DNRC REPORT TO EQC HB22 ADJUDICATION PROGRESS

January, 2011

Claims Examination Progress

- First benchmark <u>8,000</u> claims by <u>12-31-2006</u>
- Second benchmark <u>19,000</u> claims by <u>12-31-2008</u>
- Third benchmark 31,000 claims by 12-31-2010
- Fourth Benchmark 44,000 claims by 12-31-2012
- Claims examined July 2005 thru **Dec**, **1 2011 49,334**

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- Claims examined by Purpose

0	Irrigation	10841	22%
0	Stock	27422	56%
0	Domestic	6491	13%
0	Other	<u>4580</u>	9%
		49,334	

Claims remaining to be examined

7,666

Summary Reports to Water Court	Date Issued
Union Creek (part of 76F)	May 19, 2005
Teton River (410)	August 15, 2005
Big Hole River (41D)	October 31, 2006
Tongue River, below hanging Woman Creek (42C)	August 7, 2007
Blackfoot River (76F)	August 14, 2007
Missouri River, from Holter Dam to Sun River (41QJ)	August 15, 2007
Tongue River, above Hanging Woman (42B)	December 5, 2007
Pryor Creek (43E)	August 18, 2008
Smith River (41J)	September 1, 2008
Beaver Creek (40M)	September 1, 2008
Flatwillow Creek (40B)	September 11, 2008
Milk River (40J)	December 5, 2008
Little Big Horn River (43O)	February 6, 2009
Big Muddy Creek (40R)	April 6, 2009
Missouri River, Sun River to Marias River (41Q)	June 16, 2009
Beaverhead River (41B) *	August 14, 2009
Arrow Creek (41R)	October 23, 2009
Missouri River, from Marias River to Bullwacker Creek (41T) *	November 17, 2009
Milk River above Fresno (40F)*	April 15, 2011

(* basins not yet decreed)

Decrees Issued by Water Court	Date Issued	Number of Claims
Teton River (410)	12/29/2005	2,500
Union Creek (part of 76F)	3/10/2006	42
Big Hole River (41D)	4/6/2007	3,892
Missouri River (41QJ)	2/6/2008	2,584
Tongue River (42C)	2/28/2008	4,710
Tongue River (42B)	2/28/2008	1,345
Forest Service Compact	5/19/2008	262
BLM-Montana Compact	3/6/2009	2
Beaver Creek (40M)	3/20/2009	2,942
Big Muddy Creek (40R)	1/28/2010	2,029
Pryor Creek (43E)	2/25/2010	629
Little Big Horn River (43O)	3/17/2010	1,176
Missouri River from Sun River to Marias River (41Q)	5/27/2010	4,127
Milk River between Fresno Res & Whitewater (40J)	6/24/2010	12,897
Smith River (41J)	12/16/2010	2,684
Blackfoot River (76F)	2/10/2011	3,717
Flatwillow Creek (40B)	5/5/2011	3,677
Arrow Creek (41R)	6/23/2011	2,173
National Bison Range Compact	9/30/2011	97

Above decrees scanned and available at: http://www.dnrc.mt.gov/wrd/water_rts/adjudication/default.asp

	BASINS BY COMPLETION DATE - DNRC WORK PLAN FY 2012			
DACINI			Estimated	
BASIN COUNT	BASIN NAME	WORK STATUS	Completion Date	
000111	D/ (OIT TT) (IVIL	Examination	Baio	
1	Flathead R below Flathead Lake (76L)	complete	12	2009
		Summary Report		
2	Big Horn R below Greybull R (43P)	pending	6	2013
	•	Summary Report		
3	Rosebud Creek (42A)	pending	12	2012
		Summary Report		
4	Shoshone River (43N)	pending	10	2012
		Summary		
5	Milk River above Fresno (40F)	Completed	4	2011
		Examination in		
6	Flathead River (76LJ)	progress	7	2013
		Summary Report		
7	Cut Bank River (41L)	pending	6	2012
		Summary Report		
8	St. Mary River (40T)	pending	11	2012
		Examination in		2012
9	Yellowstone R below Powder R (42M)	progress	8	2012
40	D 1D 1D: (414)	Examination in		2012
10	Red Rock River (41A)	progress	3	2012
4.4	Described Consider (401)	Summary Report	9	2012
11	Peoples Creek (40I)	pending Summary Report	9	2012
12	Two Medicine River (41M)	pending	8	2013
12	1 WO MEGICINE KIVEI (41M)	Examination in	0	2013
13	Marias River (41P)	progress	10	2013
13	Missouri R between Bullwacker &	Examination in	10	2013
14	Musselshell (40EJ)	progress	12	2012
		Examination in	12	2012
15	Bitterroot R, E side (76HA)	progress	6	2015
	(, , , , , , , , , , , , , , , , , , ,	Summary Report		
16	Frenchman Creek Re-Examination (40L)	pending	7	2014

District Court Enforcement Actions

2005 season	completed water court assistance for 23 streams
2006 season	completed water court assistance for 23 streams
2007 season	completed water court assistance for 26 streams
2008 season	completed water court assistance for 32 streams
2009 season	completed water court assistance for 36 streams
2010 season	completed water court assistance for 38 streams
2011 season	completed water court assistance for 38 streams

Automated indexes are now in use

Post Decree Assistance (July 2011)

Case type	case count	work hours
Certified cas	se	119.5
85-2-248	51	1723
Case	39	1590
General assi	st	1,378
Total hours		4,810.5

Post Decree assistance primarily involves working with claimants and the Water Court to help resolve issue remarks on water rights. This assistance is generated through the on motion process (85-2-248) and objections by water users resulting in a case. Assistance includes meeting with claimants, conducting field investigations, mapping, and providing recommendations and technical reports pertaining to individual cases. In addition, assistance is requested by the Water Court to help with certified cases before and after the initial decree phase. Unique requests to help the Water Court resolve specific cases such as large basin mapping projects, and other technical requests fall within the general assistance category.

