

Sixty-seventh
Legislative Assembly
of North Dakota

ENGROSSED HOUSE BILL NO. 1063

Introduced by

Energy and Natural Resources Committee

(At the request of the State Water Commission)

1 A BILL for an Act to amend and reenact sections 61-24.6-02, 61-24.6-03, 61-24.6-04,
2 61-24.6-06, 61-24.6-07, 61-24.6-08, 61-24.6-09, 61-24.6-10, and 61-24.6-11 of the North
3 Dakota Century Code, relating to the northwest area water supply advisory committee and the
4 areas to be served by the northwest area water supply project; to provide for legislative
5 management reports; and to declare an emergency.

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

7 **SECTION 1. AMENDMENT.** Section 61-24.6-02 of the North Dakota Century Code is
8 amended and reenacted as follows:

9 **61-24.6-02. Northwest area water supply advisory committee - Created.**

10 The northwest area water supply advisory committee consists of the following
11 representatives, appointed by the state engineer:

- 12 1. One person from the city of Minot recommended by the Minot city council.
- 13 2. ~~One person from the city of Williston recommended by the Williston city council.~~
- 14 3. One person from the Bottineau, Burke, ~~Divide~~, McHenry, McLean, ~~Mountrail~~, Pierce,
15 Renville, and Ward, ~~or Williams~~ County water resource districts recommended jointly
16 by the governing boards of the Bottineau, Burke, ~~Divide~~, McHenry, McLean, ~~Mountrail~~,
17 Pierce, Renville, and Ward, ~~or Williams~~ County water resource districts.
- 18 ~~4.3.~~ One representative of the state water commission recommended by the commission.
- 19 ~~5.4.~~ One representative of the ~~Three Affiliated Tribes, representing that area of the Fort~~
20 ~~Berthold Indian Reservation north of the Missouri River and Lake Sakakawea~~ Turtle
21 Mountain Band of Chippewa Indians recommended by the tribal council who will serve
22 as a nonvoting member.

1 ~~6-5.~~ One representative of rural water distribution systems located in northwestern North
2 Dakota. This representative must be a resident of Bottineau, Burke, ~~Divide~~, McHenry,
3 McLean, ~~Mountrail~~, Pierce, Renville, or Ward, ~~or Williams~~ County.

4 ~~7-6.~~ One representative of a municipality other than the city of Minot, located in Bottineau,
5 Burke, ~~Divide~~, McHenry, McLean, ~~Mountrail~~, Pierce, Renville, or Ward, ~~or Williams~~-
6 County.

7 ~~8-7.~~ One representative of the Garrison Diversion Conservancy District recommended by
8 the board of directors of the conservancy district.

9 ~~9-8.~~ One at-large representative.

10 **SECTION 2. AMENDMENT.** Section 61-24.6-03 of the North Dakota Century Code is
11 amended and reenacted as follows:

12 **61-24.6-03. Advisory committee - Duty - Officers - Meetings - Compensation - Staffing.**

13 The northwest area water supply advisory committee shall develop recommendations for
14 the legislative management regarding the transition of long-term operations and management of
15 the northwest area water supply project. The advisory committee shall elect a chairman and
16 vice chairman. ~~The advisory committee shall~~ and meet no less than once per quarter at the
17 times and places necessary to carry out the purposes of this chapter. The advisory committee
18 members may be reimbursed for their mileage and expenses in the amount provided for by
19 sections 44-08-04 and 54-06-09. The advisory committee members serve at the pleasure of the
20 state engineer. Vacancies must be filled in the same manner as original appointments are
21 made. The state water commission shall provide staffing and support for the advisory
22 committee.

23 **SECTION 3. AMENDMENT.** Section 61-24.6-04 of the North Dakota Century Code is
24 amended and reenacted as follows:

25 **61-24.6-04. Powers of the state water commission in consultation with the northwest**
26 **area water supply advisory committee.**

27 The state water commission ~~may, in consultation~~ shall consult with the northwest area water
28 supply advisory committee regarding the following duties of the commission:

- 29 1. Accept funds, property, services, or other assistance, financial or otherwise, from
30 federal, state, tribal, and other public or private sources for the purpose of aiding and
31 promoting the development of a project to deliver water to northwestern North Dakota.

- 1 2. Cooperate and contract with the state, its agencies, or its political subdivisions, the
2 Three Affiliated Tribes, or any agency of the United States, in research and
3 investigation or other activities promoting the development of a project to deliver water
4 to northwestern North Dakota.
- 5 3. Appoint and procure the services of engineers, attorneys, and others to assist in
6 developing a project to deliver water to northwestern North Dakota.
- 7 4. Exercise such other powers as may be necessary for, or incidental to, the
8 achievement of the purposes of this chapter.
- 9 5. Construct, operate, and manage a project to deliver water throughout ~~northwestern~~
10 North Dakota the project area.

11 **SECTION 4. AMENDMENT.** Section 61-24.6-06 of the North Dakota Century Code is
12 amended and reenacted as follows:

13 **61-24.6-06. Commission to fix water rates for the northwest area water supply**
14 **project.**

15 The state water commission, after consulting with the northwest area water supply advisory
16 committee, shall establish the payments for water service to be paid by water user entities for
17 purchase of water from the northwest area water supply project. The payments for water service
18 must include each water user entity's proportionate share of the operation, maintenance, and
19 replacement costs, and also include a component for payment for capital costs. The
20 commission shall include in its determination of each water user entity's share of operation,
21 maintenance, and replacement costs an amount to be deposited in the northwest area water
22 supply project reserve fund for replacement, as established by section 61-24.6-07, for
23 replacement and extraordinary maintenance of northwest area water supply project works. The
24 amount of the reserve fund for replacement must be determined by the commission.

