CHAPTER 61-24
GARRISON DIVERSION CONSERVANCY DISTRICT

61-24-01. Development and utilization of land and water resources declared a public purpose - Declaration of intention - Interpretation.

It is hereby declared that more effective development and utilization of the land and water resources of this state, protection and preservation of the benefits therefrom, opportunity for greater economic security, protection of health, property and enterprise, and the promotion of the prosperity and general welfare of all of the people of North Dakota involve, necessitate, and require the exercise of the sovereign powers of the state and concern a public purpose, the accomplishment of which, among other things, demands, and it is hereby declared necessary, that the Garrison diversion unit of the Missouri River basin project as authorized by Act of Congress approved December 22, 1944 [58 Stat. 887], and acts amendatory thereof and supplementary thereto, be established and constructed:

1. To provide for the future economic welfare and prosperity of the people of this state, and particularly of the people residing in the area embraced within the boundaries of the conservancy district created by this chapter.
2. To provide for the irrigation of lands within the sections of such district periodically afflicted with drought, and to stabilize the production of crops thereon.
3. To replenish and restore the depleted waters of lakes, the Red, Sheyenne, James, and other rivers, and streams in the district, and to stabilize the flow of these streams.
4. To replenish the waters, and to restore the level of Devils Lake, Stump Lake, Lake Williams, and Turtle Lake.
5. To make available within the district, or outside the district to the extent authorized by a joint powers agreement under chapter 54-40.3, waters diverted from the Missouri River for irrigation, domestic, municipal, and industrial needs, and for hydroelectric power, recreation, fish, wildlife, and other beneficial and public uses.
6. To study and provide for the water needs of eastern North Dakota communities and water districts and western Minnesota communities through a Red River valley water supply project.

The provisions hereof shall not be construed to, in any manner, abrogate or limit the rights, powers, duties, and functions of the state water commission, but shall be held to be supplementary thereto and an aid thereof. Nor shall this chapter be construed as limiting or in any way affecting the laws of this state relating to the organization and maintenance of irrigation districts, flood irrigation districts, water resource districts, drainage districts, or watershed protection districts, nor as precluding the establishment of any such district wholly or in part within the boundaries of the district created by this chapter.

61-24-02. Garrison Diversion Conservancy District created.

The "Garrison Diversion Conservancy District", hereinafter referred to as the "district" consists of that part of the state that is included within the boundaries of the following counties: Barnes, Benson, Bottineau, Burleigh, Cass, Dickey, Eddy, Foster, Grand Forks, Griggs, LaMoure, McHenry, McKenzie, McLean, Nelson, Pierce, Ramsey, Ransom, Renville, Richland, Sargent, Sheridan, Steele, Stutsman, Traill, Ward, Wells, and Williams.

The district is a governmental agency, body politic and corporate with the authority to exercise the powers specified in this chapter, or which may be reasonably implied.

Any county may join the district upon application of its board of county commissioners and the approval of the application by the board of directors of the district.

61-24-03. Election of directors of the Garrison Diversion Conservancy District.

A director of the Garrison Diversion Conservancy District must be nominated and elected in each county in the district. Any person who is a resident and qualified elector of the county who aspires to the office of director of the Garrison Diversion Conservancy District shall, before four p.m. of the sixty-fourth day before any primary election preceding a general election at which a director of the district is to be elected, present to the county auditor a petition giving that

person's name, post-office address, the title of the office "Director of the Garrison Diversion Conservancy District", and containing the signatures of not less than fifty nor more than three hundred qualified electors of the county to which each signer has added the signer's residence with street number, if any, and the date of signing.

The petition must be accompanied by an affidavit substantially as follows:

State of North Dakota)
) ss.
County of _____)

I, _____, being sworn, say that I reside in the county of _____ and State of North Dakota; that I am a qualified elector therein; that I am a candidate for nomination to the office of director of the Garrison Diversion Conservancy District to be chosen at the primary election to be held on _____, _____, and I request that my name be printed upon the no-party primary election ballot as provided by law, as a candidate for the office.

_____

Subscribed and sworn to before me on _____, _____.

_____
Notary Public

Upon receipt of the petition, the county auditor shall without fee place the name of the aspirant on the no-party primary election ballot as a candidate for the aforesaid office of director. The two candidates receiving the highest number of votes if more than two are running are nominated.

The names of the candidates so nominated at the primary election must be placed on the no-party ballot at the ensuing general election and the candidate receiving the highest number of votes is elected.

At the primary and general elections, votes must be canvassed, returned certified, and certificates of nomination and election issued in the manner provided by law for the nomination and election of county officers.

