

LEGISLATIVE RECAP:

NDRWSA Advances Key Rural Water Priorities During 69th Session

The 69th Legislative Session marked a period of significant advocacy and progress for the North Dakota Rural Water Systems Association (NDRWSA) and its members. Throughout the session, the association advanced legislative goals that aligned with its vision: ensuring all North Dakotans have access to safe, reliable, and affordable water.

The following is a summary of key legislation that NDRWSA advocated for on behalf of its member systems and the communities/rural residents they serve:

House Bill 1020: Water Budget Overview

Under House Bill 1020, 20.5% of North Dakota's Oil Extraction Tax continues to be allocated to the Resources Trust Fund, a vital source of funding for statewide water projects. This dedicated revenue stream is crucial in supporting infrastructure that benefits all corners of the state. The NDRWSA has consistently supported a Department of Water Resources (DWR) budget that ensures sufficient funding to meet the essential water needs of rural North Dakota. Grant funding made possible through this budget helps residents in smaller communities and rural areas receive a basic necessity of life for a reasonable price. While the legislative process included its share of challenges, the final outcome was a significant success: \$70 million was secured for rural water initiatives over the next two years. NDRWSA sincerely appreciates the legislators who were champions for rural water infrastructure and helped make this funding possible.

House Bill 1537: Protection of Water Service

In July 2024, the North Dakota Supreme Court ruled that water service agreements lacking the signature of the Public Finance Authority (PFA) are legally invalid from the outset, under N.D.C.C. § 6-09.4-22(2). House Bill 1537 was introduced and passed during the 69th Legislative Session to address this issue. Subsection 3 of the bill clarifies that such agreements remain valid and enforceable unless the PFA determines they lack adequate financial safeguards. This change ensures continuity for existing and future agreements while preserving the PFA's oversight role. The bill received strong support from the North Dakota League of Cities, the NDRWSA, and the PFA, all recognizing the need to prevent future legal uncertainty and to protect essential water infrastructure projects.

Senate Bill 2299: Strengthening Water District Governance

Senate Bill 2299 introduces several important updates to improve transparency, accountability, and governance within North Dakota's water districts:

Section 1 mandates financial audits every two years. While most districts already conduct annual audits, this requirement ensures a consistent minimum standard aligned with industry best practices.

Section 2 allows members to petition for additional audits or financial reviews if at least 10% or 300 members sign on. This provision strikes a balance between empowering individual members and protecting districts from unnecessary or repetitive audit costs. The State Auditor's Office retains discretion to approve or deny such requests based on merit.

Section 3 updates the election and nomination process, aiming to standardize procedures while allowing flexibility to accommodate the unique needs of individual districts.

Section 4 clarifies procedures for filling director vacancies and ensures fair access to elections. It also promotes transparency by allowing observer participation during the election process.

Together, these updates enhance the integrity and responsiveness of water district governance across the state.