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Saline County Regional Solid Waste Management District

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Proposed Rule establishing a Recycling Fund Distribution and District Administered Grants Program within the Saline County Regional Solid Waste Management District and establishing procedures for the administration and conduct of the Recycling Fund Distribution and District Administered Grants Program

As Approved by the Board of the Saline County Regional Solid Waste Management District by its Resolution No. 4 of 2018 on December 12, 2018.

RECYCLING FUND DISTRIBUTION
AND DISTRICT ADMINISTERED GRANTS PROGRAM

Introduction

Act 1333 of 2013 eliminated the Recycling Grant Program under the Solid Waste Management and Recycling Fund Act administered by the Arkansas Department of Environmental Quality (“ADEQ”) and provided that these funds (“Act 1333 funds”) be distributed to and administered by the several Regional Solid Waste Management Districts. The Saline County Regional Solid Waste Management District Board (the “Board”) has adopted the requirements set out herein (“this Rule”) to establish policy and procedure (the “SCRSWMD Grant Program”) for all grants made and administered by the Saline County Regional Solid Waste Management District (the “District”). This Rule shall not apply to grants made and administered by ADEQ other than Act 1333 funds.

Eligibility for Grant Funding

Funds disbursed to the District as part of the Act 1333 funds and other funds of the District which have been authorized by motion of the Board to be used to make grants to eligible entities and for eligible purposes (the “Grant Funds”) shall be administered by the District subject to the requirements set out in this Rule.

1. *Eligible Entities:* The following entities are considered eligible to receive grant funds:
 - a. *Cities and Counties:* Duly incorporated cities and towns and county governments of the State of Arkansas located within the geographic boundaries of the District.

- b. *Subordinate Service Districts:* Subordinate Service Districts which are formed pursuant to Ark. Code Ann. §§ 14-14-708 *et seq.*, and are empowered to administer a grant award pursuant to the provisions of Ark. Code Ann. §§ 8-6-601 *et seq.*
 - c. *Multi-Regional Projects:* The District may provide grant funding for projects which include the District and other Regional Solid Waste Management Districts provided that concurrent resolutions regarding the joint application have been adopted by the participating Regional Solid Waste Management District Boards and that a joint application is signed by the Board Chairman for each Regional Solid Waste Management District.
 - d. *Partnerships Between Public Entities and Private Recycling Interests:* Public entities identified herein partnered with private recycling interests to provide recycling services, provided that the public entity maintains ownership of facilities and equipment purchased with grant funds and that the public entity assumes responsibility for meeting the requirements of this Rule.
 - e. *Supporting Organizations.* Those organizations with facilities located within the District which provide programs and volunteers which advance the District's efforts to educate the public on the value of solid waste management and recycling programs within the District.
 - f. *District:* The District itself may expend Grant Funds for any eligible activity, project or program conducted directly by the District upon approval by the Board by motion.
2. *Eligible Activities, Projects, and Programs:* The following activities, projects, or programs, in addition to other activities that support the objectives of increasing and improving recycling as a waste-management strategy, consistent with the intent of Ark. Code Ann. §§ 8-6-601 *et seq.*, are eligible for grant funding:
- a. *Solid Waste Planning:* Planning studies are eligible for funding if an applicant's proposed study meets the solid waste planning requirements of Ark. Code Ann. §§ 8-6-201 *et seq.*, §§ 8-6-1901 *et seq.*, Arkansas Pollution Control and Ecology Commission

Regulation 22: Solid Waste Management, and the Minimum Requirements for Regional Solid Waste Management District Plans as set forth in the Statewide Solid Waste Management Plan. The funded planning study must include goals for the diversion of recyclable materials from disposal at landfills or incinerators and must set out methods for increasing recycling in the study area. Only first-year costs for planning staff are eligible.