61-24-03.1. Filling vacancy of director on general election ballot.

Whenever a vacancy exists on a general election no-party ballot for any directorship of the Garrison Diversion Conservancy District, the vacancy may be filled by filing with the county auditor at least sixty-four days before the day of the election and not later than four p.m. of that day a petition substantially in the form provided in section 61-24-03, stating that the petitioner desires to become a candidate for election to the office of director. This petition must contain the signatures of not less than fifty qualified electors of the county, unless there were at least fifty write-in or sticker votes for the petitioner cast in the no-party primary election for the office.

A vacancy in the no-party ballot is deemed to exist when no candidate is nominated at the primary election or when a candidate nominated at the primary dies, resigns, or otherwise becomes disqualified to have that person's name printed on the ballot at the general election.

61-24-04. Compensation of directors.

Each member of the board of directors of the district is entitled to receive as compensation from the district an amount determined by the board of directors not to exceed the amount provided for members of the legislative management under section 54-35-10 per day and must be reimbursed for the member's expenses in the amounts provided in sections 44-08-04 and 54-06-09 while attending meetings of the board or otherwise engaged in the official business of the district.

61-24-05. Term of office of directors - Oath of office - Bonds.

Each member of the board of directors of the district shall hold office for a term of three years, and until the successor in office has been appointed and qualified, provided, that one-third of the board first appointed shall hold office for a term of three years, one-third for a term of two years, and the other directors shall hold office for a term of one year, from the first day of July next following the date of their appointment. Before assuming the duties of the office,

each director shall take and subscribe the oath of office prescribed by law for civil officers. The district treasurer shall be bonded in such amount as the board may prescribe.

A member of the board of directors of the district elected in 1960 and thereafter shall hold office for a term of four years and until a successor has been duly elected and qualifies, but one-half of the directors elected at the general election in 1960 shall hold office for a term of two years, and one-half shall hold office for four years. Terms of office of directors elected at the first election shall be determined by lot. Directors elected after 1960 shall hold office for a term of four years. If the office of any director shall become vacant by reason of the failure of any director elected at any election to qualify or for any other reason, the successor shall be appointed to fill the vacancy by the board of county commissioners of the county in which the vacancy occurs. A director appointed to fill a vacancy shall hold office for the unexpired term of the director whose office has become vacant. A director shall, however, hold office until a successor has been elected and qualifies.

Members of the board of directors elected in 1960 shall assume office on the first Monday in January 1961 and shall replace all members of the board previously appointed. They shall meet at a time and place designated by the secretary of the replaced board of directors, and if that secretary is unable to act, by the secretary of the state water commission, and shall organize in the same manner as the first board of directors was organized. The secretary of the replaced board and any other person employed by that board shall continue in their positions until the new board shall otherwise provide.

61-24-06. Meetings of the board - Quorum - Board to adopt rules, regulations, and bylaws.

The board of directors of the district shall adopt such rules and regulations and bylaws for the conduct of the business affairs of the district as the board deems necessary, including the time and place of regular meetings of the board. The board shall elect from its number a chairman and vice chairman. The board shall also elect a secretary and a treasurer, which offices may be held by the same person, and either or both offices may be held by someone not a member of the board. Special meetings may be called by the secretary on order of the chairman of the board or upon the written request of the majority of the qualified members of the board. Notice of a special meeting shall be mailed to each member of the board at least six days before such meetings, provided, that a special meeting may be held at any time when all members of the board are present or consent thereto in writing. A majority of the members of the board of directors shall constitute a quorum for the transaction of business, but any number may adjourn the meeting for want of a quorum.

61-24-07. Attorney general shall act as legal adviser - Department of water resources to assist board - Employment of counsel and engineers.

The attorney general shall act as the legal adviser of the board to the extent the duties of the attorney general permit. The department of water resources shall furnish engineering services and assistance to the extent the duties of the department permit. When the district has funds available, the board of directors may employ other counsel to advise and represent the board in the board's proceedings and affairs, and may employ other engineers and engineering services in connection with the board's work and the affairs of the district.

61-24-08. Powers and duties of the district board of directors.

The board of directors of the Garrison Diversion Conservancy District shall have the power:

1. To sue and be sued in the name of the district.
2. To exercise the power of eminent domain in the manner provided by title 32 for the purpose of acquiring and securing any right, title, interest, estate, or easement necessary to carry out the duties imposed by this chapter, and particularly to acquire the necessary rights in land for the construction of dams, reservoirs, canals, hydroplants, irrigation systems, pipelines, and any other device for the conservation, storage, and use of water, and to secure the right of access to such works and the right of the public access to the waters impounding thereby or emanating therefrom.

