

WATERS

CHAPTER 559

SENATE BILL NO. 2256

(Senators Traynor, Espegard)
(Representatives D. Johnson, Schmidt)

DEVILS LAKE BONDS EXTENSION

AN ACT to amend and reenact section 11 of chapter 535 of the 1999 Session Laws, relating to the issuance of bonds for construction of an outlet from Devils Lake.

BE IT ENACTED BY THE LEGISLATIVE ASSEMBLY OF NORTH DAKOTA:

SECTION 1. AMENDMENT. Section 11 of chapter 535 of the 1999 Session Laws is amended and reenacted as follows:

SECTION 11. EXPIRATION DATE. ~~The~~ Except for the issuance of bonds for construction of an outlet from Devils Lake, the authority of the commission to issue bonds as provided in chapter 61-02.1 is effective through June 30, 2001, and after that date is ineffective provided, however, that. The authority of the commission to issue bonds as provided in chapter 61-02.1 for construction of an outlet from Devils Lake is effective through June 30, 2003, and after that date is ineffective. However, the commission may continue to exercise all other powers granted to it under this Act and to comply with any covenants entered into pursuant to this Act.

Approved March 28, 2001

Filed March 28, 2001

CHAPTER 560

SENATE BILL NO. 2264

(Senators Espegard, Christenson, Flakoll, Holmberg, Tollefson, Traynor)

GRAND FORKS BONDS EXTENSION

AN ACT to amend and reenact section 11 of chapter 535 of the 1999 Session Laws, relating to the issuance of bonds for a flood control or reduction project in Grand Forks.

BE IT ENACTED BY THE LEGISLATIVE ASSEMBLY OF NORTH DAKOTA:

SECTION 1. AMENDMENT. Section 11 of chapter 535 of the 1999 Session Laws is amended and reenacted as follows:

SECTION 11. EXPIRATION DATE. ~~The~~ Except for the issuance of bonds for a flood control or reduction project in Grand Forks, the authority of the commission to issue bonds as provided in chapter 61-02.1 is effective through June 30, 2001, and after that date is ineffective provided, however, that. The authority of the commission to issue bonds as provided in chapter 61-02.1 for construction of a flood control or reduction project in Grand Forks is effective through June 30, 2003, and after that date is ineffective. However, the commission may continue to exercise all other powers granted to it under this Act and to comply with any covenants entered into pursuant to this Act.

Approved April 18, 2001
Filed April 18, 2001

CHAPTER 561

SENATE BILL NO. 2285

(Senators Fischer, G. Nelson, Traynor)
(Representatives Belter, Brekke, Delmore)

SECTION 404 PROGRAM ASSUMPTION

AN ACT to repeal section 12 of chapter 594 of the 1993 Session Laws, as amended by section 1 of chapter 589 of the 1995 Session Laws, relating to the effective date of the assumption of the section 404 program of the Clean Water Act by the state; to provide an appropriation; and to provide an effective date.

BE IT ENACTED BY THE LEGISLATIVE ASSEMBLY OF NORTH DAKOTA:

SECTION 1. REPEAL. Section 12 of chapter 594 of the 1993 Session Laws, as amended by section 1 of chapter 589 of the 1995 Session Laws, is repealed.

SECTION 2. APPROPRIATION. There is appropriated out of any moneys in the water development trust fund in the state treasury, not otherwise appropriated, the sum of \$800,000, or so much of the sum as may be necessary, to the state water commission for the purpose of assuming jurisdiction over and administering the section 404 program of the Clean Water Act, for the biennium beginning July 1, 2001, and ending June 30, 2003. The state water commission is authorized five additional full-time equivalent positions to implement this Act.

SECTION 3. EFFECTIVE DATE. This Act becomes effective on the date the state engineer certifies to the governor that a program has been designed to effectively assume responsibility for the section 404 program of the Clean Water Act and the state water commission is ready to assume those responsibilities. The governor shall notify the secretary of state and the legislative council of the effective date of this Act.

Approved April 24, 2001
Filed April 24, 2001

CHAPTER 562

HOUSE BILL NO. 1151

(Natural Resources Committee)
(At the request of the State Water Commission)

DEVILS LAKE OUTLET CONSTRUCTION AND BONDING

AN ACT to create and enact a new section to chapter 61-02 of the North Dakota Century Code, relating to construction of a Devils Lake outlet; to amend and reenact subdivision e of subsection 1 of section 61-01-26.2, subsections 7 and 9 of section 61-02.1-01, and subsection 3 of section 61-02.1-02 of the North Dakota Century Code, relating to bonding for a Devils Lake outlet; and to declare an emergency.

