

South Central Solid Waste Management District
5436 Hwy 17 Eunice, MO 65468
417-932-5345
t.lroehl@train.missouri.org

May 7, 2007

Missouri Department of Natural Resources
P. O. Box 176
Jefferson City, MO 65102



On April 2, 2007 Gary Collins, the Chairman of the South Central Solid Waste Management District, received a copy of the Independent Audit report containing the recommendations of the SWMP. The Executive Board met on April 5, 2007 and formulated policy and responses to your recommendations. The following are the responses of the South Central Solid Waste Management District Executive Board to your recommendations. A copy of the minutes of the April 5, 2007 meeting are included with this letter.

1. Executive Board size exceeds state law requirement

The District chooses to keep ten (10) members on our Executive Board: One elected official from each of our seven counties, 2 at-large members representing the general public and the District Coordinator, a non-voting board member. We will formulate an alternative management structure pursuant to RSMo, Section 260.300. We are currently in the process of obtaining resolutions from our counties and will ask the Full Council for a by-law change at their next meeting which is scheduled for July 19, 2007. The District will provide SWMP with a copy of the resolutions from the counties. We will provide a copy of the by-law change and the minutes of the July 19, 2007 meeting.

2. Council and Executive Board meeting minutes not signed or attested to by a member.

At the Executive Board meeting on April 5, 2007, the Executive Board officially adopted a procedure and policy to insure that the minutes are properly signed. The District Coordinator will signed the minutes when they are sent out to members. The District Chairman or a member of the board will sign the minutes after they are approved.

3. Board minutes not indicating votes on motions.

At the Executive Board meeting on April 5, 2007, the Executive Board officially adopted a policy on indicating the votes on motions in the minutes : when all of the members are in favor of the vote the minutes will reflect that the "motion carried unanimously". In cases where the members are not all in favor, a roll call will take place and the vote of each member will be recorded.

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4. Board Agendas regarding closed sessions.

The District's policy on the agenda item "Closed Session" is that we will follow the sunshine law recommendation and record the section of the law that pertains to the reason for holding the closed session. The vote of each member on the question of closure will be documented in the minutes.

5. Possible conflict of interest on approving grants.

The District's policy is that members of the board will abstain from evaluating their own grant applications and abstain from voting to approve their own grants.

6. Dual Signatures on all checks.

The District's policy is that all checks will require two signatures.

7. Signature card at depository bank.

The District's policy is that the card has been updated and the signatures will stay updated.

8. Surety Bond to cover board members.

The Board consulted with MOPERM our insurance agency, they advised the board that a Surety Bond to cover board members is not necessary as the District has an insurance policy through MOPERM that protects the district and the board.

9. Original budgets not amended for spending interest income. The District's policy is that all interest income will be spent on projects. Any change in the original budget will be reflected in an amendment to the FAA for the projects.

10. A detailed listing of capital assets.

A detailed "List" of capital assets has been made. The District's policy is that a "list" of the districts assets will be kept.

11. UCC-1 security forms: The District policy is that a UCC-1 form will be used and filed when appropriate on equipment purchases, building construction or site improvements costing more than \$5,000.

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Received

MAY 21 2007

SWMP

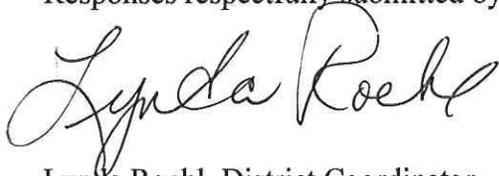
12. Quarterly Reports: Until a recent procedure change by DNR -SWMP, a financial accounting of the administration grant was neither required nor given. Any information in past quarterly reports that is thought to be less than accurate was due to a lack of guidance rather than improper intent by District personnel. The District's policy is that quarterly reports submitted to DNR will accurately reflect activities that have taken place and the balances remaining of all grant projects.

13. Coordinator's contract for mileage not updated when mileage was increased. The District's policy is that the coordinator's contract will be updated to reflect any increases the board makes in the mileage that is paid or other expenses. The contract will be reviewed periodically to see that any necessary updates are made.

The Executive Board of the South Central Solid Waste Management District hopes that these responses will serve as a resolution to the findings of the independent auditor. Please let us know if you need more information. Thank you.

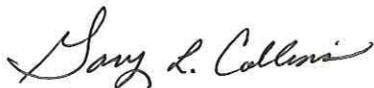
Sincerely yours,

Responses respectfully submitted by:



Lynda Roehl, District Coordinator
South Central SWMD

Attested to by:



Gary L. Collins, District Chairman
South Central SWMD

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MINUTES

Executive Board Meeting April 5, 2007

City of West Plains Recycling Center, West Plains, MO 65775

Vice Chairman Dennis Sloan called the meeting to order at 7:p.m. Chairman Gary Collins presided at the meeting. Executive Board members present were : Butch Linder, Douglas County Representative, Mark Collins- Howell County Representative, Gary Collins - Ozark County Representative, Linda Garrett - Texas County Representative, Leon Pendergrass- Wright County Representative, Dennis Sloan - at-large member, and Lynda Roehl - non voting member.