3. To accept funds, property, and services or other assistance, financial or otherwise, from federal, state, and other public or private sources for the purpose of aiding and promoting the construction, maintenance, and operation of the Garrison diversion unit, or any part thereof.
4. To cooperate and contract with the state, its agencies, or its political subdivisions, or any agency of the United States, in research and investigation or other activities promoting the establishment, construction, development, or operation of the Garrison diversion unit, or any part thereof.
5. To furnish assurances of cooperation and as principal and guarantor or either to enter into a contract, or contracts, with the United States of America, or any department or agency thereof, and with public corporations of North Dakota for the performance of obligations entered into with the United States for the construction, operation, or maintenance of works of the Garrison diversion unit of the Missouri River basin project as defined by Act of Congress, approved December 22, 1944 [58 Stat. 887], and acts amendatory thereof or supplementary thereto.
6. To construct separately or in cooperation with agencies of the United States, or the state of North Dakota, its agencies or political subdivisions, and to equip, maintain, and operate an office and principal place of business for the district, or other buildings or facilities to carry out activities authorized by this chapter.
7. To appoint and fix the compensation of such employees as the board shall deem necessary to conduct the business and affairs of the district.
8. To appoint from its number an executive committee and vest the same with such powers and duties as the board may from time to time delegate thereto, in order to facilitate the duties and work of the board in connection with the business affairs involved in the development, construction, operation, and maintenance of the Garrison diversion unit, or any part thereof.
9. In 1961 and each year thereafter to levy a tax of not to exceed one mill annually on each dollar of taxable valuation in the district for the payment of the expenses of the district, including, but not limited to, per diem, mileage and other expenses of directors, technical, administrative, clerical, operating and other expenses of the district office, and for the cumulation of a continuing fund through such levy for the performance of obligations entered into with the United States of America in connection with the construction, operation, and maintenance of works of the said Garrison diversion unit of the Missouri River basin project. All moneys collected pursuant to such levy shall be deposited in the Bank of North Dakota to the credit of the district and shall be disbursed only as herein provided. The board may invest any funds on hand, not needed for immediate disbursement or which are held in reserve for future payments, in bonds of the United States, bonds and mortgages or other securities the payment of which is guaranteed by the United States or an instrumentality or agency thereof, or bonds or certificates of indebtedness of the state of North Dakota or any of its political subdivisions. The amount which may be levied in any one year for operating the district prior to authorization by Congress of the Garrison diversion project shall not exceed ten percent of the maximum permissible.
10. To enter into a contract or contracts for a supply of water from the United States and to sell, lease, and otherwise contract to furnish any such water for beneficial use to irrigation districts, persons, other public and private corporations, or limited liability companies within or outside the district.
11. To operate and maintain or to contract for the operation and maintenance of water supply and irrigation works serving lands and uses within or outside the district, and in connection therewith, to maintain a reserve fund to meet major unforeseen costs of operation and maintenance. The acquisition, construction, operation, and maintenance of dams, reservoirs, ground water storage areas, canals, conduits, pipelines, tunnels, and any other plants, works, facilities, improvements, or property necessary to operate or maintain water supply or irrigation works under this section are exempt from any requirements for voter approval.