Expenses

YTD FY 2012:	Operating Costs	\$ 83,936.14
	Personnel Services	\$ 673,114.78
	Total	\$ 757,050.92
	Budget	\$ 2.141.331

Billing System

108,000 bills mailed Dec 27, 2005

Estimated revenue generated \$6.2 million Revenue received \$5.218 million

Appeals

5,089 Appeals received

5089 appeals resolved to date (1121 denied, 3113 resolved with fee correction, 855 cancelled)

The department is working on preparing 264 invoices over \$200.00 to send to the Department of Revenue for collection. These invoices total approximately \$287,000.

HB39 Automate Ownership updates (effective July 1, 2008)

- -Department staff continue to validate water right geocodes for property transfers that occurred from November 2010 thru October 2011.
- -In 2010, 3,821 ownerships were updated involving 9,460 water rights
- -In 2011, 6,245 ownerships were updated involving 15,765 water rights.

Adjudication Transition Plan

-The adjudication transition plan was completed summer of 2011 as identified in the legislative audit report. This plan identifies potential resources needed beyond 2015.

WATER COURT

ADJUDICATION PROGRESS REPORT TO THE EQC (AND WATER POLICY INTERIM COMMITTEE) PURSUANT TO § 85-2-281, MCA Submitted by C. Bruce Loble, Chief Water Judge As of December 16, 2011

The Water Court is continuing to work through its expanding inventory of water right claims that have unresolved objections, issue remarks, motions to amend, and claims certified to the Water Court by the DNRC or District Courts. The Water Court is primarily working on water right claims in the following basins:

Basin	Sources	Claims in Decree	Remaining Claims to Resolve
40B	Flatwillow Creek	3,677	Decree issued 5/5/2011 Extended Objection Deadline is 1/30/2012
40H	Big Sandy Creek	797	31
40J	Milk River Between Fresno Reservoir & Whitewater Creek	12,897	Decree issued 6/24/2010 60 day Notice of Intent to Appear deadline scheduled to begin in January 2012
40M	Beaver Creek, Tributary of Milk River	2,942	1,017
40O	Milk River Below Whitewater Creek	3,306	297
40R	Big Muddy Creek	2,029	678
41D	Big Hole River	3,892	1,275
41I	Missouri River upstream of Holter Dam	5,168	213
41J	Smith River	2,719	Decree issued 12/16/2010 - 60 day counter-objection period scheduled to begin in January 2012
41K	Sun River	2,856	104
410	Teton River	2,541	324
41Q	Missouri River from Sun River to Marias River	4,127	1,005
41QJ	Missouri River from Holter Dam to Sun River	2,584	305
41R	Arrow Creek	2,179	Decree issued 6/23/2011 Extended Objection Deadline 3/19/2012
42B	Tongue River above & including Hanging Woman Creek	1,345	260

42C	Tongue River below Hanging Woman Creek	4,710	938
42KJ	Yellowstone River between Bighorn and Tongue Rivers	4,767	237
43A	Shields River	3,395	115
43B	Yellowstone River above & including Bridger Creek	4,860	317
43E	Pyror Creek	629	485
430	Little Bighorn River	1,176	1,135
43Q	Yellowstone River between Clarks Fork Yellowstone and Bighorn Rivers	2,473	101
76F	Blackfoot River	3,717	Decree issued 2/10/2011 Extended Objection Deadline 2/6/2012
76HF	Bitterroot River - Westside Subbasin	3,774	127

United States Forest Service - Montana Compact — Several Objections Still Pending - A hearing on the objections has been set for January 4-5, 2012 in Missoula.

Although the Water Court has completed most of its review of the current Summary Reports (basically draft decrees) provided by the DNRC, no new decrees will be issued for a few months. Following the issuance of the last several decrees, the United States filed an increasing number of general objections contending some of the claims examination has been deficient. The Water Court is reviewing the objections, has requested DNRC to run some additional checks and standards on prospective decrees, and anticipates ordering a more detailed examination of claim ownership issues on Indian Reservations. The Court has also requested the technical teams of the DNRC and the United States to hold discussions on some of the filed objections to determine if mutually agreeable solutions can be found.

In 2010, decrees were issued in the Pryor Creek (43E) and the Little Bighorn River (43O) basins. Many of the claims in these basins are within the boundaries of the Crow Reservation. The Crow Tribe and/or the United States Bureau of Indian Affairs have filed objections to almost every claim on the Little Bighorn River and to a sizable number on Pryor Creek. A significant number of the tribal objections involve Section 2 of the 1920 Crow Allotment Act. Many water users, including tribal and non-tribal water users, have filed motions to dismiss and motions for sanctions against the Tribe and its attorney. The Water Court has consolidated these motions into two cases for early resolution. The initial settlement period on the Section 2 objections expires February 21, 2012.

Pursuant to the request of Senator Brenden, the Water Adjudication Advisory Committee is examining options concerning claims which were "exempt" from the filing requirements of the 1979 legislation (SB 76) which created the statewide water rights adjudication effort. Senator Brenden has requested the Advisory Committee to report its review to the EQC. The Advisory Committee has met three times and is scheduled to meet again on December19, 2011.

Associate Water Judge application process will likely begin in February 2012.