Sixty-sixth Legislative Assembly of North Dakota

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 Any city owning a system for the distribution of water for fire protection and other 1. 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 suchthose 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 deemdeems 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:
- 191.a.To establish and maintain rates and charges for supplying water by it to its20inhabitants and industries, either according to a prescribed schedule agreed21upon or sufficient to produce net stated amounts for specified periods during the22life of the contract, or both, and to appropriate and use the same for payments to23become due under the contract, and, if the contract so provides, the city shall-24beis obligated to pay for such the water solely out of such the net revenues;

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1	2.	<u>b.</u> 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 suchthe water on the most efficient and economical basis.
6	<u>2.</u>	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	<u>3.</u>	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	SEC	TION 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	SEC	TION 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

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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.

notwithstanding any limitation to the contraryand, if the contracts are executed in