

Fifty-sixth
Legislative Assembly
of North Dakota

HOUSE BILL NO. 1166

Introduced by

Natural Resources Committee

(At the request of the State Water Commission)

1 A BILL for an Act to create and enact five new sections to chapter 61-24.6 of the North Dakota
2 Century Code, relating to water rates, operation and maintenance fund, reserve fund for
3 replacement, capital costs, and areas served by the northwest area water supply project; and to
4 amend and reenact section 61-02-23.1 and subsections 3, 6, and 7 of section 61-24.6-02 of the
5 North Dakota Century Code, relating to condemnation of property for and inclusion of Pierce
6 County in the northwest area water supply project.

7 BE IT ENACTED BY THE LEGISLATIVE ASSEMBLY OF NORTH DAKOTA:

8 **SECTION 1. AMENDMENT.** Section 61-02-23.1 of the North Dakota Century Code is
9 amended and reenacted as follows:

10 **61-02-23.1. Condemnation by the water commission.** Whenever a right of way is to
11 be taken by condemnation proceedings for any purpose authorized by ~~chapter~~ chapters
12 61-24.3 or 61-24.6, the commission may take possession of the right of way after making a
13 written offer to purchase and depositing the amount of the offer with the clerk of the district
14 court of the county wherein the right of way is located. The clerk shall immediately notify the
15 property owner in writing of ~~such~~ the deposit. Within thirty days after receiving ~~such~~ notice, the
16 property owner may appeal to the district court by serving notice of appeal upon the water
17 commission and the matter must be tried at the next term of court with a jury, unless a jury ~~be~~ is
18 waived, in the manner prescribed for trials under chapter 32-15.

19 **SECTION 2.** A new section to chapter 61-24.6 of the North Dakota Century Code is
20 created and enacted as follows:

21 **Commission to fix water rates for the northwest area water supply project.** The
22 commission shall establish the payments for water service to be paid by water user entities for
23 purchase of water from the northwest area water supply project. The payments for water
24 service must include each water user entity's proportionate share of the operation,

1 maintenance, and replacement costs, and also include a component for payment for capital
2 costs. The commission shall include in its determination of each water user entity's share of
3 operation, maintenance, and replacement costs an amount to be deposited in the northwest
4 area water supply project reserve fund for replacement, as established by section 4 of this Act,
5 for replacement and extraordinary maintenance of northwest area water supply project works.
6 The amount of such the reserve fund for replacement must be determined by the commission.

7 **SECTION 3.** A new section to chapter 61-24.6 of the North Dakota Century Code is
8 created and enacted as follows:

9 **Operation and maintenance fund - Deposit - Use.** Revenues received by the
10 commission from water user entities or otherwise for operation and maintenance of the
11 northwest area water supply project must be maintained, as a part of the moneys of the state
12 received and kept by the state treasurer in a fund to be designated as the northwest area water
13 supply project operation and maintenance fund. All moneys received by the state treasurer for
14 operation and maintenance of the northwest area water supply project and the interest on
15 moneys in the fund must be kept by the state treasurer in the fund distinct from all other
16 moneys and must be disbursed by the state treasurer and used only for paying for costs and
17 expenditures for operation and maintenance of the northwest area water supply project.

18 **SECTION 4.** A new section to chapter 61-24.6 of the North Dakota Century Code is
19 created and enacted as follows:

20 **Reserve fund for replacement - Deposit - Use.** Revenues received by the
21 commission from water user entities or otherwise for replacement and extraordinary
22 maintenance of the northwest area water supply project may be held pursuant to the terms of a
23 resolution or trust indenture adopted by the commission. Any money not held pursuant to the
24 terms of a resolution or trust indenture must be deposited by the commission and maintained,
25 as a part of the moneys of the state received and kept by the state treasurer, in a fund
26 designated as the northwest area water supply project reserve fund for replacement. All
27 moneys received by the state treasurer for replacement and extraordinary maintenance of the
28 northwest area water supply project and the interest on the moneys must be kept by the state
29 treasurer in the fund distinct from all other moneys and must be disbursed by the state treasurer
30 and used only for replacement and extraordinary maintenance of the northwest area water
31 supply project.

1 **SECTION 5.** A new section to chapter 61-24.6 of the North Dakota Century Code is
2 created and enacted as follows:

3 **Capital costs - Deposit - Use.** Money derived and received from water user entities or
4 otherwise for capital costs or construction of the northwest area water supply project may be
5 held pursuant to the terms of a resolution or trust indenture adopted by the commission. Any
6 money not held pursuant to the terms of a resolution or trust indenture must be deposited by
7 the commission and maintained, as part of the moneys of the state received and kept by the
8 state treasurer, in a fund designated as the northwest area water supply project fund for capital
9 costs and construction. All moneys received by the state treasurer for capital costs and
10 construction of the northwest area water supply project, and all interest on the moneys, must be
11 kept by the state treasurer in the fund distinct from all other moneys and must be disbursed by
12 the state treasurer and used only for capital costs and construction of the northwest area water
13 supply project.

14 **SECTION 6. AMENDMENT.** Subsections 3, 6, and 7 of section 61-24.6-02 of the
15 North Dakota Century Code are amended and reenacted as follows:

- 16 3. One person from the Bottineau, Burke, Divide, McHenry, McLean, Mountrail,
17 Pierce, Renville, Ward, or Williams County water resource districts recommended
18 jointly by the governing boards of the Bottineau, Burke, Divide, McHenry, McLean,
19 Mountrail, Pierce, Renville, Ward, or Williams County water resource districts.
- 20 6. One representative of rural water distribution systems located in northwestern
21 North Dakota. This representative must be a resident of Bottineau, Burke, Divide,
22 McHenry, McLean, Mountrail, Pierce, Renville, Ward, or Williams County.
- 23 7. One representative of a municipality other than the city of Minot, located in
24 Bottineau, Burke, Divide, McHenry, McLean, Mountrail, Pierce, Renville, Ward, or
25 Williams County.

26 **SECTION 7.** A new section to chapter 61-24.6 of the North Dakota Century Code is
27 created and enacted as follows:

28 **Areas served by the northwest area water supply project.** The commission may
29 provide, as part of the northwest area water supply project, delivery, distribution, and treatment
30 of water from the Missouri River or other sources, to areas in Bottineau, Burke, Divide,
31 McHenry, McLean, Mountrail, Pierce, Renville, Ward, and Williams Counties. The facilities for

- 1 delivery of water may be from a pipeline transmission and delivery system or through other
- 2 works, as determined by the commission.