BE IT ENACTED BY THE LEGISLATIVE ASSEMBLY OF NORTH DAKOTA:

SECTION 1. AMENDMENT. Subdivision e of subsection 1 of section 61-01-26.2 of the 1999 Supplement to the North Dakota Century Code is amended and reenacted as follows:

- e. Devils Lake outlet to the Sheyenne River and to west Stump Lake: Seventeen million five hundred thousand dollars in state funds and thirty-two million five hundred thousand dollars in federal funds. The total state cost-share of seventeen million five hundred thousand dollars includes mitigation costs and will be bonded, requiring a local repayment estimated at one million five hundred thousand dollars per year, with the split between state and local loan repayment to be determined. Before bonds may be issued for a Devils Lake outlet, construction of the outlet must be approved by the state water commission ~~and the federal government must have agreed to participate in construction of the outlet.~~

²⁸⁷ **SECTION 2.** A new section to chapter 61-02 of the North Dakota Century Code is created and enacted as follows:

Devils Lake outlet - Eminent domain - Design and build construction. In the construction of an outlet from Devils Lake, the commission:

1. Shall make a reasonable and diligent effort to acquire the property interests needed by negotiation. The commission is deemed to have made a reasonable and diligent effort if it has contacted or attempted to contact the owner of the property interest needed at least three times over a thirty-day period. If the commission is unable to acquire the interest needed by negotiation, then it may take possession of the interests needed after making a written offer to purchase and depositing the amount of the offer with the clerk of the district court of the county in

²⁸⁷ Section 61-02-23.2 was amended by section 12 of House Bill No. 1023, chapter 22.

which the property interest is located. The clerk shall immediately notify the property owner in writing of the deposit. Within thirty days after receiving notice, the property owner may appeal to district court by serving notice of appeal upon the commission and the matter must be tried in the manner prescribed under chapter 32-15.

2. May issue, when it determines that it would be advantageous to the state or that it is necessary in order to construct the outlet in a timely manner, a request for proposals to design and build the outlet. The request for proposals must require that each proposal submitted contain a single price that includes the cost to design and build the outlet. Neither chapter 48-01.1 or 54-44.7, nor any other law requiring competitive bidding applies to the construction of the outlet if the commission determines to use the design and build procedure. The commission shall select the proposal that it determines is the most advantageous to the state.

SECTION 3. AMENDMENT. Subsections 7 and 9 of section 61-02.1-01 of the 1999 Supplement to the North Dakota Century Code are amended and reenacted as follows:

7. In furtherance of the public purposes set forth in subsections 3 and 4, the state water commission may issue bonds under chapter 61-02 to finance the cost of one or more of the projects identified in this subsection, provided that:
 - a.
 - (1) The state water commission may only issue bonds for construction of an outlet from Devils Lake when either the state water commission or the United States authorizes construction of an outlet and either the state water commission or a federal agency has developed a plan addressing damage to basic infrastructure such as roads, culverts, and bridges; riverbank erosion; downstream flooding; and increased water treatment costs caused by or resulting from construction of the outlet;
 - (2) ~~The state water commission or the project sponsor must sign a project cooperation agreement with the United States army corps of engineers;~~
 - ~~(3)~~ The outlet from Devils Lake to west Stump Lake must comply with any environmental impact statement or National Environmental Policy Act provisions required under federal law; and
 - ~~(4)~~ (3) Bonds may not be issued if an order for injunctive relief has been issued by a court of competent jurisdiction enjoining construction of an outlet from Devils Lake to the Sheyenne River or to west Stump Lake.
 - b. The state water commission may only issue bonds to finance the nonfederal cost-share of the Garrison diversion unit when the Congress of the United States enacts legislation for the completion of the Garrison diversion unit, which may include the delivery of water to the northwest area water supply project; southwest pipeline project; Turtle Lake irrigation district; Nesson-Valley

irrigation district; Elk Charbon irrigation district; the Williston irrigation project; the Oakes irrigation project; other irrigation, municipal, rural, and industrial water supply projects; augmented streamflow and ground water recharge projects; development of a Red River valley water supply; and delivery of Missouri River water to the Sheyenne River.

9. Notwithstanding this section, the state water commission may not issue bonds authorized under subsection 5 ~~or subdivision a of subsection 7~~ for a project unless federal funds have been appropriated for that project.

