

Effective 5/10/2016

19-6-508 Resource recovery project operated by an improvement district.

- (1) As used in this section, "resource recovery project" means a project that consists of facilities for the handling, treatment and processing through anaerobic digestion, and resource recovery, of solid waste consisting primarily of organic matter.
- (2) An improvement district authorized to operate all or any part of a system for the collection, treatment, or disposition of sewage under Section 17B-2a-403 may own, acquire, construct, or operate a resource recovery project in accordance with this section.
- (3) An improvement district described in Subsection (2) may:
 - (a)
 - (i) own, acquire, construct, or operate a resource recovery project independently; or
 - (ii) subject to Subsection (4), enter into a short- or long-term agreement for the ownership, acquisition, construction, management, or operation of a resource recovery project with:
 - (A) a public agency, as defined in Section 11-13-103;
 - (B) a private person; or
 - (C) a combination of persons listed in Subsections (3)(a)(ii)(A) and (B);
 - (b) accept and disburse money from a federal or state grant or any other source for the acquisition, construction, operation, maintenance, or improvement of a resource recovery project;
 - (c) contract for the lease or purchase of land, a facility, or a vehicle for the operation of a resource recovery project;
 - (d) establish one or more policies for the operation of a resource recovery project, including:
 - (i) the hours of operation;
 - (ii) the character and kind of waste accepted by the resource recovery project; and
 - (iii) any policy necessary to ensure the safety of the resource recovery project personnel;
 - (e) sell or contract for the sale of usable material, energy, fuel, or heat separated, extracted, recycled, or recovered from solid waste that consists primarily of organic matter in a resource recovery project;
 - (f) issue a bond in accordance with Title 17B, Chapter 1, Part 11, Local District Bonds;
 - (g) issue an industrial development revenue bond in accordance with Title 11, Chapter 17, Utah Industrial Facilities and Development Act, to pay the costs of financing a project, as defined in Section 11-17-2, that consists of a resource recovery project;
 - (h) agree to construct and operate a resource recovery project that manages the solid waste of a public entity or a private person, in accordance with one or more contracts and other arrangements described in a proceeding according to which a bond is issued; and
 - (i) contract for and accept solid waste that consists primarily of organic matter at a resource recovery project regardless of whether the solid waste is generated inside or outside the boundaries of the improvement district.
- (4)
 - (a) An agreement described in Subsection (3)(a)(ii) shall:
 - (i) contain provisions that the improvement district's board determines are in the best interests of the improvement district, including provisions that address:
 - (A) the purposes of the agreement;
 - (B) the duration of the agreement;
 - (C) the method of appointing or employing necessary personnel;
 - (D) the method of financing the resource recovery project, including the apportionment of costs of construction and operation;

- (E) the ownership interest of each owner in the resource recovery project and other property used in connection with the resource recovery project;
- (F) the procedures for the disposition of property when the agreement expires or is terminated, or when the resource recovery project ceases operation for any reason;
- (G) any agreement of the parties prohibiting or restricting the alienation or partition of the undivided interests of an owner in the resource recovery project;
- (H) the construction and repair of the resource recovery project, including, if the parties agree, a determination that one of the parties may construct or repair the resource recovery project as agent for all parties to the agreement;
- (I) the administration, operation, and maintenance of the resource recovery project, including, if the parties agree, a determination that one of the parties may administer, operate, and maintain the resource recovery project as agent for all parties to the agreement;
- (J) the creation of a committee of representatives of the parties to the agreement, including the committee's powers;
- (K) if the parties agree, a provision that if any party defaults in the performance or discharge of the party's obligations under the agreement, the other parties may perform or assume, pro rata or otherwise, the obligations of the defaulting party and may, if the defaulting party fails to remedy the default, succeed to or require the disposition of the rights and interests of the defaulting party in the resource recovery project;
- (L) provisions for indemnification of construction, operation, and administration agents for completing construction, handling emergencies, and allocating output of the resource recovery project among the parties to the agreement according to the ownership interests of the parties;
- (M) methods for amending and terminating the agreement; and
- (N) any other matter determined by the parties to the agreement to be necessary; and
- (ii) provide for an equitable method of allocating operation, repair, and maintenance costs of the resource recovery project.
- (b) A provision under Subsection (4)(a)(i)(G) is not subject to any law restricting covenants against alienation or partition.
- (c) An improvement district's ownership interest in a resource recovery project may not be less than the proportion of money or the value of property supplied by the improvement district for the acquisition and construction of the resource recovery project.

Enacted by Chapter 273, 2016 General Session

Enacted by Chapter 346, 2016 General Session