12. To accept, on behalf of the district, appointment of the district as fiscal agent of the United States and authorization to make collections of money for and on behalf of the United States in connection with the Garrison diversion unit.
13. To use navigable lakes and streams within the conservancy district for holding, impounding, and conveying water of the Garrison diversion unit.
14. To provide administrative aid and assistance in the relocation of buildings and the replacement of land to persons affected by the Garrison diversion development in an effort to make certain that such persons are treated fairly and that they do not suffer financial hardship due to the development of the Garrison diversion unit.
15. To sell or exchange any and all real property purchased or acquired by the district. All moneys received pursuant to any such sale or exchange shall be deposited in the Bank of North Dakota to the credit of the district and may be disbursed only for the payment of expenses of the district as specified in subsection 9.
16. To borrow money as is provided in this chapter.
17. To issue and sell revenue bonds to finance projects in an amount or amounts determined by the board, including an amount for costs of issuance and financing, and any necessary reserve funds, for the purpose of financing the cost of constructing a project, purchasing bulk water, or otherwise making capital payments required under a water purchase contract.
18. To utilize some or all proceeds of its revenue bonds to acquire, construct, reconstruct, or improve one or more projects, or any feasibility study or preliminary economic, engineering, or legal work relating to any project.
19. To refund and refinance its bonds from time to time as often as it is advantageous and in the interest of the district.
20. To pledge any and all income, profits, and revenues received by the district in connection with the operation, lease, sale, or other disposition of all or any part of a water project to secure the payment of bonds issued and sold to finance the project or otherwise. Tangible real or personal nonrevenue property of the district may not be liable to be forfeited or taken in payment of any bonds issued under this chapter and debt on the general credit of the district may not be incurred in any manner for payment of bonds under this chapter.
21. To prescribe, revise, and collect rates, fees, tolls, or charges for the services, facilities, or commodities furnished by the district and in anticipation of the collection of the revenues of the district, issue revenue bonds to finance all or part of the costs of the acquisition, construction, reconstruction, improvement, betterment, extension, operation, or maintenance of a project.
22. To pledge district revenues, grants, and any other project-related payments to the punctual payment of principal and interest on bonds or water purchase contract obligations. A pledge under this subsection applies to the revenues of improvements, betterments, or extensions of the district which may be constructed or acquired after the issuance of bonds, the revenues of existing systems, plants, works, instrumentalities, and properties of any part of the district improved, bettered, or extended, and the revenues received from payments made under water sale contracts between the district and persons that contract to purchase water from the district.
23. To make all contracts, execute all instruments, and do all things necessary or convenient in the exercise of its powers or in the performance of its covenants or duties or in order to secure the payment of its bonds, but an encumbrance, mortgage, or other pledge of tangible real or personal nonrevenue property of the district may not be created by any such contract or instrument.
24. To accept from any authorized federal agency loans or grants for the planning, construction, acquisition, lease, or other provision of a project, and to enter agreements with the agency respecting the loan or grants.
25. To contract debts and borrow money and provide for payment of debts and expenses of the district.
26. To distribute water to western Minnesota cities that enter water service contracts for water.

27. To enter water service contracts with municipalities, water districts, or other political subdivisions in this state and public utilities in Minnesota as part of the Red River valley water supply project, regardless of whether the acquisition, construction, or reconstruction of any Red River valley water supply project is actually completed and whether water actually is delivered under the contracts. These contracts with cities and water districts are authorized to be executed without limitation on term of years and, if the contracts are executed in relation to the initial construction of the system, without voter approval.

61-24-09. District budget - Determination of amount to be levied - Adoption of levy - Limitation.

In July of each year, the board of directors shall estimate and itemize all the expenses and obligations of the district, including expenses of directors, expenses of operating the office, debt service and retirement, and obligations and liabilities to the United States for which provision must be made. The board of directors may include in such budget funds deemed necessary to create reserve funds to meet future payments under district contracts. Upon the completion and adoption of such budget, the board of directors shall make a tax levy in an amount sufficient to meet such budget. Such levy shall be in the form of a resolution, adopted by a majority vote of the members of the board of directors of the district. Such resolution shall levy in mills, but not exceeding one mill, sufficient to meet all the expenses, obligations, and liabilities of the district as provided in the budget.

61-24-10. Certified copies of levy and budget sent to county auditors.

Immediately after completion of the budget and the adoption of the annual tax levy by the board of directors of the district, but not later than October first, the secretary of the district shall send one certified copy of the levy as adopted and one certified copy of the budget to the county auditor of each county in the district.

61-24-11. County auditors to extend tax levy.

The county auditor of each county in the district shall extend the levy upon the tax list of the county for the current year against each description of real property and all personal property within the county in the same manner and with the same effect as other taxes are extended.

61-24-12. County treasurers to collect and remit district taxes.

The treasurer of each county in the district shall collect all district taxes, together with interest and penalty thereon, if any, in the same manner as the general taxes are collected, and shall pay over to the treasurer of the Garrison Diversion Conservancy District, on the first day of each month, on demand, all taxes so collected during the preceding month, with interest and penalties collected thereon, and forthwith shall notify the secretary of the district of such payment.

61-24-13. District may enter into contract for the construction, operation, and maintenance of works.

When the board of directors of the Garrison Diversion Conservancy District is notified by the United States, or by any department or agency thereof, that it is necessary for the district to enter into a contract as principal and guarantor or either, for the repayment of any part of the cost incurred, or to be incurred in the construction, operation, and maintenance of works of the Garrison diversion unit of the Missouri River basin project, the board shall give notice of hearing on such proposed contract as herein provided. Hearings on such contract shall be conducted in at least three places in the district by a contract hearing committee composed of at least three director members of the board as designated by the board. Notice of the time and place of such hearings shall be published at least ten days before such hearing in not less than three newspapers of general circulation in the district. Anyone interested in, or affected by such contract if entered into, may appear at any such hearing and show cause, if any, why such proposed contract should or should not be approved. The contract hearing committee shall

submit its report, including support and objections to the contract, and its recommendations to the board for final action. After considering the terms and conditions of such proposed contract and the report and recommendations of the contract hearing committee, the board shall adopt a resolution approving or disapproving such contract. If disapproved, the board may enter into further negotiations with the United States concerning terms for a new or amended contract. At least thirty days before any hearing is held on such contract for construction of facilities or works, plans therefor shall be filed with the secretary of the district and shall be open to public inspection.