- b. *Recycling or Composting Equipment and Material Recovery Facilities (MRFs):* Recycling equipment and recycling facilities are eligible for funding if existing facilities and equipment do not provide adequate and efficient service for the project area. The facilities must meet the objectives of the solid waste management plan for recycling facilities. Composting facilities and equipment are also eligible. Equipment is to be used no less than fifty percent (50%) of the time on recycling activities or other grant-funded projects. Applicants shall provide information that reasonably demonstrates that existing mechanical processing equipment or facilities are not serving or could not serve the relevant area. The applicant must describe in detail the equipment to be purchased and explain why the applicant has concluded that such equipment is not available in the private sector.
- c. *Solid Waste Education and Public Awareness Programs:* Education and public awareness activities and materials are eligible if, in accordance with the legislative intent of Ark. Code Ann. §§ 8-6-601 *et seq.*, they are part of a plan for introducing or promoting recycling, composting, or other solid waste management practices that divert wastes from landfills, encourage waste reduction and stimulate demand for products produced from recycled materials.
- d. *Assistance to Supporting Organizations.* Supporting Organizations are eligible for direct assistance funding for solid waste disposal and management.
- e. *Transfer Stations:* Waste transfer stations which accept three (3) or more recyclable materials, as identified in DPC&E Regulation 28, are eligible for funding.

- f. *Recycling Programs:* Recycling activities that meet the intent and requirements of Ark. Code Ann. §§ 8-6-601 *et seq.* are eligible for funding.
- g. *Waste Reduction Activities:* Other waste stream reduction activities that divert the flow of materials away from landfills to be put to beneficial use are eligible for funding.
- h. *Recycling System Activities:* Activities that support and are an integral part of a recycling system, including without limitation, operation, construction, and logistical systems, are eligible for funding.

Existing Equipment or Facilities: Grant assistance shall not be provided for purchasing mechanical processing equipment or facilities if existing mechanical processing equipment or facilities efficiently and adequately serve the relevant area, unless the Board determines that the equipment or facility is an indispensable component to the otherwise eligible project and would more efficiently serve the relevant area.

Responsibilities of the Executive Director and Board

- 1. *Executive Director:* The Executive Director of the District shall be the primary administrator of the SCRSWMD Grant Program. The Executive Director or their appointee shall:
 - a. Promulgate such forms as the Executive Director may determine to be necessary or convenient for grant application and reporting required of grant recipients.
 - b. Review all grant applications submitted under this SCRSWMD Grant Program.
 - i. Ensure that all projects recommended for approval by the Board for SCRSWMD Grant Program funding are compatible with the most-current approved District Solid Waste Management plan or that there is documentation to demonstrate why a deviation is necessary.
 - ii. Ensure that the grantee shows that adequate revenues are projected to support the long-term operation and

maintenance of a grant-funded project, and that the proposed projects are reasonably feasible.

- c. Recommend to the Board approval or disapproval of all grant applications including any request for modification submitted to the Executive Director.
- d. Oversee the distribution of grant funds for all grant projects as scheduled in the grant application and oversee the grantee's compliance with all grant conditions.
 - i. Funds shall not be disbursed prior to the start of the project.
 - ii. Ensure that the applicant has obtained all applicable federal, state, and local permits and licenses prior to disbursement of funds.
 - iii. Ensure that all applicants conform to all state laws that are applicable to the purchase, use or sale of equipment and facilities secured with state funding including, but not limited to, state laws on commodity purchases and bids for construction by local governments.
 - iv. Ensure that facilities or equipment purchased with Grant Program funds are to be used no less than fifty percent (50%) of the time on recycling activities or other grant-funded projects as specified in the grant application. Facilities or equipment purchased with grant funds shall not be sold, traded, or transferred except for the purpose of upgrading recycling facilities or improving recycling programs within the District, and then only with the District's written consent.
- e. Receive and review all reports made by recipients of grant funds and recommend to the Board approval or disapproval of such reports and any action indicated by such reports.
- f. Conduct such inspections of the records and operations of grant recipients as the Executive Director may deem necessary and recommend to the Board any action indicated by the findings of such inspections.

