

**FIRST ENGROSSMENT  
with Conference Committee Amendments  
ENGROSSED SENATE BILL NO. 2358**

Introduced by

Senators Wanzek, Dotzenrod, Luick

Representative Pollert

1 A BILL for an Act to amend and reenact section 40-33-16, subsections 11 and 27 of section  
2 61-24-08, subdivision b of subsection 2 of section 61-32-03.1, and subsection 8 of section  
3 61-39-05 of the North Dakota Century Code, relating to Red River valley water supply project  
4 contract terms, elimination of voter approval requirements, and notice of proposed subsurface  
5 water management systems.

6 **BE IT ENACTED BY THE LEGISLATIVE ASSEMBLY OF NORTH DAKOTA:**

7 **SECTION 1. AMENDMENT.** Section 40-33-16 of the North Dakota Century Code is  
8 amended and reenacted as follows:

9 **40-33-16. Municipality may purchase water for distribution.**

10 1. Any city owning a system for the distribution of water for fire protection and other  
11 public purposes and for selling water to its inhabitants and industries, but for which the  
12 water supply is unsuitable or inadequate, may contract to purchase water at wholesale  
13 for ~~such~~those purposes from any person, firm, public or private corporation, or limited  
14 liability company able and willing to furnish the same, upon ~~such~~the terms and during  
15 ~~such~~the period, not exceeding forty years, as the city governing body shall  
16 ~~deem~~deems appropriate. ~~Any such~~The contract shall ~~shall~~must be authorized by an  
17 ordinance submitted to the voters for approval by a majority of those voting on the  
18 proposition before it takes effect. ~~In and by such~~Pursuant to the ordinance and  
19 contract, the city may bind itself:

20 ~~4.~~ a. To establish and maintain rates and charges for supplying water by it to its  
21 inhabitants and industries, either according to a prescribed schedule agreed  
22 upon or sufficient to produce net stated amounts for specified periods during the  
23 life of the contract, or both, and to appropriate and use the same for payments to

1                   become due under the contract, and, if the contract so provides, the city shall-  
2                   beis obligated to pay for ~~sueh~~the water solely out of ~~sueh~~the net revenues;

3       2. ~~b.~~ b. To pay, at an agreed rate or rates, for all water taken by the city under ~~sueh~~the  
4                   contract and not resold by it; and

5       3. ~~c.~~ c. To do and perform any other acts or things ~~which, in the discretion of the~~  
6                   governing body, ~~are deemed~~ deems reasonable and appropriate for the  
7                   procurement of ~~sueh~~the water on the most efficient and economical basis.

8       2. Notwithstanding subsection 1, contracts to purchase water from the water supply  
9                   system created by the Red River valley water supply project may have a term  
10                  exceeding forty years and, if executed in relation to the initial construction of the  
11                  system, need not be submitted to the voters for approval.

12       3. If any payments under any contract are to be made solely out of net revenues, the  
13                  contract may fix and prescribe the method or basis on which net revenues are to be  
14                  computed.

15       **SECTION 2. AMENDMENT.** Subsection 11 of section 61-24-08 of the North Dakota Century  
16       Code is amended and reenacted as follows:

17       11. To operate and maintain or to contract for the operation and maintenance of water  
18                  supply and irrigation works serving lands and uses within or outside the district, and in  
19                  connection therewith, to maintain a reserve fund to meet major unforeseen costs of  
20                  operation and maintenance. The acquisition, construction, operation, and maintenance  
21                  of dams, reservoirs, ground water storage areas, canals, conduits, pipelines, tunnels,  
22                  and any other plants, works, facilities, improvements, or property necessary to operate  
23                  or maintain water supply or irrigation works under this section are exempt from any  
24                  requirements for voter approval.

25       **SECTION 3. AMENDMENT.** Subsection 27 of section 61-24-08 of the North Dakota  
26       Century Code is amended and reenacted as follows:

27       27. To enter water service contracts with municipalities, water districts, or other political  
28                  subdivisions in this state and public utilities in Minnesota as part of the Red River  
29                  valley water supply project, regardless of whether the acquisition, construction, or  
30                  reconstruction of any Red River valley water supply project is actually completed and  
31                  whether water actually is delivered under the contracts. These contracts with cities

1 and water districts are authorized to be executed without limitation on term of years  
2 ~~notwithstanding any limitation to the contrary~~and, if the contracts are executed in  
3 relation to the initial construction of the system, without voter approval.

4 **SECTION 4. AMENDMENT.** Subdivision b of subsection 2 of section 61-32-03.1 of the  
5 North Dakota Century Code is amended and reenacted as follows:

- 6 b. Upon submission of a completed application for a permit, the water resource  
7 district board immediately shall give notice and a copy of the submission via  
8 certified mail to each owner of land within one mile [1.61 kilometers] downstream  
9 of the proposed subsurface water management system outlet unless the distance  
10 to the nearest waterway depicted as a perennial or intermittent stream or river on  
11 a United States geological survey topography map, assessment drain, natural  
12 watercourse, slough, or lake is less than one mile [1.61 kilometers], in which case  
13 notice and a copy of the submission must be given immediately to each owner of  
14 land between the outlet and the nearest assessment drain, natural watercourse,  
15 slough, or lake. The notice requirement in this section must be waived if the  
16 applicant presents signed, notarized letters of approval from all downstream  
17 landowners entitled to notice in this subsection.

18 **SECTION 5. AMENDMENT.** Subsection 8 of section 61-39-05 of the North Dakota Century  
19 Code is amended and reenacted as follows:

- 20 8. Enter ~~a contract or contracts~~ to provide for a supply of bulk water from the Garrison  
21 Diversion Conservancy District which ~~contract or contracts~~ may provide for payments  
22 to fund some or all of the Garrison Diversion Conservancy District's costs of acquiring,  
23 designing, constructing, or reconstructing one or more features of a Red River valley  
24 water supply project, ~~which project the~~ that the Garrison Diversion Conservancy  
25 District may acquire, design, construct, improve, and own, as well as the Garrison  
26 Diversion Conservancy District's costs of operating and maintaining one or more Red  
27 River valley water supply projects, whether the acquisition, construction, or  
28 reconstruction of any Red River valley water supply project actually is completed and  
29 whether water actually is delivered pursuant to the ~~contract or contracts, and which~~  
30 ~~contract or contracts~~ the Garrison Diversion Conservancy District may execute,  
31 Contracts executed under this subsection may be executed without limitation on the

- 1 term of years and, if executed in relation to the initial construction of the system, need
- 2 not be submitted to the voters for approval.