SECTION 4. AMENDMENT. Subsection 3 of section 61-02.1-02 of the 1999 Supplement to the North Dakota Century Code is amended and reenacted as follows:

3. The state water commission bonds issued as provided in subsection 7 of section 61-02.1-01 for a Devils Lake outlet to the Sheyenne River and to west Stump Lake or other projects listed in subdivision b of subsection 7 of section 61-02.1-01 may not exceed, in the aggregate, twenty million dollars, plus the costs of issuance of the bonds, capitalized interest, and reasonably required reserves. The state water commission may use all or part of the proceeds of bonds issued as provided in subsection 7 of section 61-02.1-01 and the proceeds are appropriated to pay the costs of such projects or to match, in a ratio no greater than required by the federal government, any federal funds available for the projects identified in subsection 7 of section 61-02.1-01 and to repay the line of credit extended to the state water commission under S.L. 1999, ch. 535, § 4. The commission may require any political subdivision affected by Devils Lake flooding to participate in the cost of construction of an outlet from Devils Lake to the Sheyenne River and to west Stump Lake by providing matching funds in a percentage of the construction costs determined by the commission to be reasonable in light of the benefits to be received by that political subdivision in relation to benefits received by all benefited political subdivisions. Any local matching fund requirement must be determined by the commission and the affected political subdivisions must be informed of their matching fund obligation prior to issuance of bonds pursuant to this chapter.

SECTION 5. EMERGENCY. This Act is declared to be an emergency measure.

Approved April 3, 2001
Filed April 3, 2001

CHAPTER 563**SENATE BILL NO. 2128**

(Natural Resources Committee)

(At the request of the State Water Commission)

WATER COMMISSION MEMBER CONFLICT OF INTEREST

AN ACT to create and enact a new section to chapter 61-02 of the North Dakota Century Code, relating to conflicts of interest of members of the state water commission.

BE IT ENACTED BY THE LEGISLATIVE ASSEMBLY OF NORTH DAKOTA:

SECTION 1. A new section to chapter 61-02 of the North Dakota Century Code is created and enacted as follows:

Conflict of interest.

1. A member of the commission who has a direct or indirect personal or pecuniary interest in a matter before the commission must disclose that fact to the commission and may not participate in or vote on that particular matter.
2. Sections 12.1-13-02, 12.1-13-03, and 48-02-12 do not apply to contracts in which a member of the commission is directly or indirectly interested if the requirements of subsection 1 have been met.

Approved March 16, 2001
Filed March 16, 2001

CHAPTER 564

SENATE BILL NO. 2182

(Senators Solberg, O'Connell, Tollefson)
(Representatives Boucher, Gunter, Nelson)

PRESCRIPTIVE WATER RIGHTS

AN ACT to amend and reenact section 61-04-22 of the North Dakota Century Code, relating to prescriptive water rights.

BE IT ENACTED BY THE LEGISLATIVE ASSEMBLY OF NORTH DAKOTA:

SECTION 1. AMENDMENT. Section 61-04-22 of the North Dakota Century Code is amended and reenacted as follows:

61-04-22. Prescriptive water right. ~~Any~~ A person who used or attempted to appropriate water from any source for beneficial use over a period of twenty years prior to July 1, 1963, ~~shall be~~ is deemed to have acquired a right to the use of ~~such the~~ the water without having filed or prosecuted an application to acquire a right to the beneficial use of ~~such the~~ the waters if the user shall have, by ~~July 1, 1965~~ December 31, 2001, filed with the state engineer an application for a water permit. If the state engineer ~~found~~ finds that the application ~~substantiated~~ substantiates the claim and it ~~was~~ is approved, it ~~shall be~~ is a perfected water permit with a priority date relating back to the date when the first step was taken to appropriate the water in the quantity stated in the application was first appropriated. The first step may have consisted of survey work, drilling, ditching, damming, diking, or other actual preparation for the appropriation of water provided that the first step was followed by due diligence resulting in the appropriation of water. If the prescriptive user ~~failed~~ fails to file an application for a water permit with the state engineer by ~~July 1, 1965,~~ such December 31, 2001, the prescriptive water right ~~shall~~ must be declared abandoned and forfeited. ~~Any~~ A prescriptive water permit acquired under this section ~~shall be~~ is subject to forfeiture for nonuse as prescribed by sections 61-04-23 through 61-04-25. The state engineer shall publish in each official county newspaper published in this state notice of the deadline for filing for an appropriation permit under this section.

