

Good morning Chairman Patten and members of the Senate Energy and Natural Resources Committee. For the record, my name is Senator Bob Paulson from District 3 in Minot. I'm here to introduce SB 2299.

SB 2299 is a bill that seeks to clarify in code elements concerning water districts that are currently unclear or lacking.

Mr. Chairman and members of the committee, I have had an amendment prepared which I have passed out to the members and I would ask the committee to adopt, and if it's OK with you Mr. Chair, I'll direct my comments to the amendment, which is also available under testimony.

This past year, over 150 members of a water district signed a petition seeking to have an audit conducted by the State Auditor, however the attorney for that water district determined that the State Auditor did not have the duty nor the authority to do so in Century Code, so Section 1 adds water districts subject to chapter 61-35 to the list of political subdivisions that the state auditor audits. And to be clear, Mr. Chair, this would be a fiscal audit, and not a performance audit.

Section 2 provides that the audit will be performed upon a petition of at least ten percent or one hundred fifty of the participating members, whichever is fewer.

At a recent annual meeting, the nominating committee of the water district placed one name on the ballot. Another member seeking election was not placed on the ballot because he objected to signing a newly created Code of Conduct that he had concerns with. An attempt to make a nomination from the floor was ruled out of order at the meeting. So, Section 3 clarifies that each participating member seeking election to the board at any annual or special meeting shall present a petition containing signatures of three participating members. All petitions must be submitted to the secretary of the board or nominating committee at least five days before the election. Any participating member who submits a petition must be added to the ballot, provided they reside in the appropriate district.

There were some concerns with some board directors being appointed to the board as opposed to elected. This occurred during the pandemic and a subsequent election was not held, so Section 4 paragraph 3 clarifies that vacancies must be filled for an unexpired term by appointment by the remaining

directors until the next annual meeting of participating members, at which the participating members shall elect a director for the unexpired term.

Paragraph 4 of Section 4 clarifies that all elections held under this chapter must be conducted to allow participating members to access all stages of the election process, including voting, vote tabulation, and certification of results in a uniform and nondiscriminatory manner. Each meeting must be arranged in a manner that permits each participating member to plainly observe and engage in the election process.

Section 5 adds an emergency clause so that this bill would become effective before the next round of annual meetings later this year, which are typically held in the summer to fall time frame.

Mr. Chairman, that concludes my testimony and I would be happy to stand for any questions.