C. Required budget amendments; and

D. Other information necessary for proper evaluation of district operations.

(C) District Annual Report. The district shall submit to the department within one hundred twenty (120) days of the end of the state fiscal year a report covering the following information for the state fiscal year:

1. Goals and accomplishments. A description of the district solid waste management goals, actions taken to achieve those goals and the goals that have been set for the upcoming state fiscal year;

2. Types of projects and results, including:

A. A summary of the projects that included goals to divert solid waste tonnage from landfills, including number and costs of projects, tons diverted and average cost per ton diverted, and other measurable outcomes achieved;

B. A summary of the projects that did not have waste diversion goals, including number and costs of projects, and measurable outcomes achieved; and

C. Separate statistics for items banned by statute from landfills and items that are not banned from landfills;

3. A description of the district's grant proposal evaluation process; and

4. A list of district council and executive board members, including their affiliation(s).

(7) Executive Board Accountability.

(A) The executive board shall comply with the department's reporting requirements, pursuant to section (6) of this rule.

(B) An executive board receiving funds from the Solid Waste Management Fund for district grants shall themselves maintain, and require recipients of financial assistance to maintain, an accounting system according to generally accepted accounting principles that accurately reflects all fiscal transactions, incorporates appropriate controls and safeguards, and provides clear references to the project as agreed to in the Financial Assistance Agreement. Accounting records must be supported by source documentation such as cancelled checks, paid bills, payrolls, time and attendance records, contract, and agreement award documents.

(C) The executive board shall adopt a conflict of interest policy regarding grants to subgrantees. This policy shall include a requirement that any non-governmental member of



the executive board, or the business or institution to which the member is affiliated, who applies for district grants shall not review, score, rank or approve any of the subgrantee applications for the same grant call.

(D) Payments to grant recipients shall be on a reimbursement basis. The executive board shall retain fifteen percent (15%) of the funds from the recipient until the project is complete. A project shall be deemed complete when the project period has ended and the board gives approval to the grant recipient's final report and the final accounting of project expenditures. The district may make payment directly to a vendor instead of reimbursing the grant recipient provided the executive board approves the direct payment, goods or services being purchased by the grant recipient have been received, and the executive board retains fifteen percent (15%) of the funds until completion of the grant project. For reimbursements or direct payments, the district may release the fifteen percent (15%) retainage prior to completion of the grant project with prior approval of the executive board and the department.

(E) Retention and Custodial Requirements for Records.

1. The executive board shall retain all records and supporting documents directly related to the funds and projects for a period of three (3) years from the date of submission of the final status report and make them available to the department for audit or examination.

2. If any litigation, claim, negotiation, audit or other action involving the records has been started before the expiration of the three (3)-year period, the records must be retained until completion of the action and resolution of all issues which arise from it, or until the end of the regular three (3)-year period, whichever is later.

(F) All general and special terms and conditions of the department applicable to the project will be applicable to recipients of awards made available by this chapter.

(G) The executive board shall address all deficiencies identified in a district's audit to the satisfaction of the department. Districts failing to adequately address deficiencies identified in the audit may have funds withheld or may be required to repay any and all disbursements of funds in accordance with section (9) of this rule.

(H) Funding for approved subgrants will be forwarded to the districts upon receipt of a completed, signed and dated invoice and subgrantee financial assistance agreement for each individual subgrant.

(I) Except as otherwise provided by law, within eighteen (18) months after the effective

date of this rule, the executive board shall use a competitive bid process to obtain administrative services, office space rental, and other district operations services, except for employees who are directly employed by the district. Contracts shall not exceed five (5) years in duration.

(J) The executive board shall have their records audited by a certified public accountant or firm of certified public accountants pursuant to section 260.325, RSMo. Districts shall arrange to have the audit conducted and submit to the department a complete audit report prepared by the certified public accountant or firm of certified public accountants within one hundred eighty (180) days of the end of the period covered by the audit.

(K) For capital assets over five thousand dollars (\$5,000) purchased in whole or in part with district funds and in which a security interest is held, the executive board must maintain property records. At a minimum these records shall include a description of the equipment, a serial number or other identification number, the source of the property, the acquisition date, cost of the property, percentage of state funds used in the cost of the property, and the location, use and condition of the property.

(L) The executive board shall insure that a physical inventory is conducted of property purchased with district funds and the results reconciled with the property records at least once every two (2) years.

(M) For capital assets over five thousand dollars (\$5,000) purchased in whole or in part with district funds, by the district or subgrantee, the executive board shall ensure that insurance is procured and maintained that will cover loss or damage to the capital assets with financially sound and reputable insurance companies or through self-insurance, in such amounts and covering such risks as are usually carried by companies engaged in the same or similar business and similarly situated.

(N) Pursuant to section 260.320.3, RSMo, the executive board shall appoint one (1) or more advisory committees and ensure that the advisory committee(s) meet annually, at a minimum.

