

March 19-2025
John M. Pietsch
15900 16th ST SW
Minot, N.Dak 58701

Chairman
Representative Donald W. Longmuir
Honorable Members of House Political Subdivision Commission

To start with the Water District representing our area has an election process for election of Board of Director Positions that is controlled by only four individuals. The three member Water District Nominating Committee, chosen by the President, has the sole power to deny a candidate from running simply because they feel a candidate may lack the skill set they are looking for. The process was described earlier at a Water District informational meeting as being similar to a job interview. This practice serves as a tool for the Water District Board to control who sits on its Board and removes this right from the participating voting membership. The view of membership in regard to this practice, believes no member should be denied the right to be a director candidate providing he or she meets the qualifications such as being a participating member, and reside in the district for which the Director nominee applies or Director at Large could come from combination of participating Districts. A letter dated right after the June 2024 election from Water District legal representation states and I code (the process in the bylaws calls for the President to appoint a committee of at least three members and for those members to determine the candidates.) further reads code (the bylaws, however, do not allow for nominations from the floor or for the election of candidates not selected by the nominations committee.) The intention of the founding fathers of this Water District was never to exclude qualified people from running for this Water Supply District.

Another contentious Board Election issue was the addition of a Code of Conduct which could also be used to disqualify a candidate from running for a District Board position or be used to remove a present District Board Member. After reviewing the Code of Conduct, and visiting with other Membership, we found them to be very subjective and could be used to unjustly prevent candidates from running or unjustly be used as a tool against certain Board Members of differing views and opinions.

If you don't believe this Code of Conduct could be used as a tool for the District Board to control its own membership you are mistaken. Earlier in April a neighbor filled out a letter of interest and met with the District nominating Committee in order to become a candidate for the District Water Board Director position. At this meeting, without any prior notice, two letters were placed in front of him and he was told to sign both. One letter was a two page Code of Conduct and the other a Code of Ethics of which he signed neither. This prospective candidate who had served honorably on township and Co-op boards, and later when he asked a member of the nominating committee, was told he would not be allowed to run for the Water District Board position. At the informational meetings when the Water District was asked why this individual was excluded from running, as he had met all the current requirements, was told that the District Board two months prior had passed a policy stating all Board Members must sign

the Code of Conduct. There is no mention of any Code of Ethics or Code of Conduct in the current by laws. In all fairness, if such a policy is to be allowed to exist it should be voted on by the overall membership and amended into the governing bylaws.

An example is number six from code of conduct which states (no director is allowed to video or audio tape any part of a Board Meeting, or publicly quote other Directors outside of Board Meetings. That is an interesting thought. The Ward County Commission Board Meetings have been recorded for over thirty years. Enclosed or attached are both documents.

Another example is number 14 from the code of conduct (Confidential financial, personnel, and other matters concerning the District may be included in Board materials or discussed at meetings.

Confidential information of the District is not to be disclosed to anyone.) These are supposed to be open public meetings not secret meetings.

On November 23-2024 the North Dakota State Farm Bureau passed a resolution stating(We believe that a political subdivision like water districts should allow for an election process that allows for any participating member an equal and fair opportunity to be placed on the ballot and elected by a vote of its membership at a legally advertised meeting of such entity.)

Most of the above information has already been provided to Chairman Senator Dale Patten and the Energy and Natural Resource Committee at their February Hearing. After reviewing other testimony from this hearing I would like to respond to some of the concerns brought forward.

First it appears to some Districts that this bill would require additional unwarranted audits by the State Auditor with additional expense to that District. At this time I believe all the Water Supply Districts in our state, are performing acceptable audits on a yearly basis. This bill wouldn't cause a mandatory audit by the State Auditor if Water Districts subject to 61-35 are added to the other subdivisions in this bill. Under NDCC 54-10-14 under Political subdivisions-Audits-Fees-Alternative audits and reports states:

4.(A political subdivision, at **the option of its governing body**, may be audited by a certified public accountant or licensed public accountant rather than by the state auditor. The public accountant annually shall register with the state auditor and comply with generally accepted government auditing standards for audits of political subdivisions.)

What this bill would provide that didn't exist before is the right of the Governor, the Governing Board or by of petition of district membership, requiring a reasonable number of signatures, is the right to request State Auditor to review or audit the books, records, and financial accounts. In our water district a petition requesting such an audit from the State Auditor was refused because Water Districts subject to chapter 61-35 were not a part of section one 54-10-14.

Second I can live with the election process outlined in the present Bill 2299 provided it also works for the Districts with mail in ballots. To prevent by law language that may rule out some prospective candidates the following could be added to 61-35-09 number three. The district by-laws requirements, for board of director candidates, can't be any more stringent than requirements of an elected county official of the county or counties that Water District serves.

Water Districts subject to Chapter 61-35 presently stand alone and it just makes sense to place these Water Districts with Counties, Cities, School Districts, Southwest Water Authority and others.

This is a good Bill and deserves to pass to guarantee that participating membership will have the right to chose in a fair election process who will represent them on their governing Water District Board.

Any questions or if you want any documentation to any information in this letter, please contact me by phone 701-721-8712 or e-mail jhn_ptsch@yahoo.com.

John M Pietsch