Approved April 9, 2001

Filed April 10, 2001

CHAPTER 565

HOUSE BILL NO. 1284

(Representatives Rennerfeldt, DeKrey, Gulleson, Lloyd)
(Senators Solberg, Wanzek)

IRRIGATION DISTRICT BOUNDARIES

AN ACT to amend and reenact sections 61-05-13, 61-06-01, 61-10-31, and 61-10-38 of the North Dakota Century Code, relating to organization, government, and boundaries of irrigation districts.

BE IT ENACTED BY THE LEGISLATIVE ASSEMBLY OF NORTH DAKOTA:

SECTION 1. AMENDMENT. Section 61-05-13 of the North Dakota Century Code is amended and reenacted as follows:

61-05-13. State engineer to make order establishing irrigation district - Calling election - Dividing district - Contents of order. If the state engineer ~~shall have found~~ finds and ~~determined~~ determines that the establishment of the proposed irrigation district is advisable, and that the plan proposed for irrigating the lands therein is practicable and economically sound, the state engineer shall make an order establishing ~~such the~~ irrigation district, subject to the approval of the electors of the district at an election called by the state engineer for that purpose. If the district embraces more than ~~ten~~ twenty thousand irrigable acres [~~4046.86~~ 8093.72 irrigable hectares] of land, the state engineer by ~~such the~~ order shall divide the district into five or seven divisions or precincts as the state engineer ~~shall deem~~ determines necessary for the convenience of the electors of the district. The divisions or precincts ~~shall~~ must be as nearly equal in size as may be deemed practicable, ~~such the divisions shall~~ must be numbered, and one director ~~shall~~ must be elected from, and by the electors of, each division. If an elector owns land in more than one division, the elector ~~shall~~ must cast all the elector's votes for director and be eligible for election as a director in the division in which the majority of the elector's land subject to assessment lies. ~~Such The order shall~~ must set forth:

1. The time and place of holding ~~such the~~ election.
2. The boundaries of the district.
3. That a petition sufficient in form and substance was filed with the state engineer.
4. That due and reasonable notice of time and place of hearing on petition was given to the qualified electors of the proposed irrigation district.

A copy of ~~such the~~ order ~~shall~~ must be filed with the county auditor of each county in which the irrigation district is situated. ~~Such The order shall be~~ is prima facie evidence of the matter and facts therein stated.

SECTION 2. AMENDMENT. Section 61-06-01 of the North Dakota Century Code is amended and reenacted as follows:

61-06-01. Board of directors of irrigation district - Terms - Vacancies. If an irrigation district contains less than ~~ten~~ twenty thousand irrigable acres [~~4046.86~~

8093.72 irrigable hectares] of land and is not divided into precincts or divisions, the board of directors ~~thereof shall consist~~ consists of five directors who must be residents of the state and electors of the district and must be elected at large. Two directors elected at the election for the organization of the district ~~shall~~ serve until the first Tuesday in April following the first regular district election, and three ~~directors shall~~ serve until the first Tuesday in April following the second regular election.

If an irrigation district contains ~~ten~~ twenty thousand irrigable acres [~~4046.86~~ 8093.72 irrigable hectares] or more, it must be divided into five or seven divisions or precincts, as the case may be, and one director must be elected from and by the electors of each division or precinct.

If an irrigation district contains ~~ten~~ twenty thousand irrigable acres [~~4046.86~~ 8093.72 irrigable hectares] or more and is divided into five divisions or precincts, the board of directors of ~~such the~~ irrigation district ~~shall consist~~ consists of five directors. Two directors elected at the election for the organization of the district ~~shall~~ serve until the first Tuesday in April following the first regular district election, and three directors ~~shall~~ serve until the first Tuesday in April following the second regular district election.

If an irrigation district contains ~~ten~~ twenty thousand irrigable acres [~~4046.86~~ 8093.72 irrigable hectares] or more and is divided into seven divisions or precincts, the board of directors of ~~such the~~ irrigation district ~~shall consist~~ consists of seven directors. Three directors elected at the election for the organization of the district ~~shall~~ serve until the first Tuesday in April following the first regular district election, and four directors ~~shall~~ serve until the first Tuesday in April following the second regular district election.

