

**Sixty-seventh Legislative Assembly of North Dakota
In Regular Session Commencing Tuesday, January 5, 2021**

HOUSE BILL NO. 1063
(Energy and Natural Resources Committee)
(At the request of the State Water Commission)

AN ACT to amend and reenact sections 61-24.6-02, 61-24.6-03, 61-24.6-04, 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 Dakota Century Code, relating to the northwest area water supply advisory committee and the areas to be served by the northwest area water supply project; to provide for legislative management reports; and to declare an emergency.

BE IT ENACTED BY THE LEGISLATIVE ASSEMBLY OF NORTH DAKOTA:

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

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

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

1. One person from the city of Minot recommended by the Minot city council.
2. ~~One person from the city of Williston recommended by the Williston city council.~~
3. One person from the Bottineau, Burke, ~~Divide~~, McHenry, McLean, ~~Mountrail~~, Pierce, Renville, and Ward, ~~or Williams~~ County water resource districts recommended jointly by the governing boards of the Bottineau, Burke, ~~Divide~~, McHenry, McLean, ~~Mountrail~~, Pierce, Renville, and Ward, ~~or Williams~~ County water resource districts.
- 4.~~3.~~ One representative of the state water commission recommended by the commission.
- 5.~~4.~~ One representative of the ~~Three Affiliated Tribes, representing that area of the Fort Berthold Indian Reservation north of the Missouri River and Lake Sakakawea~~ Turtle Mountain Band of Chippewa Indians recommended by the tribal council who will serve as a nonvoting member.
- 6.~~5.~~ One representative of rural water distribution systems located in northwestern North Dakota. This representative must be a resident of Bottineau, Burke, ~~Divide~~, McHenry, McLean, ~~Mountrail~~, Pierce, Renville, or Ward, ~~or Williams~~ County.
- 7.~~6.~~ One representative of a municipality other than the city of Minot, located in Bottineau, Burke, ~~Divide~~, McHenry, McLean, ~~Mountrail~~, Pierce, Renville, or Ward, ~~or Williams~~ County.
- 8.~~7.~~ One representative of the Garrison Diversion Conservancy District recommended by the board of directors of the conservancy district.
- 9.~~8.~~ One at-large representative.

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

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

The northwest area water supply advisory committee shall develop recommendations for the legislative management regarding the transition of long-term operations and management of the northwest area water supply project. The advisory committee shall elect a chairman and vice chairman-

~~The advisory committee shall and meet no less than once per quarter at the times and places necessary to carry out the purposes of this chapter. The advisory committee members may be reimbursed for their mileage and expenses in the amount provided for by sections 44-08-04 and 54-06-09. The advisory committee members serve at the pleasure of the state engineer. Vacancies must be filled in the same manner as original appointments are made. The state water commission shall provide staffing and support for the advisory committee.~~

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

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

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

1. Accept funds, property, services, or other assistance, financial or otherwise, from federal, state, tribal, and other public or private sources for the purpose of aiding and promoting the development of a project to deliver water to northwestern North Dakota.
2. Cooperate and contract with the state, its agencies, or its political subdivisions, the Three Affiliated Tribes, or any agency of the United States, in research and investigation or other activities promoting the development of a project to deliver water to northwestern North Dakota.
3. Appoint and procure the services of engineers, attorneys, and others to assist in developing a project to deliver water to northwestern North Dakota.
4. Exercise such other powers as may be necessary for, or incidental to, the achievement of the purposes of this chapter.
5. Construct, operate, and manage a project to deliver water throughout ~~northwestern North Dakota~~ the project area.

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

If the state water commission determines property acquired for the northwest area water supply project is no longer necessary for project purposes and the unnecessary parcel is five contiguous acres [2.03 hectares] or less, sections 54-01-05.2 and 54-01-05.5 do not apply. The commission shall have the authority to sell, transfer, or exchange the unnecessary parcel to the current owner of the parent parcel from which the unnecessary parcel was taken. If the parent parcel's current owner does not

accept the commission's offer within sixty days, the commission may offer the property to any other adjacent property owner for a period of sixty days. If no offers are accepted within sixty days, the property sale will be governed by sections 54-01-05.2 and 54-01-05.5.

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

SECTION 11. LEGISLATIVE MANAGEMENT REPORT - INTERIM STATUS OF NORTHWEST AREA WATER SUPPLY ADVISORY COMMITTEE. During the 2021-22 interim, the northwest area water supply advisory committee shall provide a report to an interim committee designated by the legislative management regarding the status of the advisory committee's responsibilities under section 2 of this Act.

SECTION 12. EMERGENCY. This Act is declared to be an emergency measure.

Speaker of the House

President of the Senate

Chief Clerk of the House

Secretary of the Senate

This certifies that the within bill originated in the House of Representatives of the Sixty-seventh Legislative Assembly of North Dakota and is known on the records of that body as House Bill No. 1063 and that two-thirds of the members-elect of the House of Representatives voted in favor of said law.

Vote: Yeas 90 Nays 4 Absent 0

Speaker of the House

Chief Clerk of the House

This certifies that two-thirds of the members-elect of the Senate voted in favor of said law.

Vote: Yeas 47 Nays 0 Absent 0

President of the Senate

Secretary of the Senate

Received by the Governor at _____ M. on _____, 2021.

Approved at _____ M. on _____, 2021.

Governor

Filed in this office this _____ day of _____, 2021,
at _____ o'clock _____ M.

Secretary of State