25 **SECTION 5. AMENDMENT.** Section 61-24.6-07 of the North Dakota Century Code is
26 amended and reenacted as follows:

27 **61-24.6-07. Operation and maintenance fund - Deposit - Use.**

28 Revenues received by the state water commission from water user entities or otherwise for
29 operation and maintenance of the northwest area water supply project must be maintained, as a
30 part of the moneys of the state received and kept by the state treasurer in a fund to be
31 designated as the northwest area water supply project operation and maintenance fund. All

1 moneys received by the state treasurer for operation and maintenance of the northwest area
2 water supply project and the interest on moneys in the fund must be kept by the state treasurer
3 in the fund distinct from all other moneys and must be disbursed by the state treasurer and
4 used only for paying for costs and expenditures for operation and maintenance of the northwest
5 area water supply project.

6 **SECTION 6. AMENDMENT.** Section 61-24.6-08 of the North Dakota Century Code is
7 amended and reenacted as follows:

8 **61-24.6-08. Reserve fund for replacement - Deposit - Use.**

9 Revenues received by the state water commission from water user entities or otherwise for
10 replacement and extraordinary maintenance of the northwest area water supply project may be
11 held pursuant to the terms of a resolution or trust indenture adopted by the commission. Any
12 money not held pursuant to the terms of a resolution or trust indenture must be deposited by the
13 commission and maintained, as a part of the moneys of the state received and kept by the state
14 treasurer, in a fund designated as the northwest area water supply project reserve fund for
15 replacement. All moneys received by the state treasurer for replacement and extraordinary
16 maintenance of the northwest area water supply project and the interest on the moneys must be
17 kept by the state treasurer in the fund distinct from all other moneys and must be disbursed by
18 the state treasurer and used only for replacement and extraordinary maintenance of the
19 northwest area water supply project.

20 **SECTION 7. AMENDMENT.** Section 61-24.6-09 of the North Dakota Century Code is
21 amended and reenacted as follows:

22 **61-24.6-09. Capital costs - Deposit - Use.**

23 Money derived and received from water user entities or otherwise for capital costs or
24 construction of the northwest area water supply project may be held pursuant to the terms of a
25 resolution or trust indenture adopted by the state water commission. Any money not held
26 pursuant to the terms of a resolution or trust indenture must be deposited by the commission
27 and maintained, as part of the moneys of the state received and kept by the state treasurer, in a
28 fund designated as the northwest area water supply project fund for capital costs and
29 construction. All moneys received by the state treasurer for capital costs and construction of the
30 northwest area water supply project, and all interest on the moneys, must be kept by the state

1 treasurer in the fund distinct from all other moneys and must be disbursed by the state treasurer
2 and used only for capital costs and construction of the northwest area water supply project.

3 **SECTION 8. AMENDMENT.** Section 61-24.6-10 of the North Dakota Century Code is
4 amended and reenacted as follows:

5 **61-24.6-10. Areas served by the northwest area water supply project.**

6 The commission may provide, as part of the northwest area water supply project, delivery,
7 distribution, and treatment of water from the Missouri River or other sources, to areas in
8 Bottineau, Burke, ~~Divide~~, McHenry, McLean, ~~Mountrail~~, Pierce, Renville, and Ward, ~~and~~
9 ~~Williams~~ Counties. The facilities for delivery of water may be from a pipeline transmission and
10 delivery system or through other works, as determined by the commission.

11 **SECTION 9. AMENDMENT.** Section 61-24.6-11 of the North Dakota Century Code is
12 amended and reenacted as follows:

13 **61-24.6-11. Commission has authority to sell property.**

14 If the state water commission determines property acquired for the northwest area water
15 supply project is no longer necessary for project purposes and the unnecessary parcel is five
16 contiguous acres [2.03 hectares] or less, sections 54-01-05.2 and 54-01-05.5 do not apply. The
17 commission shall have the authority to sell, transfer, or exchange the unnecessary parcel to the
18 current owner of the parent parcel from which the unnecessary parcel was taken. If the parent
19 parcel's current owner does not accept the commission's offer within sixty days, the commission
20 may offer the property to any other adjacent property owner for a period of sixty days. If no
21 offers are accepted within sixty days, the property sale will be governed by sections 54-01-05.2
22 and 54-01-05.5.

23 **SECTION 10. LEGISLATIVE MANAGEMENT REPORT - NORTHWEST AREA WATER**
24 **SUPPLY TRANSITION.** Before August 1, 2022, the northwest area water supply advisory
25 committee shall provide a report to the legislative management regarding recommendations for
26 transition of the long-term operation and management of the northwest area water supply
27 project.

28 **SECTION 11. LEGISLATIVE MANAGEMENT REPORT - INTERIM STATUS OF**
29 **NORTHWEST AREA WATER SUPPLY ADVISORY COMMITTEE.** During the 2021-22 interim,
30 the northwest area water supply advisory committee shall provide a report to an interim

- 1 committee designated by the legislative management regarding the status of the advisory
- 2 committee's responsibilities under section 2 of this Act.
- 3 **SECTION 12. EMERGENCY.** This Act is declared to be an emergency measure.