The terms of office of the directors elected at ~~such the~~ first election for the organization of the district must be determined by lot at their first meeting. Directors elected at subsequent elections ~~shall~~ serve for four years and until their successors are duly elected and qualified. In case the office of any director becomes vacant, the remaining members of the board shall fill the vacancy by appointment. A director appointed to fill a vacancy ~~shall serve~~ serves the unexpired term of the director whose office ~~he that director~~ has been appointed to fill. ~~In the event that~~ If vacancies occur in the offices of a majority of the directors of an irrigation district, the remaining members and the state engineer shall fill the vacancies; and ~~in the event that~~ if the offices of all the directors become vacant, the state engineer shall appoint the members of the board and they ~~shall~~ serve until the next regular election of the district. Their successors in office must then be elected to serve the unexpired term of the directors whose offices became vacant. The unexpired term of office ~~which that each director thus elected shall fill~~ fills must be determined by lot.

At the regular irrigation district election in 1984, the secretary of any existing irrigation district which has only three directors shall include in the notice of election a statement that irrigation districts must have five directors, and that the two new positions for director will be filled at the upcoming district election. The notice must also state that any elector desiring to be a candidate for the office of district director and to have the elector's name appear on the ballot for one of the new openings for the office of director must file a request with the secretary of the board not less than twenty days before the election. For the irrigation districts with only three directors, the directors elected for the two new positions, and the director elected to fill the office of the existing director whose regular term would have expired in 1984, must be elected to four-year terms. The remaining directors of existing irrigation districts with three directors whose terms do not expire in 1984 shall serve until the next regular election of the irrigation district, which must be in 1986. Directors elected at

the regular election of an irrigation district in 1986 must then be elected for four-year terms.

SECTION 3. AMENDMENT. Section 61-10-31 of the North Dakota Century Code is amended and reenacted as follows:

61-10-31. Redivision of district into divisions. When lands are included in an irrigation district by means of the procedure described in this chapter, and if the district will contain after inclusion of ~~such~~ the lands ~~ten~~ twenty thousand irrigable acres [~~4046.86~~ 8093.72 irrigable hectares] or more, at least thirty days ~~prior to~~ before the next general election, the board shall make an order dividing or redividing ~~such~~ the district into divisions in conformity with section 61-05-13. ~~Such~~ The divisions ~~shall~~ must be as nearly equal in size as may be practicable and they ~~shall~~ must be numbered, with one director thereafter elected by and from each division.

SECTION 4. AMENDMENT. Section 61-10-38 of the North Dakota Century Code is amended and reenacted as follows:

61-10-38. Elimination of divisions of district. When lands are excluded from an irrigation district by means of the procedure described in this chapter, and if the district will contain less than ~~ten~~ twenty thousand irrigable acres [~~4046.86~~ 8093.72 irrigable hectares] after the exclusion of ~~such~~ the lands, the board of directors shall issue an order eliminating district divisions in conformity with section 61-05-13.

Approved March 21, 2001
Filed March 21, 2001

CHAPTER 566

SENATE BILL NO. 2287

(Senators Fischer, Urlacher)
(Representatives Aarsvold, Nelson, Weisz)

WATERCOURSE MAINTENANCE AND BRIDGE DEBRISMENT

AN ACT to create and enact a new section to chapter 61-16.1 of the North Dakota Century Code, relating to maintenance of natural watercourses and debrisement of bridges and low water crossings.

BE IT ENACTED BY THE LEGISLATIVE ASSEMBLY OF NORTH DAKOTA:

SECTION 1. A new section to chapter 61-16.1 of the North Dakota Century Code is created and enacted as follows:

Watercourses, bridges, and low water crossings. A water resource board may undertake the snagging, clearing, and maintaining of natural watercourses and the debrisement of bridges and low water crossings. The board may finance the project in whole or in part with funds raised through the collection of a special assessment levied against the land and premises within the watershed benefited by the project. All provisions of this chapter apply to assessments levied under this section except:

1. An assessment may not exceed fifty cents per acre [.40 hectare] annually on agricultural lands and may not exceed fifty cents annually for each five hundred dollars of taxable valuation of nonagricultural property; and
2. If the assessment is for a project costing less than one hundred thousand dollars, no action is required for the establishment of the assessment district or the assessments except the board must approve the project and assessment by a vote of two-thirds of the members and the board of county commissioners of the county must approve and levy the assessments to be made by a vote of two-thirds of its members.

Approved April 23, 2001
Filed April 23, 2001

CHAPTER 567

HOUSE BILL NO. 1060

(Representatives Koppang, Mahoney, Wikenheiser)
(Senators Fischer, Freborg)

DRAIN FUND CUSTODY

AN ACT to amend and reenact sections 61-21-19, 61-21-28, 61-21-29, and 61-21-50 of the North Dakota Century Code, relating to custody of drain funds.