2. *Board:* The Board shall by motion approve or disapprove all applications for expenditure of Grant Funds giving due regard to the recommendation of the Executive Director.
 - a. *Administrative Allocation:* The Board may authorize a reasonable portion of the Act 1333 funds distributed to the District to be used by the District to defray the costs of administering the Grant Program. For the purposes of this Rule, administrative expenses of the Grant Program are expenses for the administration of the District's solid waste management plan and may include record keeping, periodic reporting requirements, budgeting, and other related activities.
 - b. *Examples of Administrative Allocations:* Examples of administrative expenses include the salaries and fringe benefits of the Executive Director and other staff supporting the administration of the plan (including accounting, payroll and human resources, information technology, legal, and procurement functions); the cost of supplies and equipment used for administrative functions or activities; rent, utilities, phone service, postage, and licenses associated with the administrative office of the District; and other reasonably related expenditures approved by the Board.

Reporting and Oversight Requirements

1. *Record Keeping:* All grantees shall maintain an accurate accounting system to document that grant expenditures are made in accordance with the project budget.
2. *Reporting:* The documentation approving each grant shall include a reporting schedule approved by the Executive Director.
 - a. Until all grant funds have been distributed for a project, the grantee shall report to the District according to the approved reporting schedule in detail regarding the progress of the project compared to the schedule set forth in the grant application.
 - b. The grantee shall additionally furnish an expense itemization for the grant award. An expense itemization is a listing of

expenditures that includes expenditure date, item purchased, purchase price, and name of vendor. When equipment is purchased, grantees shall submit copies of invoices, purchase orders, checks, or other supporting documents to the District with progress reports. These documents should include serial numbers, vehicle identification numbers or other identifiers, and physical location of the equipment. Grantees shall provide copies of invoices, purchase orders, checks, or other supporting documents for grant expenditures to the District where they shall be public records subject to public disclosure under the Arkansas Freedom of Information Act.

3. *Record Retention; District Access:* For a period of five (5) years after a grant recipient's last receipt of grant funds, the grantee shall maintain complete records of the project subject to inspection by the District. District personnel shall have the right of entry during normal business hours, unless otherwise deemed necessary by the Executive Director to enter at extraordinary times, to the premises of a grant-funded facility and the right of access to all records pertaining to a grant-funded project or activity.

General Grant Conditions

1. *Modifications:* After the District has approved a grant, modifications may be made to the grant project if the grantee submits adequate documentation of the proposed changes and receives approval by the Board.
2. *Termination of a Grant for Cause:* A grant may be terminated by the Board if the Board determines that the grantee is unable or unwilling to complete or meet the conditions of the grant as set forth in the grant application or has failed to meet any material condition of the grant. If a grant is terminated, grant funds shall be reimbursed in accordance with this Rule. Funds returned shall become part of the Grant Funds.
3. *Funds Forfeited:* If, within a three-year period beginning on the date that the District awards a grant, the grantee does not meet the conditions of the grant prescribed under this Rule, the District may order the grantee to reimburse the grant award plus interest moneys earned from the holding of grant funds by grant recipient. If the grantee fails to meet the conditions in the first year after the grant

award, the grantee may be required to reimburse one hundred percent (100%) of the grant. If the grantee fails to meet the conditions in the second year of the grant award, the grantee may be required to reimburse sixty-six percent (66%) of the grant. If the grantee fails to meet the conditions in the third year after the grant award, the grantee may be required to reimburse thirty-three percent (33%) of the grant.

4. *Earned Interest on Grant Awards:* Interest moneys earned from the holding of grant funds by grant recipients shall be used exclusively for the purposes approved in the grant. It shall be the responsibility of grantees to monitor the collection of earned interest and direct interest moneys to the project supported by the grant award.