

**COUNTY IMPROVEMENT DISTRICT
CONSTRUCTION CONTRACTS**

1998 GENERAL SESSION

STATE OF UTAH

Sponsor: Raymond W. Short

AN ACT RELATING TO SPECIAL DISTRICTS; MODIFYING THE PROVISION REGARDING A COUNTY IMPROVEMENT DISTRICT'S AUTHORITY TO CONSTRUCT IMPROVEMENTS; RESTATING THE REQUIREMENT THAT COUNTY IMPROVEMENT DISTRICTS COMPLY WITH PROVISIONS OF THE PROCUREMENT CODE; AND MAKING TECHNICAL CORRECTIONS.

This act affects sections of Utah Code Annotated 1953 as follows:

AMENDS:

17A-2-328, as renumbered and amended by Chapter 186, Laws of Utah 1990

Be it enacted by the Legislature of the state of Utah:

Section 1. Section **17A-2-328** is amended to read:

17A-2-328. Powers of municipalities -- Collection -- System for collection, retention, and disposition of storm and flood waters -- Power of district to make contracts -- Retainage escrow.

(1) (a) [When any municipal corporation shall contract with any] If an improvement district [operating] under [Chapter 2, Part 3 for the supplying of] this part contracts with a municipality to supply sewage treatment or disposal service, [or both, by such district to such municipal corporation, such municipal corporation shall have authority to make therefor such] the municipality's legislative body may:

(i) impose an appropriate service charge to each party connected with [its] the municipality's sewer system for the services provided by the improvement district, as [it shall deem] the municipality's legislative body considers reasonable and proper[. The municipal corporation shall also have the power to]; and

(ii) require industrial and commercial establishments to pre-treat certain wastes and sewage when [these] the wastes and sewage would otherwise impose an unreasonable burden upon

the collection system or the treatment facility of the improvement district.

(b) If ~~[such municipal corporation]~~ the municipality operates a waterworks system, the charge ~~[aforesaid]~~ under Subsection (1)(a)(i) may be combined with the charge made for water furnished by the water system and may be collected and the collection thereof secured in the same manner as that specified in Section 10-8-38.

~~[Any]~~ (2) (a) An improvement district acquiring a system for the collection, retention, and disposition of storm and flood waters ~~[shall have the power to]~~ may contract with ~~[any one or more municipal corporations]~~ a municipality or other political ~~[subdivisions]~~ subdivision or ~~[persons, firms or corporations, and each such municipal corporation or other political subdivision or person, firm or corporation shall have the power to contract with such improvement district]~~ a person, firm, or corporation for the collection ~~[by the district or municipal corporation or other political subdivision, person, firm or corporation,]~~ of storm and flood waters ~~[from such other]~~ by any of the contracting ~~[party or]~~ parties ~~[and to pay for such service, and any]~~.

(b) Some or all of the parties to ~~[any such]~~ a contract under Subsection (2)(a) may agree to joint acquisition, ownership, construction, operation, or maintenance~~[-any or all,]~~ of all or part of ~~[any such]~~ the system for the collection of storm and flood waters.

(c) (i) In exercising the power to acquire and operate ~~[such]~~ a system for the collection of storm and flood waters, ~~[a]~~ an improvement district may ~~[construct]~~ contract for the construction of storm sewers, drainage channels, dams, dikes, levees, reservoirs, and other pertinent improvements.

(ii) As a local public procurement unit as defined in Subsection 63-56-5(14), each improvement district contracting as provided in Subsection (2)(c)(i) shall comply with the provisions applicable to local public procurement units under Title 63, Chapter 56, Utah Procurement Code.

(3) (a) If any payment on a contract with a private person, firm, or corporation to construct storm sewers, drainage canals, dams, dikes, levees, reservoirs, and other pertinent improvements is retained or withheld, it shall be placed in an interest bearing account and the interest shall accrue for the benefit of the contractor and subcontractors to be paid after the project is completed and accepted by the board of trustees. ~~[It is the responsibility of the]~~

(b) The contractor ~~[to ensure that]~~ shall distribute any interest accrued on the retainage ~~[is~~

distributed by the contractor] to subcontractors on a pro rata basis.