BE IT ENACTED BY THE LEGISLATIVE ASSEMBLY OF NORTH DAKOTA:

SECTION 1. AMENDMENT. Section 61-21-19 of the North Dakota Century Code is amended and reenacted as follows:

61-21-19. Right of way - How acquired - Assessment of damages - Issuance of warrants. The right of way for the construction, operation, and maintenance of ~~any~~ a proposed drain, if not conveyed to the county by the owner, may be acquired by eminent domain in ~~such~~ the manner as ~~may be~~ prescribed by law. ~~Where~~ If lands assessed for drainage benefits are not contiguous to ~~such~~ the drain, access right of way thereto over the land of others may be acquired in the same manner. ~~Such~~ The right of way, when acquired, ~~shall be~~ is the property of the county. The board may issue warrants in a sum sufficient to pay the damages assessed for ~~such~~ the right of way. ~~Such~~ The warrants ~~shall~~ must be drawn upon the proper county treasurer or, if the water resource district treasurer is custodian of the drain funds, water resource district treasurer, and ~~shall be~~ are payable out of ~~any~~ drain funds in the hands of the treasurer ~~which~~ that have been collected for the construction of the drain for which ~~such~~ the right of way is sought to be obtained. The board shall negotiate the warrants at not less than the par value thereof and shall pay into court for the benefit of the owners of the right of way the amount to which each is entitled according to the assessment of damages, paying the surplus, if any, to the county treasurer or water resource district treasurer, who shall place the same to the credit of the proper drain fund.

SECTION 2. AMENDMENT. Section 61-21-28 of the North Dakota Century Code is amended and reenacted as follows:

61-21-28. Collection of drain taxes. The county treasurer shall collect the drain taxes ~~shall be collected by the county treasurer,~~ and shall credit all moneys so collected ~~shall be credited~~ to the drain fund to which they belong. The county treasurer shall act as the custodian of ~~such~~ the drain funds unless the board of the water resource district having jurisdiction over the drain requests otherwise in writing. Upon receiving a written request from the water resource district board, the county treasurer shall pay all moneys collected, and the earnings thereon, to the treasurer of the water resource district, who shall then act as the custodian of the drain funds. A direction by a board is effective for all moneys then in the custody of the county treasurer and all moneys subsequently collected thereafter unless and until the board directs in writing that the county treasurer act as the custodian of the moneys.

SECTION 3. AMENDMENT. Section 61-21-29 of the North Dakota Century Code is amended and reenacted as follows:

61-21-29. Payment of costs and expenses of locating, constructing, maintaining, and improving drain - Warrants issued. Payment of all expenses and costs of locating and constructing ~~any a drain shall~~ must be made upon order of the board and warrants therefor ~~shall~~ must be signed by the chairman and one other member of the board. All warrants drawn by the board in payment of items of expense of a drain ~~shall be~~ are payable from the proper drain fund and ~~shall~~ must be accepted by the treasurer in payment of taxes levied in regard to ~~such the~~ drain. All ~~such~~ warrants, after presentation to the county treasurer or, if the water resource district treasurer is custodian of the drain funds, the water resource district treasurer for payment, if not paid for want of funds, ~~shall~~ must be registered by the county treasurer or water resource district treasurer and thereafter bear interest at a rate not to exceed eight percent per annum. The county commissioners, by proper resolution, are authorized to purchase drainage warrants from general county funds in instances ~~where such~~ when the warrants will be funded by a bond issue within six months from the date of purchase.

SECTION 4. AMENDMENT. Section 61-21-50 of the North Dakota Century Code is amended and reenacted as follows:

61-21-50. Drain warrants - Terms and amounts. Drain costs ~~shall~~ must be paid upon order of the board by warrants signed by the chairman and one other member of the board. The warrants ~~shall be~~ are payable from the proper drain fund and, upon maturity, ~~shall be~~ are receivable by the treasurer for drain assessments supporting ~~such the~~ fund. The warrants may be issued at any time after the order establishing the drain has become final and after incurring liability to pay for ~~any~~ drain work to be financed by drain assessments and in anticipation of levy and collection of ~~such the~~ assessments. Every warrant not made payable on demand ~~shall~~ must specify the date when it becomes payable. Demand warrants not paid for want of funds ~~shall~~ must be registered by the county treasurer or, if the water resource district treasurer is custodian of the drain funds, the water resource district treasurer and ~~shall thereafter~~ bear interest at a rate determined by the board, not exceeding eight percent per annum. Warrants of specified maturities ~~shall~~ bear interest according to their provisions at a rate or rates resulting in an average net interest cost not exceeding twelve percent per annum if sold at private sale, and may be issued with interest coupons attached. There is no interest rate ceiling on warrants sold at public sale or to the state of North Dakota or any of its agencies or instrumentalities. All drain warrants ~~shall~~ must state upon their face the purpose for which they are issued and the drain fund from which they are payable. The warrants may be used to pay drain obligations, or may be sold at not less than ninety-eight percent of par value, provided that the proceeds of warrants sold ~~shall be~~ are placed in the proper drain fund and used exclusively for drain expenses. Any unpaid warrants issued for the acquisition of right of way or the construction of ~~any a~~ drain, including all incidental costs in connection therewith, ~~shall~~ must be funded by a bond issue within one hundred eighty days from and after the filing of the assessment of all ~~such~~ costs with the county auditor as provided in section 61-21-27, but ~~such this~~ requirement ~~shall~~ may not be construed as prohibiting the funding of warrants or the issuance of bonds after ~~such the~~ one hundred eighty-day period.

Approved March 6, 2001
Filed March 6, 2001

CHAPTER 568

HOUSE BILL NO. 1158

(Natural Resources Committee)

(At the request of the State Water Commission)

SOUTHWEST PIPELINE PROJECT BOND LIMITATION

AN ACT to amend and reenact section 61-24.3-01 of the North Dakota Century Code, relating to the amount of bonds that may be issued to finance the southwest pipeline project.

BE IT ENACTED BY THE LEGISLATIVE ASSEMBLY OF NORTH DAKOTA:

SECTION 1. AMENDMENT. Section 61-24.3-01 of the 1999 Supplement to the North Dakota Century Code is amended and reenacted as follows:

61-24.3-01. Legislative findings and intent. The legislative assembly finds that adequate water supplies for municipal, domestic, livestock, rural, irrigation, industrial, and other uses are essential for the social stability and economic security of the people of the state of North Dakota. It is further found that the development and utilization of the water resources of this state are necessary for the protection of health, property, and enterprise, and for the promotion of prosperity and general welfare of the people of the state of North Dakota, and that such development and utilization of water resources in this state involves, necessitates, and requires the exercise of the sovereign powers of the state and concern a public purpose. Therefore, it is hereby declared necessary that the southwest pipeline project, as authorized and approved pursuant to this chapter, be established and constructed, to provide for the supplementation of the water resources of a portion of the area of North Dakota south and west of the Missouri River with water supplies from the Missouri River for multiple purposes, including domestic, rural, and municipal uses. In furtherance of this public purpose, the state water commission may provide for the issuance of bonds not to exceed ~~fifteen~~ twenty-five million dollars in accordance with chapter 61-02 to finance the cost of the project. The provisions of this chapter may not be construed to, in any manner, abrogate or limit the rights, powers, duties, or functions of the state water commission or the state engineer, but are supplementary thereto. Nor may this chapter be construed as limiting or in any way affecting the laws of this state relating to the organization or operation of irrigation districts, water resource districts, or other political subdivisions.

Approved March 16, 2001

Filed March 16, 2001

CHAPTER 569

SENATE BILL NO. 2223 (Senators Urlacher, Krauter, Wardner) (Representative Haas)

SOUTHWEST WATER AUTHORITY DIRECTORS AND WATER DISTRICT EXPENSES

AN ACT to amend and reenact sections 61-24.5-04, 61-24.5-08, and subsection 7 of section 61-35-12 of the North Dakota Century Code, relating to the board of directors of the southwest water authority and the reimbursement of water district employee expenses; and to repeal section 61-24.5-05 of the North Dakota Century Code, relating to the initial board of directors of the southwest water authority.

BE IT ENACTED BY THE LEGISLATIVE ASSEMBLY OF NORTH DAKOTA:

SECTION 1. AMENDMENT. Section 61-24.5-04 of the 1999 Supplement to the North Dakota Century Code is amended and reenacted as follows:

61-24.5-04. Board of directors - Officers - Meetings - Compensation. The authority must be governed by a board of directors who must be chosen in accordance with this chapter. ~~At the first election after the initial board of directors has been appointed, two directors~~ One director must be elected from each county within the authority, and ~~three~~ two directors must be elected in the city of Dickinson. ~~The two directors~~ director from Stark County may not be ~~residents~~ a resident of the city of Dickinson. The board shall elect from the directors a chairman, vice chairman, and secretary. A majority of the directors constitutes a quorum for the purpose of conducting the business of the board. The board shall meet at the time and place designated by the secretary. Board members are entitled to receive compensation in the amount not to exceed sixty-two dollars and fifty cents per day and must be reimbursed for their mileage and expenses in the amount provided for by sections 44-08-04 and 54-06-09.