(O) Planning Requirements. Pursuant to section 260.325, RSMo, the board shall review the district's solid waste management plan at least every twenty-four (24) months for the purpose of evaluating the district's progress in meeting the requirements and goals of the plan, and shall submit plan revisions to the department and council. At a minimum, the executive board shall submit plan revisions by April 1 of each odd-numbered

year that include, but are not limited to:

1. An inventory of solid waste services in the planning area on forms provided by the department. Service information shall include:

A. The solid waste collection services available to residential and commercial customers;

B. The recycling services available to residential and commercial customers;

C. The services available for management of items banned from Missouri landfills, pursuant to section 260.250, RSMo; and

D. The services available for management of household hazardous wastes;

2. Pursuant to section 260.320.3, RSMo, a list of advisory boards, members of each and documentation of meetings; and

3. A description of illegal dumping identification, public education and household hazardous waste activities and programs established by the executive board, pursuant to section 260.320.3, RSMo.

(8) Awards.

(A) District Awards. All district grant awards are subject to the state appropriation process. District grant awards will be disbursed to the district as provided for in subsection (2)(C) of this rule within thirty (30) days of the receipt by the department of all applicable applications and documentation per sections (3), (4), and (6) of this rule from the executive board of the district. In the case of questions regarding specific costs contained in the district operations application, the funds for costs not in question will be disbursed to the district.

(B) District Subgrantee Project Awards.

1. All district subgrantee grant awards are subject to the appropriation process.

2. Before the districts distribute awarded funds to a subgrantee, the subgrantee shall do the following:

A. Obtain all applicable federal, state and local permits, approvals, licenses or waivers required by law and necessary to implement the project;

B. Enter into a subgrantee financial assistance agreement, or an amended subgrantee financial assistance agreement if appropriate, issued by the district which is consistent with the Solid Waste Management Law and department rules and all terms and conditions of the district's financial assistance agreement; and

C. Submit all required quarterly and final reports.

(9) Withholding of District Funds.



(A) The department may withhold or reduce district grant awards until the district is in compliance with the following:

1. Solid Waste Management Law and regulations;
2. Planning requirements pursuant to section 260.325, RSMo;
3. All general and special terms and conditions of the district's financial assistance agreement;
4. Audit requirements;
5. Resolution of significant audit findings and questioned costs; and
6. All reporting requirements and plan revisions indicated in this rule.

(B) The department shall provide written notice of noncompliance prior to the withholding of funds, unless the severity of a significant audit finding requires the immediate withholding of funds. Such notice shall allow a minimum of thirty (30) days for the district to submit the documentation or conduct other tasks as indicated in the department's notice.

(C) If a district fails to submit to the department a complete quarterly report, annual report or plan revision by the due date indicated in the department's notice of noncompliance, the department shall withhold and reallocate funds equal to one percent (1%) of the district's most recent quarterly allocation for each day past the notice due date, unless these provisions have been met:

1. The district has requested an extension prior to the notice due date and the department has granted an extension;
2. The district has submitted a complete report by the date indicated in the department approved extension; and
3. The department shall use the postmark date as the date submitted by the district. If no postmark date is available, the department shall use the date the department receives the report.

(D) For questioned costs that the department determines to be inappropriate or unnecessary, the district shall repay the department or the department shall withhold from the district's allocation the amount of the cost, following the department's written request.

(E) For funds withheld from a district or repaid by a district, the department shall reallocate these funds to all districts that, at the time of the reallocation, are in compliance with all requirements and have addressed all deficiencies identified in a district's audit to the satisfaction of the department. The reallocation shall be made to districts in accordance with the allocation criteria pursuant to section 260.335, RSMo.

(10) Dispute Resolution. The district and the department shall attempt to resolve disagree-

ments concerning the administration or performance of the district. If an agreement cannot be reached within ninety (90) days of the issuance of the notice of noncompliance, the department's Solid Waste Management Program director will provide a written decision. The Solid Waste Management Program director may consult with the Solid Waste Advisory Board prior to providing this decision. Such decision of the program director shall be final unless a request for review is submitted to the Division of Environmental Quality director within thirty (30) days of the receipt of the program director's decision. The division director shall provide a final decision within thirty (30) days of the receipt of the district's request. A decision by the division director shall constitute final department action. Such request shall include:

- (A) A copy of the program director's written decision;
- (B) A statement of the amount in dispute;
- (C) A brief description of the issue(s) involved; and
- (D) A concise statement of the objections to the final decision.

*AUTHORITY: sections 260.225, RSMo 2000 and 260.335, RSMo Supp. 2006. *Emergency rule filed Dec. 2, 1992, effective Dec. 12, 1992, expired April 11, 1993. Original rule filed Dec. 2, 1992, effective Aug. 9, 1993. Amended: Filed Dec. 14, 1999, effective Aug. 30, 2000. Amended: Filed Jan. 5, 2007, effective Oct. 30, 2007.*

**Original authority: 260.225, RSMo 1972, amended 1975, 1986, 1988, 1990, 1993, 1995 and 260.335, RSMo 1990, 1993, 1995, 2004, 2005.*