

Since the signatures to contracts need not be witnessed in order to make contracts valid, it is not material that the parties thereto witness the signatures of each other.

May 28, 1940.

State Water Conservation Board
Helena, Montana

Gentlemen:

In the construction of certain water conservation projects in this state by the State Water Conservation Board, such Board and a water users' association organized to operate such project enter into water purchase contracts with water purchasers, which contracts provide for payments annually over a period of years for water furnished from the project and are the source of revenue by which bonds from the project are repaid.

You ask whether the validity of such water purchase contracts between the water purchasers, the water users' association and the State Water Conservation Board would be affected by certain details in their execution. The particular details to which attention is called and upon which you desire an answer are set forth below, together with an opinion as to the effect thereof.

1. As to your inquiry whether the fact that the signature of the water purchaser is witnessed by the president or secretary of the association, and such president or secretary also signs as such officer in behalf of such association, would that fact affect the validity of the contract?

I would state that under the general law and under the laws of the State of Montana, no witness is required to contracts; therefore, the item mentioned would not affect the validity of the contract and same would be valid and not be invalidated by this item.

2. For the same reasons set forth in the last paragraph, where an employee of the State Water Conservation Board witnesses the signature of the water purchasers, the contract would be valid and not be affected by the fact that same was witnessed by such employee of the Board.

3. Answering your inquiry as to whether or not the fact that an officer of the association signs the contract on behalf of the association as such officer and also signs such contract as

Opinion No. 238.

**State Water Conservation Board—
Water Users' Association—
Contracts—Execution—
Witnesses—Term.**

HELD: Cities, towns, counties and school districts may contract for the purchase of water for a period of years.

A contract may be signed by a purchaser even though it is also signed by him as an officer of the Water Users' Association.

a water purchaser, I would advise you that this would not affect the validity of the contract. The fact that the water purchaser was an officer of the association, and in such capacity signed the contract, would in no manner affect or interfere with the validity of such contract.

You also inquire as to whether or not the following parties have a right to execute a valid water purchase contract for a period of years—cities, towns, counties and school districts.

The question of the right of the county to execute such a contract is covered by an opinion of this office to Mr. L. D. Glenn, dated December 9, 1937, advising that such contracts are not illegal.

Relative to the question of the right of cities to enter into such contracts for a period of years, I am of the opinion that the decision of the Supreme Court of the State of Montana in case of *Farmers State Bank v. City of Conrad*, 100 Mont. 415, is direct authority for these contracts over a period of years. I also believe that the same reasoning which governs this case, and the Attorney Generals' opinion in relation to counties would relate to counties and school districts, and therefore hold that none of such contracts are illegal because of extending over a period of years.