

**MISSOURI DEPARTMENT OF NATURAL RESOURCES**  
**Solid Waste Management Program**  
**Special Terms and Conditions**

These special terms and conditions apply to the award of solid waste management district grant funds to the Lake of the Ozarks Solid Waste Management District – Region T (District) by the Missouri Department of Natural Resources (MDNR), Solid Waste Management Program (SWMP).

Effective September 1, 2008, and continuing through June 30, 2009, or such further time as determined by the SWMP, the district is designated as “high risk”. Significant compliance deficiencies were noted in the independent accountant’s report on applying agreed upon procedures for the period July 1, 2005, through June 30, 2007, conducted by MDNR’s contract audit firm, McBride, Lock and Associates. Specifically, the District has not conformed to terms and conditions of previous awards and has a history of unsatisfactory performance related to education, tire collection, and illegal dumping grants. During the sixty (60) day period provided the District’s Executive Board and staff for corrective action, sufficient progress was not demonstrated and documented by the District to ensure the District’s return to a compliant status. For these reasons, the SWMP has determined the district to be at “high risk” in accordance with Section I, subsection 10., of the SWMP General Terms and Conditions.

The intent of these special terms and conditions is to provide the District with the actions the District must take to return to compliant status. Failure of the District to comply with these Special Terms and Conditions will result in enforcement actions by the SWMP under Section I, subsection AE., of the SWMP General Terms and Conditions or any other remedy that may be legally available, including cost recovery, breach of contract, and suspension or debarment with respect to the District, the District’s subgrantees, or other entities provided district grant funds.

I. Payment on a Reimbursement Basis.

- a. Effective upon execution of these Special Terms and Conditions between the MDNR, SWMP and the District, the District shall return to the MDNR a total of \$35,956.90 in district grant funds.
- b. The \$35,956.90 in district grant funds must be repaid by the District for failure to meet the statutory requirements for use of district grant funds. 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 the 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.
- c. During the high risk designation, should the District seek approval of additional education, illegal dumping or tire collection grant projects where the District or the District’s administrative contractor is the project manager and should the SWMP approve such projects, the projects shall be paid on a reimbursement basis by the SWMP.
- d. During the District’s designation as high risk, the District shall ensure subgrantees are timely reimbursed for allowable grant expenditures and shall not be adversely affected by the District’s high risk designation.
- e. At any time during the high risk designation should the District operations funding be withheld due to the District’s inability to comply with established due dates or compliance requirements, the SWMP shall make payments directly to the District’s subgrantees and other vendors on behalf of the District from the District’s allocation of district grant funds.
  1. The District’s Executive Board and the SWMP shall establish an agreed upon list of subgrantees and other vendors to be paid directly by the SWMP from the District’s allocation of solid waste management district grant funds.
  2. The District shall with the prior approval of the SWMP issue a letter to each subgrantee notifying the subgrantee of a change in the reimbursement process and requirement for submittal of reports directly to the SWMP. The District shall include forms provided by the SWMP in the mailing to the subgrantees.

3. The District Executive Board shall designate a representative of the board to sign as approver the District's vendor invoices for payment by the SWMP. The District shall promptly mail such invoices to the SWMP to allow for timely processing of the District's invoices.
4. The SWMP shall provide a monthly expenditure report to the District for presentation to the Executive Board identifying the payment period; the check number; project number, if applicable; name of the subgrantee or vendor; description of payment type; the date of payment; the amount of payment made by the SWMP on behalf of the District; and the amount of obligated district grant funds and unobligated district grant funds remaining available to the District.
5. The District shall monthly provide to the SWMP a copy of the signed and approved Executive Board Meeting Minutes including review; comments, if applicable; and board action taken in regard to the SWMP produced monthly expenditure report.

## II. Project Monitoring.

- a. The District shall report each month on the progress made on the "high risk" corrective action plan. The "high risk" corrective action plan shall be the SWMP approved district resolution plan for the agreed upon procedures audit conducted by the MDNR contract auditor. These monthly "high risk" reports shall be due no later than seven (7) business days after the end of each calendar month.
- b. The SWMP shall provide in the "high risk" corrective action plan the dates the District must provide supporting documentation or demonstrate the District's return to a compliant status.
- c. Commencing on September 1, 2008, and continuing during the "high risk" period, the SWMP shall periodically monitor and provide a report to the Executive Board and other interested parties regarding the District's progress towards compliance. Specific areas to be monitored will include, but not be limited to: District compliance with the chapter 610, RSMo, commonly referred to as the Missouri Sunshine Law; the District's planning and establishment of a District Advisory Committee; evaluation by the Executive Board of grant proposals; implementation of the District's education and tire collection projects; implementation of a training plan for subgrantees; development and implementation of written policies and procedures; and the District's reporting methods.
- d. Other compliance issues identified in the periodic monitoring visits and reports shall be added and addressed by the District as a part of the "high risk" corrective action plan and related completion dates will be mutually agreed upon by the District and the SWMP.
- e. A final report on the District's "high risk" corrective action plan compliance as determined by the SWMP shall be issued no later than September 30, 2009. The SWMP shall timely notify the District of removal of the "high risk" designation or the areas preventing removal of such designation.

## III. Technical and Management Assistance.

- a. The District Executive Board shall obtain and attend training on chapter 610, RSMo, the Missouri Sunshine Law.
- b. The District Executive Board shall take action to ensure the District complies with 10 CSR 80-9.050(7)(I) which states "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." The effective date of the rule was October 30, 2007 and the compliance date for this requirement is May 1, 2009.
- c. The District shall ensure the administrative contractor, as part of the contract specifications, provides a detail budget including line-items as required by the SWMP's General Terms and Conditions, Attachment A, Cost Principles for State, Local, and Indian Tribal Governments. The detail budget shall be provided, at least annually with amendments being approved by the District Executive Board and the SWMP, as applicable.

1. Documentation of compensation for personal services shall meet the requirements for such reporting contained in Attachment A.
2. Support of such compensation, where employees work on multiple activities or cost objectives, shall include a distribution of their salaries or wages and shall be reported on a personnel activity report or equivalent documentation.
3. The personnel activity report or equivalent documentation must meet the following standards:
  - i. The report must reflect an after the fact distribution of the actual activity of each employee.
  - ii. The report must account for the total activity for which each employee is compensated.
  - iii. The report must be prepared at least monthly and must coincide with one or more pay periods.
  - iv. The report must be signed by the employee.
  - v. Budget estimates or other distribution percentages determined before the services are performed do not qualify as support.
4. The District shall provide to the SWMP copies of the personnel activity reports or equivalent documentation for the administrative contractor's staff with compensation for personal services included in the invoice to the District. These personnel activity reports or equivalent documents should be provided to the SWMP no later than seven (7) business days after end of the calendar month.
- d. During the high risk designation, the District shall provide copies of all applications determined by the Executive Board to be incomplete or ineligible for SWMP review and comment back to the District. Additionally, during this period, the Executive Board shall provide along with grants awarded funding for SWMP approval, copies of all applications not receiving an award for SWMP review and comment back to the District.
- e. The SWMP will be available to provide technical assistance to the Executive Board and the District's administrative contractor throughout the high risk designation.

IN WITNESS WHEREOF, the parties hereto have executed by signing and dating these Special Terms and Conditions as written below.

REGION T-LAKE OF THE OZARKS  
SOLID WASTE MANAGEMENT DISTRICT

DEPARTMENT OF NATURAL RESOURCES

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Robert O'Keefe, Executive Board Chairman

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Doyle Childers, Director