

Geneva Kaiser, General Manager
Stutsman Rural Water District
In opposition of Senate bill 2299
Senate Energy and Natural Resources Committee
February 13, 2025

Senator Patten and members of the Senate Energy and Natural Resources Committee, my name is Geneva Kaiser and I am the General Manager of Stutsman Rural Water District (SRWD), Jamestown, ND. The Water District provides water service to 2625 users in Stutsman County and parts of Kidder, Foster, Griggs, Logan and LaMoure Counties. I am testifying today in opposition to SB 2299.

SRWD conducts an annual audit in accordance with its bylaws and has done so every year since 1985 when the system was constructed. The audit may be a regular audit or a single audit when the Federal audit threshold is reached. This audit is provided to our Board of Directors, lenders, and members. It is also reviewed by the State Auditor's office. The cost of an annual audit is currently \$16,000 to \$20,000 depending upon the type of audit required and is paid for by the membership.

As referenced in section 2, the threshold by which the membership could call for an audit should be increased from 150 to 300 or 10% of the membership whichever is fewer. This protects the membership from unnecessary costs when the State comes in to review the books or conduct an audit.

The only workable solution for all 20 water districts is to remove subsection 3 from section 3. Each of the water districts handle elections differently according to their bylaws. SRWD is divided into 6 sub-districts and has one board member at large. Any participating member in the water district can run for the board within the sub-district that they reside in. The Board member at large can be elected from anywhere within the water system. SRWD has a nominating committee appointed by the Board President – not to hand pick candidates but to inform potential candidates of the job duties and commitments required to be a Board member in order to further the best interests of the membership. Our elections are done by printed ballot and votes are counted in plain view of those attending the annual meeting. This is what the membership of our system desires. Keeping control at the local level is best for the membership.

Subsection 4 of section 4 is unclear and open to interpretation. While I agree that all members should have the opportunity to participate in and observe Board elections, the word "engage" can be defined differently depending upon the individual's beliefs of what they may or may not be entitled to do. This could create chaos at an annual meeting, where we have never had any issues in the past.

I am deeply concerned that the legislature is attempting to fix a local issue that involves one water district in our state by taking away local control for all of the water districts in the state.

There is also no need to consider this bill an emergency.

I am respectfully requesting that you vote in opposition to this bill. Thank you.