

**FIRST ENGROSSMENT
with Conference Committee Amendments
ENGROSSED SENATE BILL NO. 2358**

Introduced by

Senators Wanzek, Dotzenrod, Luick

Representative Pollert

1 A BILL for an Act to amend and reenact section 40-33-16, subsections 11 and 27 of section
2 61-24-08, subdivision b of subsection 2 of section 61-32-03.1, and subsection 8 of section
3 61-39-05 of the North Dakota Century Code, relating to Red River valley water supply project
4 contract terms, elimination of voter approval requirements, and notice of proposed subsurface
5 water management systems.

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

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

9 **40-33-16. Municipality may purchase water for distribution.**

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

20 ~~4.~~ a. To establish and maintain rates and charges for supplying water by it to its
21 inhabitants and industries, either according to a prescribed schedule agreed
22 upon or sufficient to produce net stated amounts for specified periods during the
23 life of the contract, or both, and to appropriate and use the same for payments to

1 become due under the contract, and, if the contract so provides, the city shall-
2 beis obligated to pay for ~~sueh~~the water solely out of ~~sueh~~the net revenues;

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

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

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

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

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

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

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

27 27. To enter water service contracts with municipalities, water districts, or other political
28 subdivisions in this state and public utilities in Minnesota as part of the Red River
29 valley water supply project, regardless of whether the acquisition, construction, or
30 reconstruction of any Red River valley water supply project is actually completed and
31 whether water actually is delivered under the contracts. These contracts with cities

1 and water districts are authorized to be executed without limitation on term of years
2 ~~notwithstanding any limitation to the contrary~~ and, if the contracts are executed in
3 relation to the initial construction of the system, without voter approval.

4 **SECTION 4. AMENDMENT.** Subdivision b of subsection 2 of section 61-32-03.1 of the
5 North Dakota Century Code is amended and reenacted as follows:

- 6 b. Upon submission of a completed application for a permit, the water resource
7 district board immediately shall give notice and a copy of the submission via
8 certified mail to each owner of land within one mile [1.61 kilometers] downstream
9 of the proposed subsurface water management system outlet unless the distance
10 to the nearest waterway depicted as a perennial or intermittent stream or river on
11 a United States geological survey topography map, assessment drain, natural
12 watercourse, slough, or lake is less than one mile [1.61 kilometers], in which case
13 notice and a copy of the submission must be given immediately to each owner of
14 land between the outlet and the nearest assessment drain, natural watercourse,
15 slough, or lake. The notice requirement in this section must be waived if the
16 applicant presents signed, notarized letters of approval from all downstream
17 landowners entitled to notice in this subsection.

18 **SECTION 5. AMENDMENT.** Subsection 8 of section 61-39-05 of the North Dakota Century
19 Code is amended and reenacted as follows:

- 20 8. Enter ~~a contract or contracts~~ to provide for a supply of bulk water from the Garrison
21 Diversion Conservancy District which ~~contract or contracts~~ may provide for payments
22 to fund some or all of the Garrison Diversion Conservancy District's costs of acquiring,
23 designing, constructing, or reconstructing one or more features of a Red River valley
24 water supply project, ~~which project the~~ that the Garrison Diversion Conservancy
25 District may acquire, design, construct, improve, and own, as well as the Garrison
26 Diversion Conservancy District's costs of operating and maintaining one or more Red
27 River valley water supply projects, whether the acquisition, construction, or
28 reconstruction of any Red River valley water supply project actually is completed and
29 whether water actually is delivered pursuant to the ~~contract or contracts, and which~~
30 ~~contract or contracts~~ the Garrison Diversion Conservancy District may execute.
31 Contracts executed under this subsection may be executed without limitation on the

- 1 term of years and, if executed in relation to the initial construction of the system, need
- 2 not be submitted to the voters for approval.