61-24-14. When contract is approved.

After any such contract shall have been duly executed, as herein provided, the board of directors shall, in accordance with the provisions of such contract, adopt a resolution that a tax be assessed and levied upon all the taxable property in the district. Such tax shall be within the limitation herein provided and shall be levied annually on each dollar of the taxable valuation in the district until the contract obligations have been paid, or a sufficient fund has been accumulated to pay the same. The resolution shall state the purpose of such levy and the amount thereof. A certified copy thereof shall be mailed to the county auditor of each county in the district. Upon the receipt of such resolution or as soon thereafter as county levies are made, such county auditor shall spread the levy specified in such resolution for the current year and annually thereafter as required by such resolution.

61-24-15. Proceedings to confirm contract.

The board of directors of the Garrison Diversion Conservancy District, after entering into a contract with the United States government or with any public corporation of the state of North Dakota, may commence a special proceeding in and by which the proceedings of the board and the making of such contract, or contracts, shall be judicially examined, approved, and confirmed, or disapproved and disaffirmed. Such proceeding shall comply as nearly as possible with the procedure required in the case of irrigation districts under the laws of North Dakota.

61-24-16. County may be excluded from conservancy district if not benefited.

1. Any county in the conservancy district not benefited or not to be benefited, in whole or in part, by the establishment of the Garrison diversion unit of the Missouri River basin project as authorized by Act of Congress, approved December 22, 1944 [58 Stat. 887], and acts amendatory thereof or supplementary thereto, may be excluded from the district as provided herein. The board of county commissioners of any such county may by resolution direct the county auditor and the chairman of the board to file with the board of directors of the conservancy district a petition, for and on behalf of the county, requesting the board of directors of the district to exclude such county therefrom. A certified copy of the resolution of the county board shall accompany and be filed with such petition. The petition and resolution shall state specific reasons why such county will not be benefited by the establishment and development of the Garrison diversion unit.
2. Within sixty days from the date of filing said resolution and petition for exclusion from the district, the district board shall meet to consider such petition. It may grant such petition or it may fix a time and place for a hearing thereon. If a hearing be set, the secretary of the board shall cause notice of the filing of such petition for exclusion, and of the time and place for a hearing, to be published once each week for two consecutive weeks in a newspaper of general circulation printed in the district. The hearing mentioned in such notice shall be held not less than ten nor more than twenty days after the last publication of such notice. The notice shall state that any person, corporation, limited liability company, municipality, and county in the district may appear or be represented at the hearing and show cause why the petition should or should not be granted. The board shall hear the petition at the time and place mentioned in the notice.

3. If after the hearing on the petition the district board of directors shall determine that the county requesting to be excluded from the district will not be benefited, the district board shall by resolution grant the petition and shall direct the chairman and secretary to execute the order of the board excluding such county from the conservancy district. If, however, the district board shall decide that such county will be benefited it shall deny the petition and direct the chairman and secretary to execute its order refusing to exclude such county from the district. A county excluded from the conservancy district shall not be liable for any obligations thereof incurred after exclusion but shall be liable for and shall pay to the district taxes levied before exclusion.
4. If any contract shall have been made with the United States or any agency thereof before such petition is filed, such petition shall not be granted unless consented thereto by the appropriate agency of the United States and if such agency gives its consent upon condition, such conditions shall be included in the order of exclusion and the county may be required to and in that event such county shall continue to pay any tax levies required to meet the obligations of any such contract.

61-24-17. Appeal from orders of district board.

An appeal from an order of the board of directors of the conservancy district denying a petition for exclusion may be taken to the district court of the petitioning county. The appeal must be taken in accordance with the procedure provided in section 28-34-01. The appeal must be docketed as any cause pending in district court is docketed and thereupon the court shall hear and determine the cause without a jury. An appeal to the supreme court may be taken by the petitioning county or by the conservancy district, from any judgment entered in district court, and from any order of the court if an appeal would lie from such order if entered by the court in a civil action.

61-24-18. State and political subdivisions contracting with the bureau of reclamation - Roads.

