

Sixty-eighth
Legislative Assembly
of North Dakota

SENATE BILL NO. 2326

Introduced by

Senators Dwyer, Kannianen, Sorvaag, Weber

Representatives D. Anderson, Nelson

1 A BILL for an Act to amend and reenact sections 61-02-01.3 ~~and~~, 61-02-02, and 61-03-21.4 of
2 the North Dakota Century Code, relating to the use of economic analysis for flood control and
3 water conveyance projects and works.

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

5 **SECTION 1. AMENDMENT.** Section 61-02-01.3 of the North Dakota Century Code is
6 amended and reenacted as follows:

7 **61-02-01.3. Comprehensive water development plan.**

- 8 1. Biennially, the commission shall develop and maintain a comprehensive water
9 development plan organized on a river basin perspective, including an inventory of
10 future water projects for budgeting and planning purposes.
- 11 2. As part of the commission's planning process, to facilitate local project sponsor
12 participation and project prioritization and to assist in education regarding life cycle
13 analyses for municipal water supply projects, and economic analyses for flood control
14 and water conveyance projects only for those expected to cost more than ~~one-~~
15 ~~million~~ five hundred thousand dollars, the commission shall develop ~~a policy that~~
16 ~~outlines policies and~~ procedures for commissioner-hosted meetings within the upper
17 Missouri River, lower Missouri River, James River, upper Red River, lower Red River,
18 Mouse River, Devils Lake, Little Missouri River, upper Heart River, and upper
19 Cannonball River drainage basins.

20 **SECTION 2. AMENDMENT.** Section 61-02-02 of the North Dakota Century Code is
21 amended and reenacted as follows:

22 **61-02-02. Definitions.**

23 In this chapter, unless the context or subject matter otherwise requires:

- 24 1. "Commission" means the state water commission.

- 1 2. "Cost of works" includes:
 - 2 a. The cost of construction, the cost of all lands, property rights, water rights,
 - 3 easements, and franchises acquired which are deemed necessary for such
 - 4 construction;
 - 5 b. The cost of all water rights acquired or exercised by the commission in
 - 6 connection with the works;
 - 7 c. The cost of all machinery and equipment, financing charges, interest before and
 - 8 during construction and for a period not exceeding three years after the
 - 9 completion of construction;
 - 10 d. The cost of engineering and legal expenses, plans, specifications, surveys,
 - 11 estimates of cost, and other expenses necessary or incident to determining the
 - 12 feasibility or practicability of a project;
 - 13 e. Administrative expenses;
 - 14 f. The construction of the works and the placing of the works in operation; and
 - 15 g. Other expenses necessary or incident to the financing authorized in this chapter,
 - 16 including funding of debt service, repair and replacement reserves, capitalized
 - 17 interest, and the payment of bond issuance costs.
- 18 3. "Cost-share" means funds appropriated by the legislative assembly or otherwise
- 19 transferred by the commission to a local entity under commission policy as
- 20 reimbursement for a percentage of the total approved cost of a project approved by
- 21 the commission.
- 22 4. "Economic analysis" means an estimate of economic benefits and direct costs that
- 23 result from the development of a project.
- 24 5. "Grant" means a one-time sum of money appropriated by the legislative assembly and
- 25 transferred by the commission to a local entity for a particular purpose. A grant is not
- 26 dependent on the local entity providing a particular percentage of the cost of the
- 27 project.
- 28 6. "Life cycle analysis" means the summation of all costs associated with the anticipated
- 29 useful life of a project, including project development, land, construction, operation,
- 30 maintenance, and disposal or decommissioning.

- 1 7. "Loan" means an amount of money lent to a sponsor of a project approved by the
2 commission to assist with funding approved project components. A loan may be
3 stand-alone financial assistance.
- 4 8. "Owner" includes all individuals, associations, corporations, limited liability companies,
5 districts, municipalities, and other political subdivisions of this state having any title or
6 interest in any properties, rights, water rights, easements, or franchises to be acquired.
- 7 9. "Project" means a water conveyance project or any one of the works defined in
8 subsection ~~40~~11, or any combination of such works, which are physically connected or
9 jointly managed and operated as a single unit.
- 10 10. "Water conveyance project" means any assessment drain, streambank stabilization, or
11 snagging and clearing of water courses.
- 12 11. "Works" includes:
- 13 a. All property rights, easements, and franchises relating to and deemed necessary
14 or convenient for their operation;
- 15 b. All water rights acquired and exercised by the commission in connection with
16 such works;
- 17 c. All means of conserving and distributing water, including reservoirs, dams,
18 diversion canals, distributing canals, channels, lateral ditches, pumping units,
19 mains, pipelines, treatment plants, and waterworks systems; and
- 20 d. All works for the conservation, control, development, storage, treatment,
21 distribution, and utilization of water, including works for the purpose of irrigation,
22 flood control, watering stock, supplying water for public, domestic, industrial, and
23 recreational use, fire protection, and the draining of lands injured or in danger of
24 injury as a result of such water utilization.

25 **SECTION 3. AMENDMENT.** Section 61-03-21.4 of the North Dakota Century Code is
26 amended and reenacted as follows:

27 **61-03-21.4. Economic analysis process required for certain projects.**

28 The department of water resources shall develop an economic analysis process for water
29 conveyance projects and flood-related projects expected to cost more than ~~one million~~five
30 hundred thousand dollars, and a life cycle analysis process for municipal water supply projects.
31 When the state water commission is considering whether to fund a water conveyance project,

- 1 flood-related project, or water supply project, the department of water resources shall review the
- 2 economic analysis or life cycle analysis, and inform the state water commission of the findings
- 3 from the analysis and review.