SECTION 2. AMENDMENT. Section 61-24.5-08 of the North Dakota Century Code is amended and reenacted as follows:

61-24.5-08. Term of office of directors - Oath of office - Bonds. Members of the board of directors of the authority ~~shall~~ hold office for a term of four years, until a successor has been duly elected and qualified; ~~but one-half of the first county directors elected shall hold office for a term of two years, and one-half shall hold office for a term of four years. Two of the three first city directors shall hold office for a term of four years, and the third shall hold office for a term of two years. Terms of office of directors elected at the first election must be determined by lot. Each county shall have one two-year director and one four-year director, and the city of Dickinson shall have one two-year and two four-year directors on the first elected board of directors. Directors elected thereafter shall hold office for a term of four years. If the office of any director becomes vacant by reason of the failure of any director elected at any election to qualify or for any other reason, the director's successor must be appointed to fill the vacancy by the board of county commissioners of the county in which the vacancy occurs, or by the governing body of the city of Dickinson. A director appointed to fill a vacancy shall hold office for the unexpired term of the~~

director whose office has become vacant, and until a successor has been elected and qualified.

Members of the board of directors elected from a county must be elected at the primary election; ~~beginning in 1992~~, and shall assume office on the first Monday in July following their election. Members of the board of directors elected from the city of Dickinson must be elected at the municipal election; ~~beginning in 1992~~, and shall assume office on the first Monday in July following their election.

In 2002 all directors' terms are deemed to have expired, and each county shall elect one director to serve on the board of directors and the city of Dickinson shall elect two directors to serve on the board of directors. In 2002 one director from the city of Dickinson and directors from Adams, Billings, Dunn, Grant, Oliver, and Slope counties must be elected for two-year terms and in 2004 and thereafter must be elected for four-year terms. All other directors elected in 2002 must be elected for four-year terms.

Before assuming the duties of the office of director, each director shall take and subscribe to the oath of office prescribed by law for civil officers. The authority treasurer must be bonded in an amount as the board may prescribe.

SECTION 3. AMENDMENT. Subsection 7 of section 61-35-12 of the North Dakota Century Code is amended and reenacted as follows:

7. Appoint and fix the compensation and reimbursement of expenses of such employees as the board deems necessary to conduct the business and affairs of the district and to procure the services of engineers and other technical experts, and to retain attorneys to assist, advise, and act for it in its proceedings.

SECTION 4. REPEAL. Section 61-24.5-05 of the North Dakota Century Code is repealed.

Approved April 12, 2001
Filed April 12, 2001

CHAPTER 570**SENATE BILL NO. 2222**
(Senators Urlacher, Krauter, Wardner)
(Representative Haas)**SOUTHWEST WATER AUTHORITY MILL LEVY**

AN ACT to amend and reenact section 61-24.5-10 of the North Dakota Century Code, relating to the mill levy for the southwest water authority.

BE IT ENACTED BY THE LEGISLATIVE ASSEMBLY OF NORTH DAKOTA:

SECTION 1. AMENDMENT. Section 61-24.5-10 of the North Dakota Century Code is amended and reenacted as follows:

61-24.5-10. District budget - Tax levy. For each taxable year through ~~2006~~ 2010, the authority may levy a tax of not to exceed one mill annually on each dollar of taxable valuation within the boundaries of the authority for the payment of administrative expenses of the authority, including per diem, mileage, and other expenses of directors, expenses of operating the office, engineering, surveying, investigations, legal, administrative, clerical, and other related expenses of the authority. All moneys collected pursuant to the levy must be deposited to the credit of the authority and may be disbursed only as herein provided. The board may invest any funds on hand, not needed for immediate disbursement or which are held in reserve for future payments, in bonds of the United States, certificates of deposit guaranteed or insured by the United States or an instrumentality or agency thereof, and bonds or certificates of indebtedness of the state of North Dakota, or any of its political subdivisions. During the period of time in which the authority may levy one mill annually as provided herein, any joint water resource board created pursuant to section 61-16.1-11, by or among one or more of the water resource districts in the counties which are included in the authority, must be limited to one mill under the authority of section 61-16.1-11.

Approved April 19, 2001

Filed April 19, 2001