In connection with the construction and development of the Garrison diversion unit of the Missouri River basin project, the highway authorities of the state, or any county or organized township or municipality, are authorized to enter into agreements with each other or with the federal government, respecting the financing, planning, establishment, relocation, improvement, maintenance, use, regulation, vacation, or abandonment of public ways in their respective jurisdictions. Where any such contracts require the relocation, vacation, or abandonment of particular public ways, the contracting state agency, county, organized township, or municipality shall be vested with and authorized to exercise the powers of the state in the relocation, vacation, or abandonment of existing public ways.

61-24-19. Easement granted for ditches, pipelines, canals, tramways, and transmission lines on any public lands.

In connection with the construction and development of the Garrison diversion unit of the Missouri River basin project, there is granted over all the lands belonging to the state, including lands owned or acquired for highway right-of-way purposes, a right of way for ditches, pipelines, or canals and for tunnels, tramways, and telephone and electric transmission lines constructed as part of the Garrison diversion unit; provided, however, that the director of the department of transportation, the board of county commissioners, or the board of township supervisors must approve the plans of the bureau of reclamation with respect to the use of any and all right of way of roads under their respective control prior to such grant becoming effective.

61-24-19.1. Permanent easements - Limitations.

The district's use of the permanent easement property is restricted solely to the construction, operation, and maintenance of facilities authorized by law. The district may not rent, sell, or assign the rights to a permanent easement, except may reserve the right to assign the permanent easement to the state of North Dakota if necessary for the operation and maintenance of a public water pipeline. If the district ceases operation, all permanent

easements must be transferred to the public water system receiving a beneficial use from the water pipelines and other facilities. If no public water system exists, all permanent easements must transfer to the state. The state or public water system shall assume full responsibility for all easement activities and responsibilities, including any environmental remediation obligations.

61-24-20. Director of agricultural experiment station to determine best management practices - Reports to the Garrison Diversion Conservancy District - Monitoring of ground water quality.

1. The director of the agricultural experiment station, with respect to all land to be irrigated by water from the Garrison diversion unit of the Pick-Sloan Missouri River basin project, shall promulgate rules and regulations for the determination of best management practices on the affected land. The rules and regulations may be amended from time to time. For the purposes of this section and section 61-24-21, "best management practices" means the application of water, fertilizers, pesticides, and herbicides in amounts that maximize crop production and economically efficient farming, while, at the same time, minimizing chemical or other pollution and degradation of ground or surface water supplies in areas irrigated with water from the Garrison diversion unit. Upon determining the best management practices for all land in question, the director of the agricultural experiment station shall file the information with the headquarters office of the district.
2. The district in cooperation with other state agencies shall monitor the ground and surface water quality in all areas irrigated with water from the Garrison diversion unit, to determine compliance with the regulations concerning best management practices for farming of that land. If violations of best management practices are discovered, the district shall determine the location of all irrigators causing the violation and shall reduce the amount of water which may be distributed to the violating irrigator consistent with best management practices.

61-24-21. District to allocate water in accordance with best management practices.

The district shall distribute water to irrigators purchasing water from the district in amounts that are consistent with the determinations of the director of the agricultural experiment station for best management practices in the farming of the applicable land.

61-24-22. Resolution authorizing the issuance of revenue bonds.

1. The issuance of revenue bonds or refunding bonds must be authorized by a resolution of the board adopted after appropriate notice by the affirmative vote of a majority of the board. Unless otherwise provided in the resolution, the resolution under this section takes effect immediately and need not be laid over, published, or posted.
2. Each resolution providing for the issuance of bonds provided for in this chapter must contain the purposes for which the bonds are to be issued, the provisions for payment of the bonds, and the revenues or other funds pledged to secure the payment of the bonds.

61-24-23. Provisions governing bonds.

The resolution authorizing the issuance of revenue bonds or refunding bonds under this chapter or resolutions adopted after adoption of the original resolution must prescribe:

1. The rates of interest, or if an interest rate is variable, the method for calculating the interest rate.
2. Whether the bonds will be in one or more series.
3. The dates the bonds will bear.
4. The times the bonds will mature.
5. The medium in which the bonds will be payable.
6. The places where the bonds will be payable.
7. The terms of redemption, if any, to which the bonds will be subject.
8. The manner in which the bonds will be executed.

9. The terms, covenants, and conditions that the bonds will contain.
10. The form in which the bonds will be issued, either coupon or registered.

61-24-24. Sale of bonds - When private sale authorized - Public sale and notice.

Revenue bonds or refunding bonds may be sold at public or private sale on any terms as the board deems appropriate.

61-24-25. Notes issued pending preparation of bonds - Negotiability.

