

HOUSE BILL NO. 1320

Introduced by

Representatives Pollert, Headland

Senators G. Lee, Wanzek

1 A BILL for an Act to amend and reenact section 40-33-16, subsections 11 and 27 of
2 section 61-24-08, and subsection 8 of section 61-39-05 of the North Dakota Century Code,
3 relating to Red River valley water supply project contract terms and elimination of voter
4 approval requirements.

5 **BE IT ENACTED BY THE LEGISLATIVE ASSEMBLY OF NORTH DAKOTA:**

6 **SECTION 1. AMENDMENT.** Section 40-33-16 of the North Dakota Century Code is
7 amended and reenacted as follows:

8 **40-33-16. Municipality may purchase water for distribution.**

9 1. Any city owning a system for the distribution of water for fire protection and other
10 public purposes and for selling water to its inhabitants and industries, but for which the
11 water supply is unsuitable or inadequate, may contract to purchase water at wholesale
12 for ~~such~~those purposes from any person, firm, public or private corporation, or limited
13 liability company able and willing to furnish the same, upon ~~such~~the terms and during
14 ~~such~~the period, not exceeding forty years, as the city governing body ~~shall~~
15 ~~deem~~deems appropriate. ~~Any such~~The contract ~~shall~~must be authorized by an
16 ordinance submitted to the voters for approval by a majority of those voting on the
17 proposition before it takes effect. ~~In and by such~~Pursuant to the ordinance and
18 contract, the city may bind itself:

19 ~~4.~~ a. To establish and maintain rates and charges for supplying water by it to its
20 inhabitants and industries, either according to a prescribed schedule agreed
21 upon or sufficient to produce net stated amounts for specified periods during the
22 life of the contract, or both, and to appropriate and use the same for payments to
23 become due under the contract, and, if the contract so provides, the city ~~shall~~
24 ~~be~~is obligated to pay for ~~such~~the water solely out of ~~such~~the net revenues;

1 2. b. To pay, at an agreed rate or rates, for all water taken by the city under ~~such~~the
2 contract and not resold by it; and

3 ~~3.~~ c. To do and perform any other acts or things ~~which, in the discretion of the~~
4 governing body, ~~are deemed~~ deems reasonable and appropriate for the
5 procurement of ~~such~~the water on the most efficient and economical basis.

6 2. Notwithstanding subsection 1, contracts to purchase water from the water supply
7 system created by the Red River valley water supply project may have a term
8 exceeding forty years and, if executed in relation to the initial construction of the
9 system, need not be submitted to the voters for approval.

10 3. If any payments under any contract are to be made solely out of net revenues, the
11 contract may fix and prescribe the method or basis on which net revenues are to be
12 computed.

13 **SECTION 2. AMENDMENT.** Subsection 11 of section 61-24-08 of the North Dakota Century
14 Code is amended and reenacted as follows:

15 11. To operate and maintain or to contract for the operation and maintenance of water
16 supply and irrigation works serving lands and uses within or outside the district, and in
17 connection therewith, to maintain a reserve fund to meet major unforeseen costs of
18 operation and maintenance. The acquisition, construction, operation, and maintenance
19 of dams, reservoirs, ground water storage areas, canals, conduits, pipelines, tunnels,
20 and any other plants, works, facilities, improvements, or property necessary to operate
21 or maintain water supply or irrigation works under this section are exempt from any
22 requirements for voter approval.

23 **SECTION 3. AMENDMENT.** Subsection 27 of section 61-24-08 of the North Dakota
24 Century Code is amended and reenacted as follows:

25 27. To enter water service contracts with municipalities, water districts, or other political
26 subdivisions in this state and public utilities in Minnesota as part of the Red River
27 valley water supply project, regardless of whether the acquisition, construction, or
28 reconstruction of any Red River valley water supply project is actually completed and
29 whether water actually is delivered under the contracts. These contracts with cities
30 and water districts are authorized to be executed without limitation on term of years

1 ~~notwithstanding any limitation to the contrary~~and, if the contracts are executed in
2 relation to the initial construction of the system, without voter approval.

3 **SECTION 4. AMENDMENT.** Subsection 8 of section 61-39-05 of the North Dakota Century
4 Code is amended and reenacted as follows:

5 8. Enter ~~a contract or contracts~~ to provide for a supply of bulk water from the Garrison
6 Diversion Conservancy District which ~~contract or contracts~~ may provide for payments
7 to fund some or all of the Garrison Diversion Conservancy District's costs of acquiring,
8 designing, constructing, or reconstructing one or more features of a Red River valley
9 water supply project, ~~which project the~~ that the Garrison Diversion Conservancy
10 District may acquire, design, construct, improve, and own, as well as the Garrison
11 Diversion Conservancy District's costs of operating and maintaining one or more Red
12 River valley water supply projects, whether the acquisition, construction, or
13 reconstruction of any Red River valley water supply project actually is completed and
14 whether water actually is delivered pursuant to the ~~contract or contracts, and which~~
15 ~~contract or contracts~~ the Garrison Diversion Conservancy District may execute.
16 Contracts executed under this subsection may be executed without limitation on the
17 term of years and, if executed in relation to the initial construction of the system, need
18 not be submitted to the voters for approval.