Executive Board members Absent: John Wrenfrow - Oregon County Representative, Tony Orchard- Shannon County Representative, and Allen Deckard - At-Large member. A quorum was established at the meeting.

Linda Garrett moved and Mark Collins seconded that the minutes of the February 15, 2007 Full Council and Executive Board meeting be approved. Motion carried unanimously. A policy for signing minutes was discussed later in the meeting.

Copies of the treasurer's report and budget to date were handed out. Administration expenses are paid from District grant 2007-1. The balance in District grant 2007-1 after bills are paid tonight is \$49, 951.68. The new account at Progressive Ozark Bank pays a much better interest rate. The District received over \$1,300 in interest for March. The District's allotment for grants for the 2nd quarter 2007 grants is \$82,210.50. This includes a reduction of \$3,187.50 that was withheld from the district to pay DNR for our portion of the financial audit. The audit was included in the 2007 budget. The audit amount will be deducted from district grant 2007-1 and added into the 4th quarter total available for grants. Dennis Sloan moved and Butch Linder seconded that the treasurer's report be approved. Motion carried unanimously.

Gary Collins and Lynda Roehl reported on state meetings they had attended. A public hearing on the new rules DNR is proposing as changes in the Solid Waste Law and District grants program was held on Tuesday April 3, 2007 in Jefferson City. Lynda Roehl gave a copy of the letter that the executive board sent to Doyle Childers in January to be recorded as testimony at that meeting. The letter outlined our concerns about the new rules and their effect on our district. Gary reported that at the SWAB meeting Jim Hull said that some changes will be made to the new rule but he was not able to report on the changes at this point.

Copies of the District's Compliance Audit report from DNR on the audit that was conducted by Casey and Company were handed out. The audit started in August 2006 and the report is dated February 2007. There were 13 findings in the report, many have already been resolved as we knew about them from the meeting that took place with DNR and the auditor on October 5, 2006. Each finding was discussed and responses were decided. The Responses are as follows:

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#1 - Too many Executive Board members- The district will take the necessary steps to keep the number of members on the executive board as it is.

#2. Minutes not signed and attested to. The District's policy on signing minutes is: The board secretary will sign the minutes when they are sent out to the members. The Chairman will co-sign the minutes after they have been approved by the executive board .

#3. Minutes of meetings indicating votes. The District's policy on indicating the votes on motions in the minutes is: when all of the members are in favor of the vote the minutes will reflect that the "motion carried unanimously". In cases where the members are not all in favor, a roll call will take place and the vote of each member will be recorded.

#4. Agendas regarding closed sessions: The District's policy on the agenda item is "Closed Session" will follow the sunshine law recommendation and record the section of the law that pertains to the reason for holding the closed session. The vote of each member on the question of closure will be documented in the minutes.

#5. Conflict of Interest on approving grants: The District's policy is that members of the board will abstain from evaluating their own grant applications and abstain from voting to approve their own grants.

#6. Dual signatures on checks: The District's policy is that all checks will require two signatures.

#7. Signature Card at bank needs to be updated. The District's policy is that the card has been updated and the signatures will stay updated.

#8. Surety Bond to cover board members. The District has an insurance policy through MOPERM that protects the district and the board.

#9. Original budgets not amended for spending interest income. The District's policy is that all interest income will be spent on projects. Any change in the original budget will be reflected in an amendment to the FAA for the projects.

#10. Detailed "List" of capital assets needs to be maintained. The District's policy is that a "list" of the districts assets will be kept.

#11. UCC-1 security forms: The District policy is that a UCC-1 form will be used and filed when appropriate on equipment purchases, building construction or site improvements costing more than \$5,000.

#12. Quarterly reports: The District's policy is that quarterly reports submitted to DNR will



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accurately reflect activities that have taken place and the balances remaining of all grant projects.

#13. Coordinator's contract for mileage not updated when mileage was increased. The District's policy is that the coordinator's contract will be updated to reflect any increases the board makes in the mileage that is paid. The contract will be reviewed periodically to see that any necessary updates are made.

Lynda Roehl will write the district's response to the findings. Gary Collins will sign off on the audit for the district. Linda Garrett moved and Dennis Sloan seconded that the audit responses be written up as discussed and submitted to DNR. Motion carried unanimously.

Grants update:

2006 Grants:

2006 -2 Technical Assistance: This project was supposed to end in December but was extended by a quarter. An amendment was made to extend the grant end date to March 31, 2007. Funds were used to purchase educational materials such as shovels and coloring books, a computer, a trailer and hitch for the illegal dumping program, and food and door prizes made from recycled materials for the full council meeting. This project closed out by using \$91.18 from interest. An amendment was made to the original FAA to reflect that interest was used to fund \$91.18 of the grant.

2006-6 - School Clean outs - computers were collected for recycling from Bakersfield, Ava, Thayer, Gainesville, Hartville and Mansfield. Backwoods was reimbursed for expenses and Computer Recycling Center was paid for their services.