Pending the issuance of bonds, bond anticipation notes may be issued and sold in the form and with the provisions determined by the district.

61-24-26. Validity of notes and bonds.

Bond anticipation notes, revenue bonds, or refunding bonds bearing the manual or facsimile signatures of the appropriate officers who are in office on the date of signing are valid and binding obligations notwithstanding that before the delivery and payment any or all of the individuals whose signatures appear on the notes or bonds have ceased to be officers of the issuing district. The resolution authorizing the notes or bonds may provide that the notes or bonds must contain a recital that they are issued under this chapter and the recital is conclusive evidence of their validity and of the regularity of their issuance.

61-24-27. Notes and bonds exempt from taxation.

Notwithstanding any other provision of law, the state and all public officers, boards, and agencies, and political subdivisions and agencies of the state, including the public finance authority, all national banking associations, state banks, trust companies, savings banks and institutions, savings and loan associations, credit unions, investment companies, insurance companies, and other entities carrying on an investment business, and executors, administrators, guardians, trustees, and other fiduciaries, may legally invest any sinking funds, moneys, or other funds belonging to them or within their control in any bonds issued under this chapter, and the bonds are authorized security for public deposits. Notes and bonds, including refunding bonds, issued under this chapter and their interest and income are exempt from all taxation by the state or by any political subdivision except inheritance, estate, and transfer taxes.

61-24-28. Covenants and provisions that may be inserted in resolution authorizing bonds.

1. Any resolution authorizing the issuance of bonds under this chapter may contain covenants and provisions concerning:
    a. The rates, fees, tolls, or charges to be charged for the services, facilities, and commodities of a project.
    b. The use and disposition of all or a portion of the district's income, profits, and revenues.
    c. The creation, maintenance, regulation, use, and disposition of reserves or sinking funds.
    d. The purpose to which the proceeds of the sale of bonds may be applied and the use and disposition of the proceeds.
    e. The events of default and the rights and liabilities arising upon default and the terms and conditions upon which the holders of bonds issued under this chapter may bring civil action on the bonds.
    f. The creation, priority, and enforcement of liens against the district's income, profits, or revenues.
    g. The issuance of other or additional bonds or instruments payable from, or constituting a charge against, the district's income, profits, or revenues.
    h. The creation and use of synthetic interest rate contracts, interest rate caps, floors, and collars, and other techniques to lower the district's borrowing rate or reduce its exposure to interest rate risk, or both.

i. The keeping, inspection, and audit of books of account.
j. The terms and conditions upon which any or all of the bonds become or may be declared due before maturity and the terms and conditions upon which the declaration and its consequences may be waived.
k. The rights, liabilities, powers, and duties arising upon the breach by the district of any covenants, conditions, or obligations.
l. The vesting in a trustee of the right to enforce any covenants made to secure, to pay, or in relation to the bonds, the powers and duties of the trustee, and the limitations of liabilities of the trustee.
m. The terms and conditions upon which the holders of the bonds, or the holders of any proportion or percentage of them, may enforce any covenants made or any duties imposed under this chapter.
n. A procedure by which the terms of any resolution authorizing bonds or of any other contract with bondholders, including an indenture of trust or similar instrument, may be amended or abrogated, and the amount of bonds that holders of which must consent to the resolution or contract, and the manner in which the consent may be given.
o. The subordination of the security of any bonds issued under this chapter and the payment of principal and interest on those bonds, to the extent determined feasible and desirable by the governing body, to other bonds or obligations of the district issued to finance or refinance a project or that may be outstanding when the bonds thus subordinated are issued and delivered.
p. Provisions with respect to the district entering an agreement with a private bond insurer, bank, or other liquidity or credit enhancer for bond insurance, a guarantee, a letter or credit, or any other credit or liquidity enhancement that the district may find to be advantageous or necessary to insure, guaranty, or enhance the payment of the principal of or interest on or liquidity for some or all of the bonds. The cost of the enhancement or liquidity may be paid from bond proceeds or from other funds of the district available for this purpose.
q. The insurance to be carried upon the project and the use and disposition of insurance moneys.

2. This section does not authorize the district to do anything in any manner or for any purpose which would result in the creation or incurring of a debt or indebtedness or the issuance of any instrument which would constitute a debt or indebtedness within the meaning of any provision, limitation, or restriction of the Constitution of North Dakota relating to the creation or incurring of a debt or indebtedness or the issuance of an instrument constituting a debt or indebtedness.

61-24-29. Liability of district for notes and bonds - Taxing power prohibited.

Bond anticipation notes, revenue bonds, and refunding bonds issued under this chapter may not be payable from or charged upon any funds other than the revenue pledged to the bond's payment and the district's notes and bonds may not be subject to any pecuniary liability. The holder of any of these notes or bonds may not enforce payment of the notes or bonds against any tangible real or personal nonrevenue property of the district. Notes and bonds issued under this chapter do not constitute a charge, lien, or encumbrance upon any tangible real or personal nonrevenue property of the district, other than the revenues pledged to their payments. Each note and each bond issued under this chapter must recite in substance that the note or bond and interest on the note or bond is payable solely from the revenue pledged to the payment and that the note or bond does not constitute a debt of the state within the meaning of any constitutional or statutory limitation.

61-24-30. Duties of district and officers relative to the issuance of bonds.

1. To adequately secure the payment of bonds and interest on the bonds, the district and its officers, agents, and employees shall:

a. Pay or cause to be paid punctually the principal and interest of every bond on the dates, at the places, in the manner, and out of the funds provided in the refunding bond and in accordance with the resolution authorizing its issuance.
b. Make certain any project financed by the district is operated in an efficient and economical manner, enforce all water purchase and water sales contracts, and establish, levy, maintain, and collect related necessary or proper fees, tolls, rentals, rates, and other charges. The fees, tolls, rentals, rates, and other charges must be sufficient, after making due and reasonable allowances for contingencies and for a margin of error in the estimates, at least to:
   (1) Pay all current expenses of operation and maintenance of any project;
   (2) Make all payments required under any water purchase contract the district may execute;
   (3) Pay the interest and principal on the district's notes and bonds as they become due;
   (4) Comply with the terms of the resolution authorizing the issuance of the bonds or any other contract or agreement with the holders of the funding bonds; and
   (5) Meet any other obligations of the district that are charges, liens, or encumbrances upon the revenues of the district.
c. Operate, maintain, preserve, and keep every part of any tangible project financed and owned or operated by the district in good repair, working order, and condition.
d. Enforce the provisions of all water purchase and sale contracts that produce revenues pledged to payment of bonds.
e. Preserve and protect the security of the bonds and the rights of the bondholders and warrant and defend such rights against all claims and demands.
f. Pay and discharge all lawful claims for labor, materials, and supplies which, if unpaid, might become by law a lien or charge upon the revenues, or any part of the revenues, superior to the lien of the bonds or which might impair the security of the bonds.
g. Hold in trust the revenues pledged to the payment of the bonds for the benefit of the holders of the bonds and apply the revenues only as provided by the resolution authorizing the issuance of the bonds or, if the resolution is modified, as provided in the modified resolution.
h. Keep proper separate books of record and accounts of the project in which complete and correct entries must be made of all transactions relating to any part of the project. All books and papers of the district are subject to inspection by the holders of ten percent or more of the outstanding bonds or of their representatives authorized in writing.

2. The duties contained in this section do not require any expenditure by the district of any funds other than revenue received from a project or water sale contract. The performance of the duties in this section is of the essence of the contract of the district with the bondholders.

61-24-31. Remedies of bondholders in general.

1. Subject to any contractual limitations binding upon the holders of any issue of bonds, or a trustee for the holders, including the restriction of the exercise of any remedy to a specified proportion or percentage of the holders, any holder of bonds or trustee, for the equal benefit and protection of all bondholders similarly situated, may:
   a. By mandamus or other civil action, enforce the holder's rights against the district and its board and any of its officers, agents, or employees and may require the district or the board or any officers, agents, or employees of the district or board to perform their duties and obligations under this chapter and their covenants and agreements with bondholders.
   b. By civil action, require the district and the board to account as if the district and the board were the trustees of an express trust.

c. By civil action, enjoin any acts or things that may be unlawful or in violation of the rights of the bondholders.
d. Bring suit upon the bond.

2. A right or remedy conferred by this chapter upon any bondholder, or upon any trustee for a bondholder, is not intended to be exclusive of any other right or remedy, but each right or remedy is cumulative and in addition to every other right or remedy and may be exercised without exhausting and without regard to any other remedy conferred by this chapter or by any other law of this state.

61-24-32. Bonds as legal investments and security.

Notwithstanding any other provision of law, the state and all public officers, boards, and agencies, and political subdivisions and agencies of the state, all national banking associations, state banks, trust companies, savings banks and institutions, savings and loan associations, credit unions, investment companies, insurance companies, and other persons carrying on an investment business, and all executors, administrators, guardians, trustees, and other fiduciaries, may legally invest any sinking funds, moneys, or other funds belonging to them or within their control in any bonds issued under this chapter, and the bonds are authorized security for all public deposits.