2006-7 Shannon County Recycling Project

Backwoods was reimbursed for wages paid to the collection worker. The County has been paying \$100 toward the cost of fuel. Bag sales totaled \$320.00

2006-10- Do Co Inc, wages

Do co requested \$3,640 in wages for the quarter

2006-11 - West Plains Recycling - Tribble for Equipment. The Equipment that was purchased cost \$20,000 rather than the \$30,000 estimate. The grant reimbursed a total of 66.7% of the cost to West Plains Recycling based on that amount. \$11,333.00 had been reimbursed last year the remaining \$2,000.00 was reimbursed. There will be a remainder of \$6,667.00 that will carryover to 2007 grants. An amendment was done on this project to show that the original budget was different than the actual budget.

2006-12 - OCRA equipment repairs and repainting

The Oregon County Recycling Association requested the final reimbursement for their project. Butch Linder moved and Mark Collins seconded that the reports and amendments for 2006 grants be accepted. Motion carried unanimously.

2007 Grants

2007-1 for Administration \$20,048.32 has been paid from this grant for Administration so far this year.



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2007-2 - Technical Assistance

\$4,494.42 has been paid from this grant since March 1st for things such as: equipment repairs at recycling center, dues for MORA, SWANA, and MEEA, sponsorship for stream team clean up, educational materials and give-a ways made from recycled materials and attendance fees for conferences. The district will purchase 6 trash cans made from recycled materials for the park in the City of Alton.

2007-3 - HHW Collections

2007 Collections started in March in Gainesville. The weather has not been so favorable this year but the numbers are up for attendance. \$5,667.43 has been paid to date for the collections.

2007-4 - Electronics collections

Funds were used to collect and recycle computers from businesses. 2007 Collections that take place in conjunction with HHW started in March in Gainesville. \$3,997.25 has been paid to date for the collections.

2007-8 - Hazardous waste training - The final report was presented on this project. The cost came in below the budget and an amendment was submitted. The final cost for the training was \$5,831.30. The remainder of \$1773.70 will carryover to 2007 grants.

District grants 2007-7, 2007-9, 2007-10, are all in the bidding process. Several tire collections have been scheduled. Mark Collins moved and Dennis Sloan seconded that the reports for 2007 grants be accept. Motion carried unanimously.

Third Quarter Grant Applications

The Board reviewed the 2 grant applications that were submitted for the 3rd quarter of FY 2007. The grant committee recommended full funding for 1 project and partial funding for the second. It was recommended that the Douglas County Commission's request of \$24,000 to purchase a brush chipper/grinder to use to prepare weather related wood waste for composting be fully funded.

The application from Do Co, Inc. requesting funds for electricity and concrete floor for the storage building that was built with district grant 2006-10 and a Pro-Tainer recycling trailer to use at the Sesquicentennial celebration for Douglas County did not score well - information was not complete and errors were found in the request. The trailer was not appropriate for use at the 3 day celebration. The grant committee recommended partial funding. The executive board decided that the Do Co application should be funded up to \$10,000 for the concrete floor and the electricity in the storage building.

The District will submit the requests totaling \$34,000.00. Dennis Sloan moved and Linda Garrett seconded that the district submit these district grants to DNR for funding. Motion carried unanimously. Butch Linder abstained when appropriate because he is a Douglas County commissioner. Butch Linder also abstained as appropriate because of the grant request from Do Co Inc, in Douglas County



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The quarterly allocation for District grants for October 1, 2006 to December 31, 2006 funds is \$82,210.50 plus the \$3187.50 carryover from 2007-*1 to pay for the audit. We will get a report from DNR soon on the amount for the 3rd quarter January 1- March 31, 2007. The known balance available for District grants after the ones that were approved tonight is \$133,797.13. These funds will be available for grants project submitted in the 4th Quarter ending June 30, 2007.

Lynda Roehl submitted a proposal for a 5 year contract for services to the executive board. The proposal outlined her job description and included provisions for increases in wages and benefits over the 5 year period which would start on July 1, 2007. Linda Garret asked that a clause be included that allowed for termination of the contract by either party with a 60 day written notice. Linda Garrett moved and Leon Pendergrass seconded that the revised 5 year contract with a yearly review be signed between the district and Lynda Roehl. Motion carried unanimously.

Butch Linder moved and Linda Garrett seconded that due to the increase in the cost of fuel the mileage rate the district pays be increased from 37 ½ cents per mile to 40 cents per mile effective immediately.

A roll call on the vote was taken:

James (Butch) Linder - yes

Mark Collins - yes

Gary Collins -yes

Linda Garrett - yes

Leon Pendergrass - No

Dennis Sloan - yes

The vote was 5 yes 1 no - the mileage rate will increase to \$0.40 per mile.

The next Executive Board meeting will be Thursday July 5th at the City of West Plains Recycling Center starting at 7:00 p.m. The meeting will be to make decisions on the 4th quarter grant applications .

The Full Council will meet on Thursday July 19, 2007. Lynda will try to reserve the Warm Fork Restaurant in West Plains for that meeting.

There was no other business brought before the Board. Meeting Adjourned 9:30 pm

Submitted by: _____

Lynda Roehl, Board Secretary

Date: 4/20/07

Signed By : _____

Gary Collins, Board Chairman

Date:

