DNRC REPORT TO EQC HB22 ADJUDICATION PROGRESS

May 28, 2009

Claims Examination Progress

- First benchmark <u>8,000</u> claims by <u>12-31-2006</u>
- Second benchmark 19,000 claims by 12-31-2008
- Third benchmark 31,000 claims by 12-31-2010
- Claims examined July 2005 thru March, 31 2009 32,825
- Claims examined by Purpose

0	Irrigation	7,221	22%
0	Stock	19,367	59%
0	Domestic	3,611	11%
0	Other	<u>2,626</u>	8%

32,825

Claims remaining to be examined

24,175

Summary Reports to Water Court Union Creek (part of 76F)

Union Creek (part of 76F)	May 19, 2005
<u> </u>	• •
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 Creek (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 (430)	Feb 6, 2009
Big Muddy Creek (40R)	April 6, 2009

Decrees Issued by Water Court

Beaver Creek, trib of	March 20, 2009	2942 claims
Compact		
BLM – Montana	March 6 2009	2 rights
Forest Service Compact	May 19, 2008	262 rights
Tongue River 42B	Feb 28, 2008	1345 claims
Tongue River 42C	Feb 28, 2008	4710 claims
Missouri River 41QJ	Feb 6, 2008	2,584 claims
Big Hole River Decree	April 6, 2007	3,892 claims
Union Creek Decree	March 10, 2006	42 claims
Teton Basin Decree	December 29, 2005	2,500 claims

Milk River

Above decrees scanned and available at: http://dnrc.mt.gov/wrd/water_rts/adjudication Updated information in bold.

ENVIRONMENTAL QUALITY

MAY 28, 2009

	BASINS BY COMPLETION DATE - DNRC WORK PLAN 2009			
BASIN	DAGININAME	MODIC OTATUO		COMPLETE
COUNT	BASIN NAME	WORK STATUS	DATE	<u> </u>
1	Missouri P to Morios (410)	Summary prep	7	2000
I	Missouri R to Marias (41Q)	pending Examination in		2009
2	Beaverhead River (41B)	1	9	2009
	Beaverneau River (41B)	progress Summan prop	- 9	2009
3	Big Horn R below Greybull R (43P)	Summary prep pending	10	2009
3	Dig Holli K below Greybull K (43F)	Examination in	10	2009
4	Missouri R from Marias to Bullwacker (41T)		10	2009
4	Wissouti K from Wallas to Dunwacker (411)	progress Examination in	10	2009
5	Rosebud Creek (42A)		6	2010
	Roscoud Creek (42A)	progress Examination in		2010
6	Flathead R below Flathead Lake (76L)	progress	8	2010
	` '			
7	Shoshone River (43N)	To be Examined	9	2010
	M'II D' - 1 - F - (ADD)	Summary prep		2011
8	Milk River above Fresno (40F)	pending Examination in	3	2011
_	Amora Carala (A1D)			2011
9	Arrow Creek (41R)	progress Examination in	6	2011
10	Elathood Divor (761 D		9	2011
10	Flathead River (76LJ)	progress Summary man	- 9	2011
11	Cut Book Birror (411)	Summary prep	6	2012
- 11	Cut Bank River (41L)	pending	- 0	2012
12	St. Mary River (40T)	Summary prep pending	7	2012
		<u> </u>	 	
13	Yellowstone R below Powder R (42M)	To be Examined	8	2012
4.4	D 1D 1D' (41A)	Examination in		2012
14	Red Rock River (41A)	progress	2	2013
4-	D 1 C 1 (40D)	Summary prep		2012
15	Peoples Creek (40I)	pending	6	2013
16	Two Medicine Divor (41M)	Summary prep	8	2012
16	Two Medicine River (41M)	pending Examination in	8	2013
17	Marias River (41P)		10	2013
		progress		
18	Missouri R between Bullwacker & Musselshell (40EJ)	To be Examined	3	2015
40	D'A A D E 11 (ZCHA)	Examination in		2015
19	Bitterroot R, E side (76HA)	progress	6	2015

District Court Enforcement Actions

- Completed water court assistance on 23 streams 2005 season
- Completed water court assistance on 23 streams 2006 season
- Completed water court assistance on 26 streams 2007 season
- Completed water court assistance on 35 streams 2009 season
- Automated indexes are now in use

Expenses

YTD FY09: Operating Costs \$ 310,966.00
Personnel services \$ 1,488,212.00
Total \$ 1,799,178.00
Budget \$ 2,577,712.00

Billing System

- 108,000 bills mailed Dec. 27, 2005
- Estimated revenue generated \$6.2 million
- Revenue received \$5.199 million

Appeals

- 5,026 Appeals received
- 4143 appeals have been resolved to date (1093 denied, 3050 resolved with fee correction)
- 883 appeals remain

HB 39 Automate Ownership Updates effective July 1, 2008

- o Contract is finalized and Tyler Inc is developing the program for DOR to pass thru new property owner names to DNRC for updating water right records. **Anticipate testing program in June 2009.**
- o Geocodes were loaded into DNRC database in June 2008.

Database Progress

- Water right records that have been matched to property geocodes will be uploaded to DOR Orion property database June 2009.
- **Final testing** of Reserved Water Right Compact water right records, automating annual reporting and implementing subordination provisions. Anticipated completion date June 2009.
- Moved Water Right Database to ITSD in May 2007.
- Automated water court objection list (120 hours) August 2007

Basin Location and Adjudication Status

5/21/09

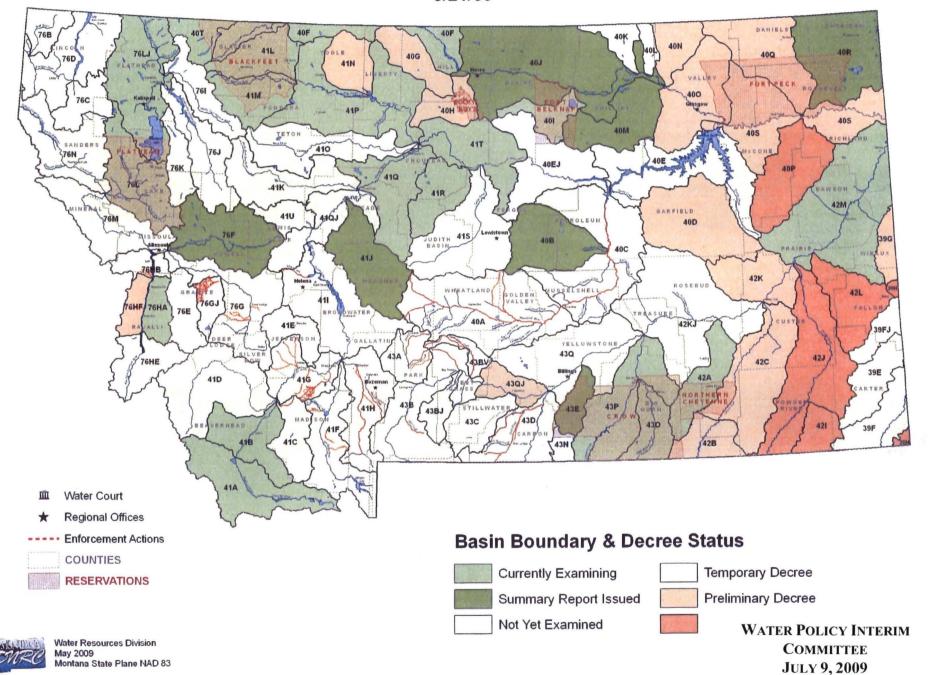
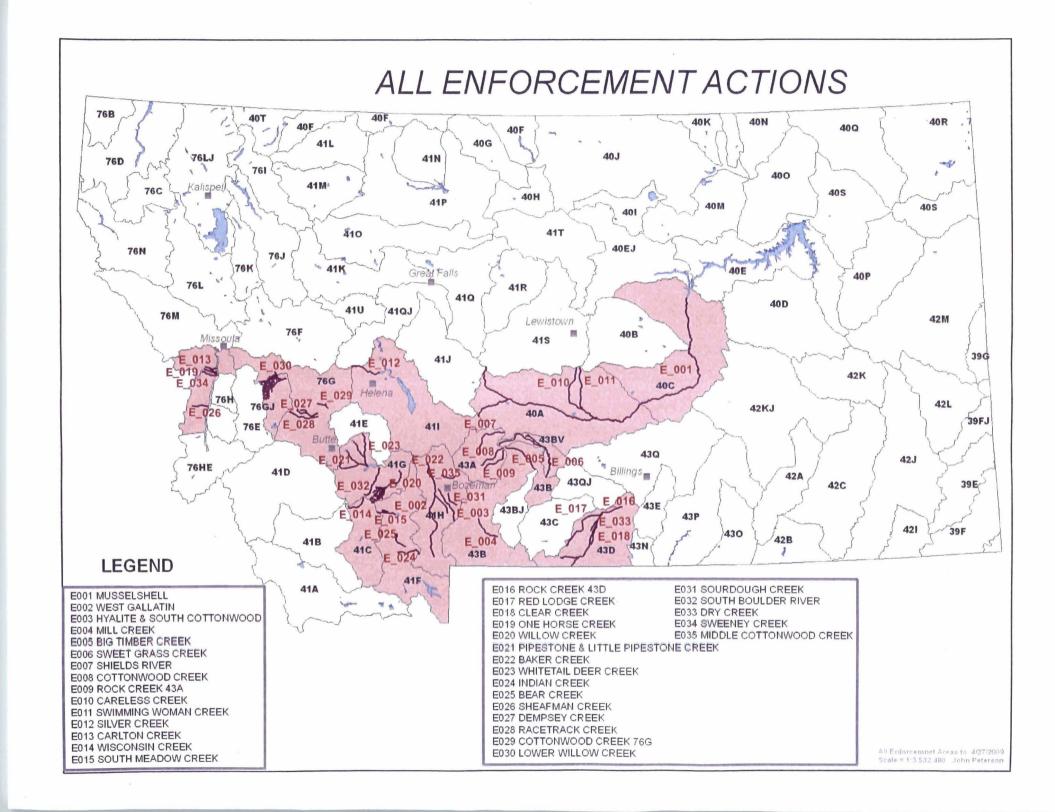
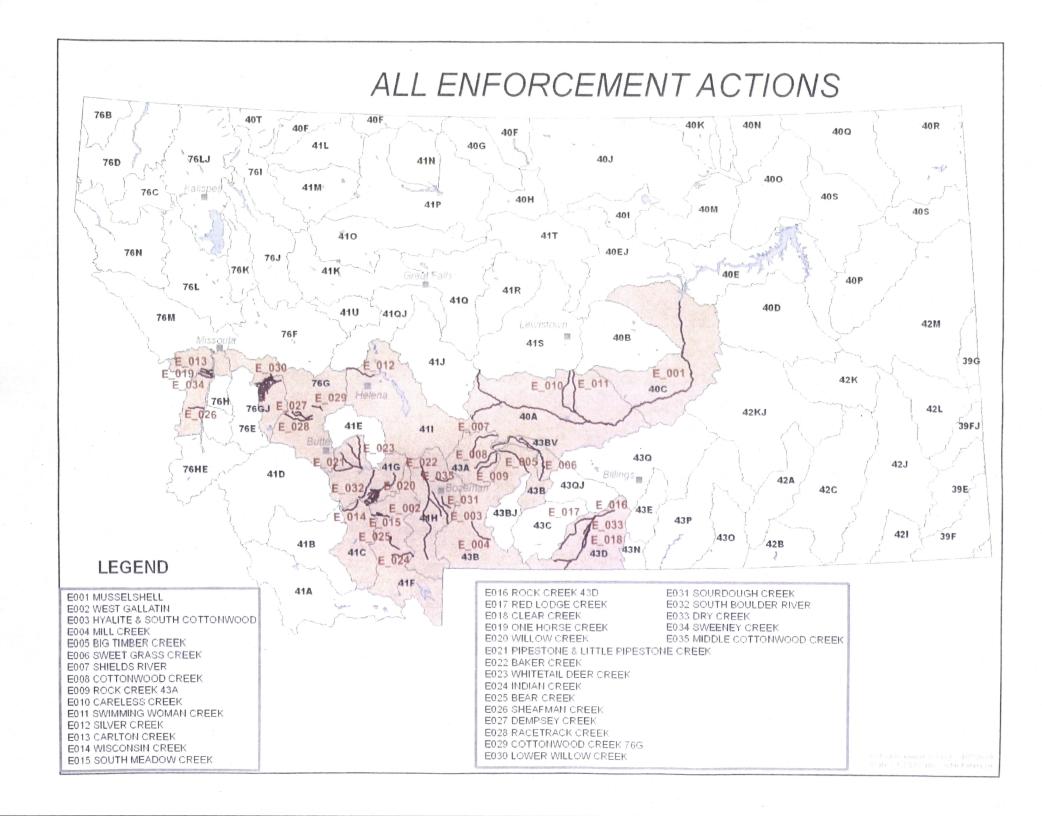


EXHIBIT 2





DNRC REPORT TO EQC HB22 ADJUDICATION PROGRESS

August 28, 2009

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
- Claims examined July 2005 thru July, **31 2009 36,702**
- Claims examined by Purpose

		36702	
0	Other	<u>2928</u>	8%
0	Domestic	4146	11%
0	Stock	21466	58%
0	Irrigation	8162	22%

Claims remaining to be examined

20,298

Summary Reports to Water Court

unitary Reports to water Court	
Union Creek (part of 76F)	May 19, 2005
Teton River (41O)	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 Creek (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 (430)	Feb 6, 2009
Big Muddy Creek (40R)	April 6, 2009
Missouri R to Marias (41Q)	June 16, 2009
Beaverhead River (41B)	August 14, 2009

Decrees Issued by Water Court

Teton Basin Decree	December 29, 2005	2,500 claims
Union Creek Decree	March 10, 2006	42 claims
Big Hole River Decree	April 6, 2007	3,892 claims
Missouri River 41QJ	Feb 6, 2008	2,584 claims
Tongue River 42C	Feb 28, 2008	4710 claims
Tongue River 42B	Feb 28, 2008	1345 claims
Forest Service Compact	May 19, 2008	262 rights
BLM – Montana Compact	March 6 2009	2 rights
Beaver Creek, trib of Milk	March 20, 2009	2942 claims
Divor		

River

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

	BASINS BY COMPLETION DATE - DNRC WORK PLAN 2009			
BASIN			EST C	OMPLETE
COUNT	BASIN NAME	WORK STATUS	DATE	
		Examination in		
1	Missouri R from Marias to Bullwacker (41T)	progress	10	2009
		Examination in		
2	Arrow Creek (41R)	progress	12	2009
		Summary prep		
3	Big Horn R below Greybull R (43P)	pending	12	2009
		Examination in		
4	Flathead R below Flathead Lake (76L)	progress	12	2009
		Examination in		
5	Rosebud Creek (42A)	progress	6	2010
6	Shoshone River (43N)	To be Examined	9	2010
		Summary prep		
7	Milk River above Fresno (40F)	pending	3	2011
		Examination in		
8	Flathead River (76LJ)	progress	9	2011
		Summary prep		
9	Cut Bank River (41L)	pending	6	2012
		Summary prep		
10	St. Mary River (40T)	pending	7	2012
11	Yellowstone R below Powder R (42M)	To be Examined	8	2012
		Examination in		
12	Red Rock River (41A)	progress	2	2013
		Summary prep		
13	Peoples Creek (40I)	pending	6	2013
		Summary prep		
14	Two Medicine River (41M)	pending	8	2013
		Examination in		
15	Marias River (41P)	progress	10	2013
16	Missouri R between Bullwacker & Musselshell (40EJ)	To be Examined	3	2015
		Examination in		
17	Bitterroot R, E side (76HA)	progress	6	2015

District Court Enforcement Actions

- Completed water court assistance on 23 streams 2005 season
- Completed water court assistance on 23 streams 2006 season
- Completed water court assistance on 26 streams 2007 season
- Completed water court assistance on 37 streams 2009 season
- Automated indexes are now in use

Post Decree Assistance

- expended 67 hours for certified case assistance
- expended 1176 hours on 111 cases per 85-2-248
- expended 375 hours on case assistance
- expended 167 hours in general post decree assistance

Total hours 1767

Expenses

YTD FY09:	Operating Costs Personnel services	\$ 331,822.00 \$ 1,915,414.00
	Total	\$ 1,247,236.00
	Budget	\$ 2,555,369.00
YTD FY10:	Operating Costs	\$ 42,000.00
	Personnel services	\$ 166,272.00
	Total	\$ 209,009.00
	Budget	\$ 2,389,985.00

Billing System

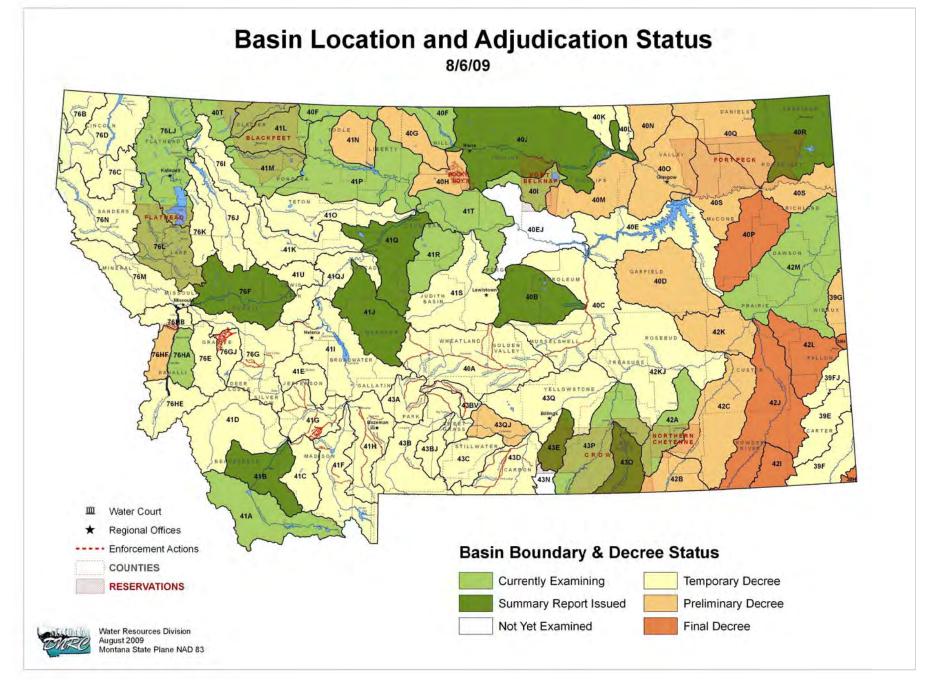
- 108,000 bills mailed Dec. 27, 2005
- Estimated revenue generated \$6.2 million
- Revenue received \$5.202 million

Appeals

- 5,039 Appeals received
- 4222 appeals have been resolved to date (1104 denied, 3118 resolved with fee correction)
- 817 appeals remain

HB 39 Automate Ownership Updates effective July 1, 2008

- o Contract is finalized and Tyler Inc is developing the program for DOR to pass thru new property owner names to DNRC for updating water right records.
- o Geocodes were loaded into DNRC database in June 2008.
- Changes to the ownership update program on DOR's Orion system were delivered to DOR July 13, 2009. Due to the deadline for mailing notice of property reappraisals and processing the tax assessment notices, DOR anticipates a state-wide ownership update export to DNRC will be after mid-September.



MONTANA WATER COURT



STATE OF MONTANA

(406) 586-4364 1-800-624-3270 (In-State only) FAX: (406) 522-4131 PO BOX 1389 Bozeman, MT 59771-1389

WATER COURT ADJUDICATION PROGRESS

Submitted by C. Bruce Loble, Chief Water Judge August 20, 2009

The Report prepared by the Department of Natural Resources and Conservation identifies the Summary Reports which the DNRC has delivered to the Water Court and the Decrees issued by the Water Court, so that information will not be repeated here.

The Water Court is reviewing several Summary Reports and expects to begin issuing additional decrees once the Department of Revenue water right ownership update process is fully functional. While waiting for the Department of Revenue, the Water Court is working with the DNRC claim examination staff, the United States water adjudication staff, private attorneys, and some water users to gather additional information to complete the examination of (1) Indian and possible Indian successor claims near reservations, (2) claims for private stock water rights on federal lands, and (3) claims asserting the historical marshaling of water rights on irrigated lands. Additionally, the Water Court is working with interested parties to identify flow rate and volume guidelines to apply to instream claims, other than Department of Fish, Wildlife, & Parks Murphy Rights. Once the procedures to examine these issues are resolved and implemented, the prospective decrees represented by the pending Summary Reports will be ready to be issued.

Montana's water rights adjudication effort is undergoing a performance audit by the Montana Legislative Audit Division. As part of that process, the Water Court's senior staff met with the legislative audit team on August 10, 2009 for an entrance conference. The audit team indicated that a draft report may be completed by January 2010 and that a final report is expected to be presented to the Legislative Audit Committee in early 2010. Presumably, the audit team would be available to appear before the EQC and Water Policy Committee.

In response to the 2009 legislative mandate to generate "vacancy savings," the Water Court has not filled a half time FTE position and in response to the suggestion of the Office of the Supreme Court Administrator, a few Water Court staff members have scaled back their hours to slightly less than full time.

The Water Court's primary focus is to work through its existing inventory of water right claims that have unresolved objections and other issues. The Court's goal is to draw down its current caseload to clear the decks for the large number of claims that are moving through the DNRC claim examination pipeline and which are scheduled to be incorporated into Water Court decrees in the next few years.

Currently, the Water Court is primarily working on water right claims in the following basins:

Basin	Source	Claims in Decree	Remaining Claims to Resolve
40H	Big Sandy Creek	797	104
40O	Milk River Below Whitewater Creek	3306	1369
40Q	Poplar River	2080	52
40S	Missouri River Below Ft. Peck Dam	2966	483
41D	Big Hole River	3892	2268
410	Teton River	2524	1278
41QJ	Missouri River from Holter Dam to Sun River	2445	844
42B	Tongue River above and including Hanging Woman Creek	1345	569
42C	Tongue River below Hanging Woman Creek	4689	1186
42KJ	Yellowstone River between Bighorn and Tongue Rivers	4767	915
43Q	Yellowstone River between Clarks Fork Yellowstone and Bighorn Rivers	2473	242
76HF	Westside Subbasin - Bitterroot River	3774	229

DNRC REPORT TO EQC HB22 ADJUDICATION PROGRESS

January 2010

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
- Claims examined July 2005 thru November, 30 2009 39,250

-

- Claims examined by Purpose

0	Irrigation	9132	23%
0	Stock	22287	57%
0	Domestic	4649	12%
0	Other	<u>3282</u>	8%
		20250	

39250

Claims remaining to be examined

17,750

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
Blackfoort 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 (430)	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

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

3/6/2009 3/20/2009

2,942

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

	BASINS BY COMPLETION DATE - DNRC WORK PLAN 2009			
BASIN			Estima	ated
COUNT	BASIN NAME	WORK STATUS	Comp	letion Date
		Examination in		
1	Flathead R below Flathead Lake (76L)	progress	12	2009
		Examination in		
2	Big Horn R below Greybull R (43P)	progress	3	2010
		Examination in		
3	Rosebud Creek (42A)	progress	6	2010
4	Shoshone River (43N)	To be Examined	9	2010
		Summary prep		
5	Milk River above Fresno (40F)	pending	3	2011
		Examination in		
6	Flathead River (76LJ)	progress	9	2011
		Summary prep		
7	Cut Bank River (41L)	pending	6	2012
		Summary prep		
8	St. Mary River (40T)	pending	7	2012
		Examination in		
9	Yellowstone R below Powder R (42M)	progress	8	2012
		Examination in		
10	Red Rock River (41A)	progress	2	2013
		Summary prep		
11	Peoples Creek (40I)	pending	6	2013
		Summary prep		
12	Two Medicine River (41M)	pending	8	2013
		Examination in		
13	Marias River (41P)	progress	10	2013
		Examination in		
14	Missouri R between Bullwacker & Musselshell (40EJ)	progress	3	2015
		Examination in		
15	Bitterroot R, E side (76HA)	progress	6	2015

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

Automated indexes are now in use

Post Decree Assistance (July thru Nov 2009)

Case type	case count	work hours
Certified case	1	81
85-2-248	82	1738
Case	10	54.5
General assist	t	72.5
Total hours		2242

Expenses

YTD FY 2010: Operating Costs \$ 112,702.73

Billing System

108,000 bills mailed Dec 27, 2005

Estimated revenue generated \$6.2 million Revenue received \$5.202 million

Appeals

5,048 Appeals received

4505 appeals resolved to date (1118 denied, 3387 resolved with fee correction)

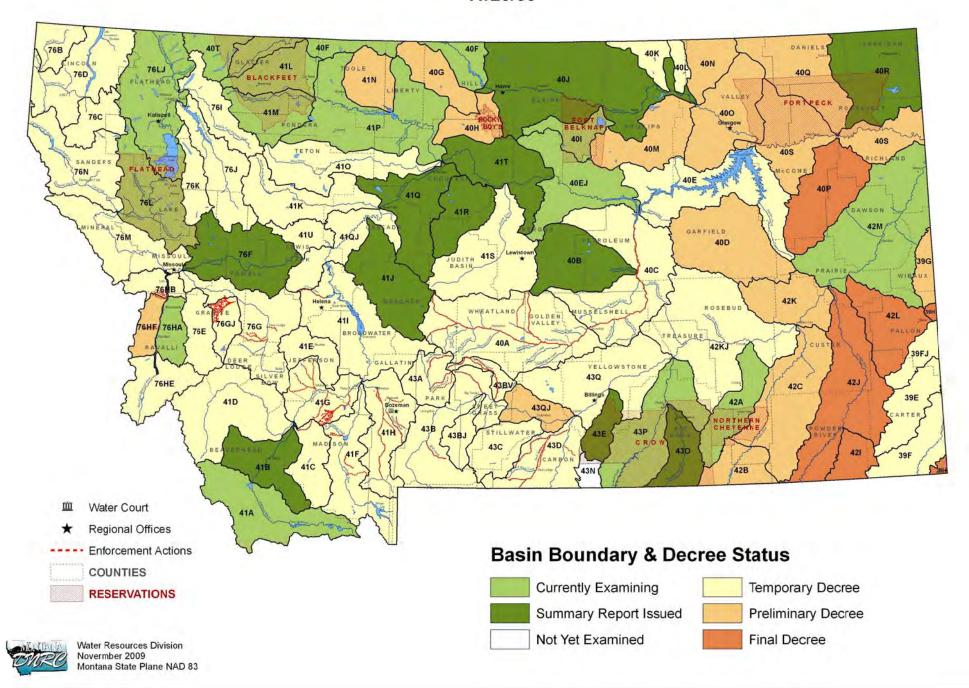
543 appeals remain

HB39 Automate Ownership updates (effective July 1, 2008)

- -Contract is finalized and Tyler Inc is developing the program for DOR to pass thru new property owner names to DNRC for updating water right records.
- -Geocodes were loaded into DNRC database in June 2008.
- -State-wide ownership update export to DNRC was received 12-4-2009.
- -DNRC is scrubbing data for input, estimated completion date June 2010.

Basin Location and Adjudication Status

11/20/09



WATER COURT ADJUDICATION PROGRESS REPORT TO THE EQC PURSUANT TO § 85-2-281, MCA Submitted by C. Bruce Loble, Chief Water Judge December 9, 2009

The Water Court's primary focus is to work through its existing 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 Court's goal is to draw down its current caseload to clear the decks for the large number of claims that are moving through the DNRC claim examination pipeline and which are scheduled to be incorporated into Water Court decrees within the next few years. Currently, the Water Court is primarily working on water right claims in the following basins:

Basin	Source See Attached Map	Claims in Decree	Remaining Claims to Resolve
40A	Musselshell River above Roundup	5,812	149
40E	Missouri River between Musselshell River & Fort Peck Dam	3,010	204
40H	Big Sandy Creek	797	83
40O	Milk River Below Whitewater Creek	3,306	1,280
40M	Beaver Creek, Tributary of Milk River	2,942	Obj Period Expires January 20, 2010
40Q	Poplar River	2,080	18
40S	Missouri River Below Ft. Peck Dam	2,966	348
41C	Ruby River	2,183	192
41D	Big Hole River	3,892	2,236
41G	Jefferson River	2,407	143
41I	Missouri River upstream of Holter Dam	5,168	218
410	Teton River	2,541	1,093
41QJ	Missouri River from Holter Dam to Sun River	2,584	819
42B	Tongue River above and including Hanging Woman Creek	1,345	570
42C	Tongue River below Hanging Woman Creek	4,708	1,189
42KJ	Yellowstone River between Bighorn and Tongue Rivers	4,767	673

43B	Yellowstone River above & including Bridger Creek	4,860	303
43Q	Yellowstone River between Clarks Fork Yellowstone and Bighorn Rivers	2,473	212
76HF	Bitterroot River - Westside Subbasin	3,774	222
	States Forest Service - Montana Compact — Several Objections Conference set for December 17, 2009	ons Still Pending	
	States Bureau of Land Management - Montana Compact — All Cocuments Due January 6, 2010	Objections Withdra	wn

In preparing to issue additional decrees, the Water Court is reviewing eleven Summary Reports (basically draft decrees) which were generated by the DNRC after completing its basin water right claim examination duties. The Water Court has completed the review of most of these Summary Reports, but is holding up the issuance of any new decrees until the Department of Revenue and the DNRC complete the automation of the ownership update process. Until the state's centralized water right ownership record system can provide current names and addresses of the actual water right owners in the affected basins, the Water Court is reluctant to issue new decrees.

The Water Court has been advised that the automation process will not be completed soon. The DNRC has been requested to manually update the ownership records in the Summary Report basins beginning in Basin 40R. Once each basin ownership update is complete, the Water Court will then issue a decree in that basin, hopefully beginning in January 2010. Assuming each basin update is timely completed thereafter, the decrees in the Summary Report basins might be issued as often as one a month in the approximate order of the following basin list:

Basin Designation	Source	Approximate Number of Claims
40R	Big Muddy Creek	2,028
43E	Pryor Creek	625
430	Little Big Horn River	1,176
41Q	Missouri River from Sun River to Marias River	4,118
41J	Smith River	2,711
76F	Blackfoot River	3,690
40B	Flatwillow Creek	3,633

40J	Milk River between Fresno Reservoir & Whitewater Creek	12,881
41B	Beaverhead River	2,163
41R	Arrow Creek	2,167
41T	Missouri River Between Marias River to and including Bullwacker Creek	3,063
Eleven Basins	Approximate Number of Claims in Prospective Decrees	38,255

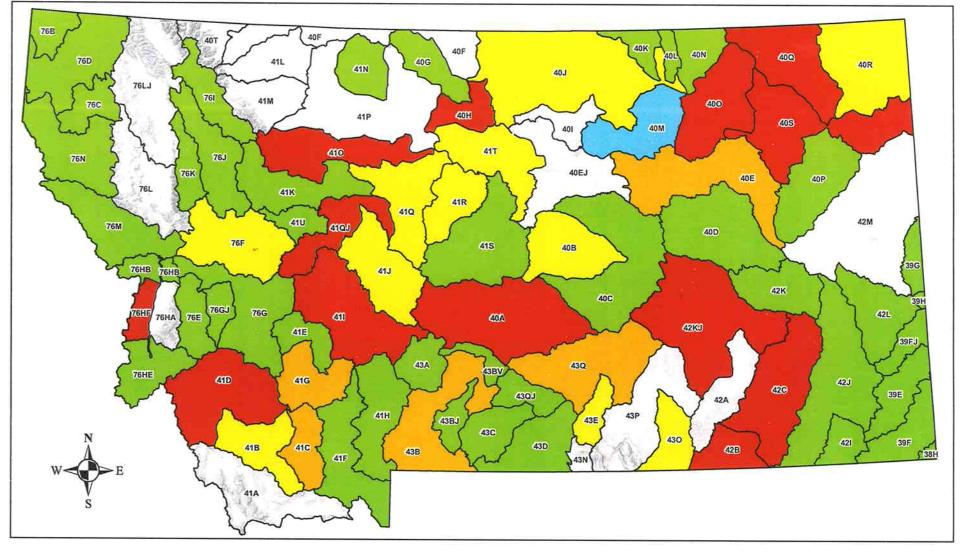
The Water Court is working with the DNRC claim examination staff and the United States water adjudication staff to gather additional information to complete the examination of claims for private stock water rights on federal lands. The Water Court is also working with interested parties to identify flow rate and volume guidelines to apply to instream claims, other than Department of Fish, Wildlife, & Parks "Murphy" Rights.

On December 4, 2009, the Water Court directed the DNRC to reexamine approximately 418 claims in Frenchman Creek (Basin 40L), a tributary of the Milk River. The Frenchman Creek (Basin 40L) water right claims were the subject of a Temporary Preliminary Decree issued in 1985.

In anticipation of the DNRC completing its claim examination benchmarks prior to the statutory June 30, 2015 deadline, the Water Court has requested the DNRC to discuss the prospective transfer of four DNRC water adjudication FTEs in FY 2013 to the Water Court.

In response to the 2009 legislative mandate to generate "vacancy savings," the Water Court has still not filled a half time FTE position. In response to the suggestion of the Office of the Supreme Court Administrator, a few Water Court staff members have continued scaling back their hours to slightly less than full time to help the Judicial Branch meet its vacancy savings goals.

Water Court Basin Activity December 2009





Map created by: Dan T. Cole MT Water Court

Credits: MT NRIS MT DNRC

DNRC REPORT TO EQC HB22 ADJUDICATION PROGRESS

February, 2010

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
- Claims examined July 2005 thru February, **1 2010 40,384**

_

- Claims examined by Purpose

		40 384	
0	Other	<u>3406</u>	8%
0	Domestic	4870	12%
0	Stock	22767	57%
0	Irrigation	9341	23%

Claims remaining to be examined

16,716

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 (430)	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

<u>Decrees Issued by Water Court</u>	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

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

	BASINS BY COMPLETION			
	DATE - DNRC WORK PLAN			
	2009			
	2000		Estimated	
BASIN		WORK	Completio	
COUNT	BASIN NAME	STATUS	n Date	
000111	D/(OII V TV/(IVIE	Examination in	11 Date	
1	Flathead R below Flathead Lake (76L)	progress	12	2009
	Trainead It seles w Trainead Bake (76B)	Examination in	12	2009
2	Big Horn R below Greybull R (43P)	progress	3	2010
	, , , , , , , , , , , , , , , , , , , ,	Examination in		
3	Rosebud Creek (42A)	progress	6	2010
4	Shoshone River (43N)	To be Examined	9	2010
	, , ,	Summary prep		
5	Milk River above Fresno (40F)	pending	3	2011
		Examination in		
6	Flathead River (76LJ)	progress	9	2011
		Summary prep		
7	Cut Bank River (41L)	pending	6	2012
		Summary prep	_	
8	St. Mary River (40T)	pending	7	2012
0	W 11 (D 1 D 1 D (40M)	Examination in	0	2012
9	Yellowstone R below Powder R (42M)	progress Examination in	8	2012
10	Red Rock River (41A)		2	2013
10	Red Rock River (41A)	progress Summary prep		2013
11	Peoples Creek (40I)	pending	6	2013
11	1 copies creek (401)	Summary prep	0	2013
12	Two Medicine River (41M)	pending	8	2013
		Examination in		
13	Marias River (41P)	progress	10	2013
	Missouri R between Bullwacker &	Examination in		
14	Musselshell (40EJ)	progress	3	2015
		Examination in		
15	Bitterroot R, E side (76HA)	progress	6	2015
		Examination in		
16	Frenchman Creek Re-Examination (40L)	progress	3	2010

District Court Enforcement Actions

2005 season completed water court assistance for 23 streams completed water court assistance for 23 streams completed water court assistance for 26 streams completed water court assistance for 32 streams completed water court assistance for 32 streams completed water court assistance for 36 streams

Automated indexes are now in use

Post Decree Assistance (July thru Jan 2010)

Case type	case count	work hours
Certified cas	e 1	85
85-2-248	202	2040.5
Case	30	370
General assis	<u>st</u>	203
Total hours		2,698.5

Expenses

YTD FY 2010: Operating Costs \$ 143,740.00 Personnel Services \$ 1,122,423.00

Total \$ 1,266,163.00

Budget \$ 2,375,917.00

Billing System

108,000 bills mailed Dec 27, 2005

Estimated revenue generated \$6.2 million Revenue received \$5.203 million

Appeals

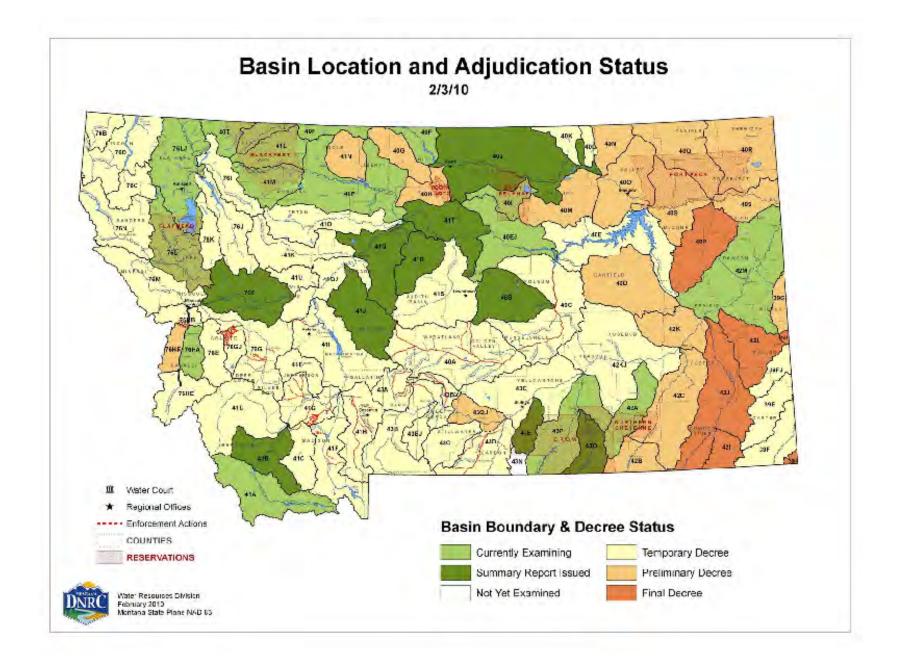
5,048 Appeals received

4394 appeals resolved to date (1118 denied, 3387 resolved with fee correction)

432 appeals remain

HB39 Automate Ownership updates (effective July 1, 2008)

- -Contract is finalized and Tyler Inc is developing the program for DOR to pass thru new property owner names to DNRC for updating water right records.
- -Geocodes were loaded into DNRC database in June 2008.
- -State-wide ownership update export to DNRC was received 12-4-2009.
- -DNRC is scrubbing data and validating geocodes for input, estimated completion date June 2010.
- -Re-Examination of basin 40L includes 402 claims not counted towards claim examination progress



WATER COURT

ADJUDICATION PROGRESS REPORT TO THE EQC PURSUANT TO § 85-2-281, MCA Submitted by C. Bruce Loble, Chief Water Judge February 11, 2010

The Water Court's primary focus is to work through its existing 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 Court's goal is to draw down its current caseload to clear its docket for the large number of claims that are moving through the DNRC claim examination pipeline and which are scheduled to be incorporated into Water Court decrees within the next few years. Currently, the Water Court is primarily working on water right claims in the following basins:

Basin	Source	Claims in Decree	Remaining Claims to Resolve
40A	Musselshell River above Roundup	5,812	129
40E	Missouri River between Musselshell River & Fort Peck Dam	3,010	208
40H	Big Sandy Creek	797	50
40O	Milk River Below Whitewater Creek	3,306	1,207
40M	Beaver Creek, Tributary of Milk River	2,942	Objections Received - Counter-objection Period is being Scheduled
40Q	Poplar River (this basin will be deleted from the next EQC report)	2,080	7
40R	Big Muddy Creek	2,029	Decree issued 1/28/2010 Objection Deadline Set for July 27, 2010
40S	Missouri River Below Ft. Peck Dam	2,966	335
41C	Ruby River	2,183	187
41D	Big Hole River	3,892	2,204
41G	Jefferson River	2,407	209
41I	Missouri River upstream of Holter Dam	5,168	222
410	Teton River	2,541	990
41QJ	Missouri River from Holter Dam to Sun River	2,584	716
42B	Tongue River above and including Hanging Woman Creek	1,345	520

42C	Tongue River below Hanging Woman Creek	4,708	1,189
42KJ	Yellowstone River between Bighorn and Tongue Rivers	4,767	618
43B	Yellowstone River above & including Bridger Creek	4,860	301
43Q	Yellowstone River between Clarks Fork Yellowstone and Bighorn Rivers	2,473	176
76HF	Bitterroot River - Westside Subbasin	3,774	212

United States Forest Service - Montana Compact — Several Objections Still Pending - Discovery and Pre-hearing Deadlines have been Set

United States Bureau of Land Management - Montana Compact — All Objections Withdrawn

The Water Court has completed most of its review of the Ten Summary Reports (basically draft decrees) generated by the DNRC following completion of the DNRC basin water right claim examination duties. As the DNRC completes its ongoing ownership update efforts in the Summary Report basins, the Water Court anticipates issuing decrees, perhaps as often as one a month, in the approximate order of the following basin list:

Basin Designation	Source	Approximate Number of Claims
43E	Pryor Creek	625
43O	Little Big Horn River	1,176
41Q	Missouri River from Sun River to Marias River	4,118
41J	Smith River	2,711
76F	Blackfoot River	3,690
40B	Flatwillow Creek	3,633
40J	Milk River between Fresno Reservoir & Whitewater Creek	12,881
41B	Beaverhead River	2,163
41R	Arrow Creek	2,167
41T	Missouri River Between Marias River to and including Bullwacker Creek	3,063
Ten Basins	Approximate Number of Claims in Prospective Decrees	36,227

The Water Court has directed the DNRC claim examination staff to contact water users who are claiming the use of private stock water rights on federal public lands and to obtain base property information in order to identify the private lands to which the stock claims are appurtenant.

In response to the 2009 legislative mandate to generate "vacancy savings," the Water Court has still not filled a half time FTE position. In response to the suggestion of the Office of the Supreme Court Administrator, a few Water Court staff members have continued scaling back their hours to slightly less than full time to help the Judicial Branch meet its vacancy savings goals.

Cl2255 0047hsxb.

Submitted by C. Bruce Loble, Chief Water Judge April 14, 2010

The Water Court's primary focus is to work through its existing 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 Court's goal is to draw down its current caseload to clear its docket for the large number of claims that are moving through the DNRC claim examination pipeline and which are scheduled to be incorporated into Water Court decrees within the next few years. Currently, the Water Court is primarily working on water right claims in the following basins:

Basin	Sources	Claims in Decree	Remaining Claims to Resolve
40A	Musselshell River above Roundup	5,812	153
40E	Missouri River between Musselshell River & Fort Peck Dam	3,010	206
40G	Sage Creek	943	225
40H	Big Sandy Creek	797	50
40O	Milk River Below Whitewater Creek	3,306	1,157
40M	Beaver Creek, Tributary of Milk River	2,942	Decree issued 3/20/2009 Objections Received - Counter-objection deadline is May 10, 2010
40R	Big Muddy Creek	2,029	Decree issued 1/28/2010 Objection Deadline is July 27, 2010
40S	Missouri River Below Ft. Peck Dam	2,966	335
41C	Ruby River	2,183	190
41D	Big Hole River	3,892	2,162
41G	Jefferson River	2,407	219
41I	Missouri River upstream of Holter Dam	5,168	224
41K	Sun River	2856	110
410	Teton River	2,541	930

41QJ	Missouri River from Holter Dam to Sun River	2,584	699
42B	Tongue River above & including Hanging Woman Creek	1,345	515
42C	Tongue River below Hanging Woman Creek	4,708	1,185
42K	Yellowstone River between Tongue and Powder Rivers	1,479	166
42KJ	Yellowstone River between Bighorn and Tongue Rivers	4,767	603
43A	Shields River	3,395	135
43B	Yellowstone River above & including Bridger Creek	4,860	304
43E	Pyror Creek	630	Decree issued 2/25/2010 Objection Deadline is August 24, 2010
430	Little Big Horn River	1,176	Decree issued 3/25/2010 Objection Deadline is September 21, 2010
43Q	Yellowstone River between Clarks Fork Yellowstone and Bighorn Rivers	2,473	175
76HF	Bitterroot River - Westside Subbasin	3,774	213
United States Forest Service - Montana Compact — Several Objections Still Pending - Discovery and Pre-hearing Deadlines have been Set			
United States Bureau of Land Management - Montana Compact — All Objections Withdrawn			

The Water Court has completed most of its review of the current Summary Reports (basically draft decrees) generated by the DNRC following completion of the DNRC basin water right claim examination duties. Now that the DNRC has completed most of its ownership update efforts in the Summary Report basins, the Water Court anticipates issuing decrees, perhaps as often as one a month, in the approximate order of the following basin list:

Basin Designation	Source	Approximate Number of Claims
41Q	Missouri River from Sun River to Marias River	4,127
40J	Milk River between Fresno Reservoir & Whitewater Creek	12,871
41B	Beaverhead River	2,222
41J	Smith River	2,719

76F	Blackfoot River	3,699
40B	Flatwillow Creek	3,677
41R	Arrow Creek	2,173
41T	Missouri River Between Marias River to and including Bullwacker Creek	3,050
Eight Basins	Approximate Number of Claims in Prospective Decrees	34,538

In response to the 2009 legislative mandate to generate "vacancy savings" and the Supreme Court Administrator's suggestion, a few Water Court staff members have continued scaling back their hours to slightly less than full time to help the Judicial Branch meet its vacancy savings goals. A half time position that was kept vacant for several months to help generate vacancy savings was filled in March.

The chief water judge participated in three public meetings held in Havre, Glasgow, and Malta on March 30 and 31, 2010. The Havre and Glasgow meetings were water right conferences organized by the Montana Watercourse. The Malta event was a Water Court sponsored public meeting to explain the counter-objection process for the Beaver Creek (Basin 40M) Decree. Approximately 140 people attended all three meetings.

DNRC REPORT TO EQC HB22 ADJUDICATION PROGRESS

April, 2010

Claims Examination Progress

- First benchmark 8,000 claims by 12-31-2006
- Second benchmark <u>19,000</u> claims by <u>12-31-2008</u>
- Third benchmark 31,000 claims by 12-31-2010
- Claims examined July 2005 thru April, **1 2010 40,623**

-

- Claims examined by Purpose

0	Irrigation	9367	23%
0	Stock	22956	57%
0	Domestic	4882	12%
0	Other	<u>3418</u>	8%

40,623

Claims remaining to be examined

16,477

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

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

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

	BASINS BY COMPLETION DATE - DNRC WORK PLAN 2009			
BASIN			Estimated Completion	
COUNT	BASIN NAME	WORK STATUS	Date	
1	Flathead R below Flathead Lake (76L)	Examination in progress	12	2009
2	Big Horn R below Greybull R (43P)	Examination in progress	3	2010
3	Rosebud Creek (42A)	Examination in progress	6	2010
4	Shoshone River (43N)	To be Examined	C	2010
	Shosholic River (+51v)	Summary prep		2010
5	Milk River above Fresno (40F)	pending		2011
	WHIR RIVEL ADOVE LIESHO (401)	Examination in		2011
6	Flathead River (76LJ)	progress	C	2011
	ratificad River (70L3)	Summary prep		2011
7	Cut Bank River (41L)	pending	6	2012
	Cut Bank River (+1E)	Summary prep		2012
8	St. Mary River (40T)	pending	7	2012
	St. Mary River (101)	Examination in	,	2012
9	Yellowstone R below Powder R (42M)	progress	8	2012
	Tenowstone it below Towder it (1211)	Examination in		2012
10	Red Rock River (41A)	progress	2	2013
10	red Rock River (1171)	Summary prep	-	2013
11	Peoples Creek (40I)	pending	-	2013
	r copies creek (101)	Summary prep		2013
12	Гwo Medicine River (41M)	pending	8	2013
	I wo wedieme raver (1111)	Examination in		2013
13	Marias River (41P)	progress	10	2013
	Missouri R between Bullwacker & Musselshell	Examination in	10	2013
14	(40EJ)	progress	3	2015
	1020/	Examination in		2013
15	Bitterroot R, E side (76HA)	progress	6	2015
	Distriction (1 office)	Examination in		2010
16	Frenchman Creek Re-Examination (40L)	progress	3	2010

District Court Enforcement Actions

2005 season completed water court assistance for 23 streams completed water court assistance for 23 streams completed water court assistance for 26 streams completed water court assistance for 32 streams completed water court assistance for 36 streams completed water court assistance for 38 streams

Automated indexes are now in use

Post Decree Assistance (July thru Mar 2010)

Case type	case count	work hours
Certified case	e 1	202.5
85-2-248	262	2366
Case	38	805
General assis	t	1202.5
Total hours		4,576.00

Expenses

YTD FY 2010: Operating Costs \$ **186,210.74**

Budget \$ 2,375,917.00

Billing System

108,000 bills mailed Dec 27, 2005

Estimated revenue generated \$6.2 million Revenue received \$5.216 million

Appeals

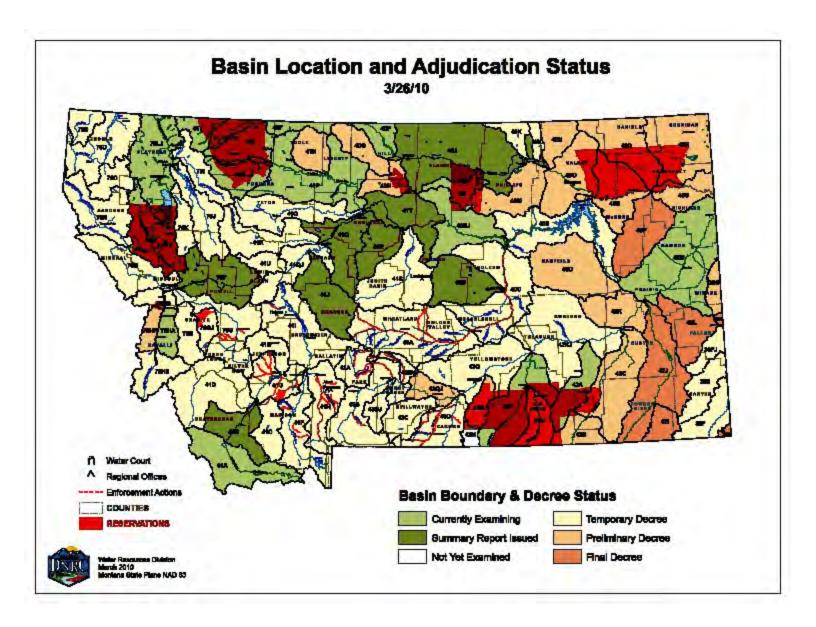
5,059 Appeals received

4774 appeals resolved to date (1128 denied, 3646 resolved with fee correction)

285 appeals remain

HB39 Automate Ownership updates (effective July 1, 2008)

- -Contract is finalized and Tyler Inc is developing the program for DOR to pass thru new property owner names to DNRC for updating water right records.
- -Geocodes were loaded into DNRC database in June 2008.
- -State-wide ownership update export to DNRC was received 12-4-2009.
- -Re-Examination of basin 40L includes 402 claims not counted towards claim examination progress
- -DNRC is scrubbing data and validating geocodes for input, estimated completion date June 2010.



Cl2255 0105hsxa.

DNRC REPORT TO EQC HB22 ADJUDICATION PROGRESS

July, 2010

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
- Claims examined July 2005 thru June, **30 2010 41,565**

-

- Claims examined by Purpose

		41,565	
0	Other	<u>3482</u>	8%
0	Domestic	5119	12%
0	Stock	23476	57%
0	Irrigation	9488	23%

Claims remaining to be examined

15,535

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

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 (430)	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

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

	BASINS BY COMPLETION DATE - DNRC WORK PLAN 2009			
BASIN			Estimated Completion	
COUNT	BASIN NAME	WORK STATUS	Date	
		Examination in		
1	Flathead R below Flathead Lake (76L)	progress	12	2009
		Examination in		
2	Big Horn R below Greybull R (43P)	progress	3	2010
		Examination in		
3	Rosebud Creek (42A)	progress	6	2010
4	Shoshone River (43N)	To be Examined	9	2010
		Summary prep		
5	Milk River above Fresno (40F)	pending	3	2011
		Examination in		
6	Flathead River (76LJ)	progress	9	2011
		Summary prep		
7	Cut Bank River (41L)	pending	6	2012
		Summary prep		
8	St. Mary River (40T)	pending	7	2012
		Examination in		
9	Yellowstone R below Powder R (42M)	progress	8	2012
		Examination in		
10	Red Rock River (41A)	progress	2	2013
		Summary prep		
11	Peoples Creek (40I)	pending	6	2013
		Summary prep		
12	Two Medicine River (41M)	pending	8	2013
		Examination in		
13	Marias River (41P)	progress	10	2013
	Missouri R between Bullwacker &	Examination in		
14	Musselshell (40EJ)	progress	3	2015
		Examination in		
15	Bitterroot R, E side (76HA)	progress	6	2015
		Examination in		
16	Frenchman Creek Re-Examination (40L)	progress	3	2010

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

Automated indexes are now in use

Post Decree Assistance (July thru June 30 2010)

Case type	case count	work hours
Certified cas	e 1	426.5
85-2-248	376	3,293
Case	58	1,213.5
General assis	st	1,477.5
Total hours		6,410.50

Expenses

YTD FY 2010: Operating Costs \$ **340,740.00**

Billing System

108,000 bills mailed Dec 27, 2005

Estimated revenue generated \$6.2 million Revenue received \$5.205 million

Appeals

5,059 Appeals received

4052 appeals resolved to date (1128 denied, 3928 resolved with fee correction)

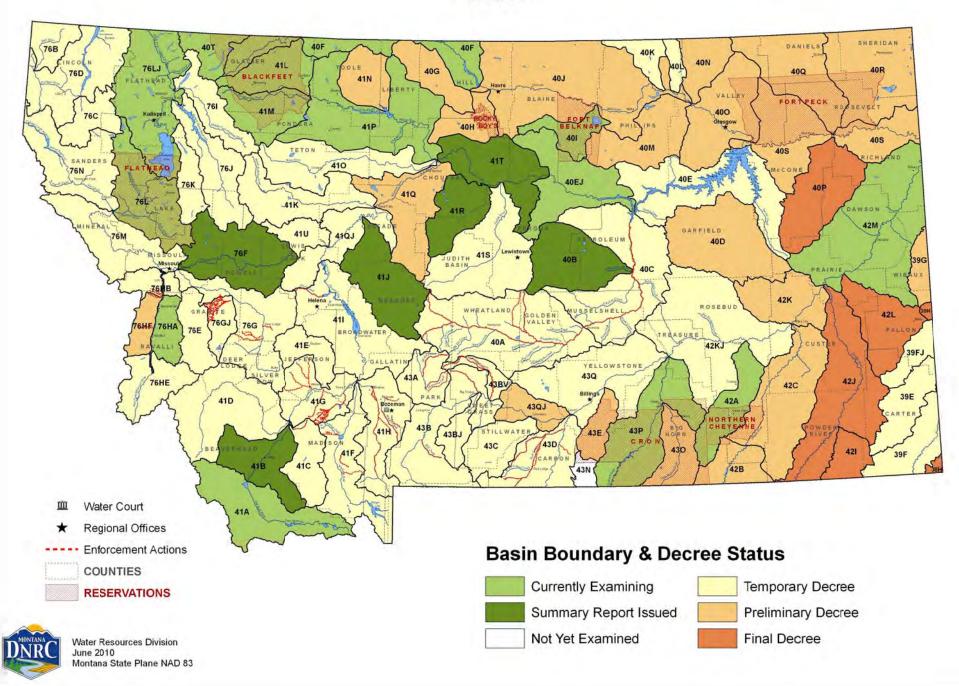
7 appeals remain

HB39 Automate Ownership updates (effective July 1, 2008)

- -Contract is finalized and Tyler Inc is developing the program for DOR to pass thru new property owner names to DNRC for updating water right records.
- -Geocodes were loaded into DNRC database in June 2008.
- -State-wide ownership update export to DNRC was received 12-4-2009.
- -Re-Examination of basin 40L includes 402 claims not counted towards claim examination progress
- -The department has completed the initial data scrubbing and geocode validation due June 2010.

Basin Location and Adjudication Status

6/23/10



WATER COURT

ADJUDICATION PROGRESS REPORT TO THE EQC PURSUANT TO § 85-2-281, MCA Submitted by C. Bruce Loble, Chief Water Judge July 1, 2010

The Water Court's primary focus is to work through its existing 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 Court's goal is to draw down its current caseload to clear its docket for the large number of claims that are moving through the DNRC claim examination pipeline and which are scheduled to be incorporated into Water Court decrees within the next few years. Currently, the Water Court is primarily working on water right claims in the following basins:

Basin	Sources	Claims in Decree	Remaining Claims to Resolve
40A	Musselshell River above Roundup	5,812	148
40E	Missouri River between Musselshell River & Fort Peck Dam	3,010	215
40G	Sage Creek	943	91
40H	Big Sandy Creek	797	33
40J	Milk River Between Fresno Reservoir & Whitewater Crk	12,897	Decree issued 6/24/2010 Objection Deadline is 12/21/2010
40O	Milk River Below Whitewater Creek	3,306	1,131
40M	Beaver Creek, Tributary of Milk River	2,942	1,457
40R	Big Muddy Creek	2,029	Decree issued 1/28/2010 Objection Deadline is 7/27/2010
40S	Missouri River Below Ft. Peck Dam	2,966	292
41C	Ruby River	2,183	188
41D	Big Hole River	3,892	1,999
41G	Jefferson River	2,407	213
41I	Missouri River upstream of Holter Dam	5,168	228
41K	Sun River	2,856	111
410	Teton River	2,541	639
41Q	Missouri River from Sun River to Marias River	4,127	Decree issued 5/27/2010 Objection Deadline 11/23/2010

41QJ	Missouri River from Holter Dam to Sun River	2,584	594
42B	Tongue River above & including Hanging Woman Creek	1,345	433
42C	Tongue River below Hanging Woman Creek	4,708	1,183
42K	Yellowstone River between Tongue and Powder Rivers (This basin will be deleted from the next EQC report)	1,479	14
42KJ	Yellowstone River between Bighorn and Tongue Rivers	4,767	518
43A	Shields River	3,395	137
43B	Yellowstone River above & including Bridger Creek	4,860	342
43E	Pyror Creek	630	Decree issued 2/25/2010 Objection Deadline is 8/24/2010
430	Little Big Horn River	1,176	Decree issued 3/25/2010 Objection Deadline is 9/21/2010
43Q	Yellowstone River between Clarks Fork Yellowstone and Bighorn Rivers	2,473	161
76HF	Bitterroot River - Westside Subbasin	3,774	200
United States Forest Service - Montana Compact — Several Objections Still Pending - Discovery and Pre-hearing Deadlines have been Set			

The Water Court has completed most of its review of the current Summary Reports (basically draft decrees) generated by the DNRC following completion of the DNRC basin water right claim examination duties. Now that the DNRC has completed most of its ownership update efforts in the Summary Report basins, the Water Court anticipates issuing decrees, perhaps as often as one a month, in the approximate order of the following basin list:

United States Bureau of Land Management - Montana Compact — All Objections Withdrawn

Basin Designation	Source	Approximate Number of Claims
41B	Beaverhead River	2,222
41J	Smith River	2,719
76F	Blackfoot River	3,699
40B	Flatwillow Creek	3,677
41R	Arrow Creek	2,173

41T	Missouri River Between Marias River to and including Bullwacker Creek	3,050
Six Basins	Approximate Number of Claims in Prospective Decrees	17,540

The chief water judge has scheduled the following basin public meetings:

Basin 40J - middle Milk River

August 25, 2010 - telephone conference call - 8:30 PM September 29, 2010 - meeting - Malta High School - 8:00 PM September 30, 2010 - meeting - Havre High School - 8:00 PM December 2, 2010 - telephone conference call - 7:00 PM

Basin 40M - Beaver Creek

July 15, 2010 - telephone conference call 8:00 PM

Basin 41Q -Missouri River between Sun River and Marias River

July 7, 2010 - telephone conference call - 8:00 PM September 8, 2010 - meeting - Belt Public School Library 8:00 PM

On June 23, 2010, the Water Court appeared before the Legislative Audit Committee in response to the Performance Audit on the Water Rights Adjudication. The Water Court concurred with the five recommendations contained in the Performance Audit.

In response to the 2009 legislative mandate to generate "vacancy savings" and the Supreme Court Administrator's suggestion, a few Water Court staff members have continued scaling back their hours to slightly less than full time to help the Judicial Branch meet its vacancy savings goals.

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DNRC REPORT TO EQC HB22 ADJUDICATION PROGRESS

September, 2010

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
- Claims examined July 2005 thru **Aug**, **1 2010 42,041**

-

- Claims examined by Purpose

		40.044	
0	Other	<u>3534</u>	8%
0	Domestic	5233	12%
0	Stock	23741	57%
0	Irrigation	9533	23%

42,041

Claims remaining to be examined

15,059

Date Issued
May 19, 2005
August 15, 2005
October 31, 2006
August 7, 2007
August 14, 2007
August 15, 2007
December 5, 2007
August 18, 2008
September 1, 2008
September 1, 2008
September 11, 2008
December 5, 2008
February 6, 2009
April 6, 2009
June 16, 2009
August 14, 2009
October 23, 2009
November 17, 2009

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

Above decrees scanned and available at:

http://www.dnrc.mt.gov/wrd/water_rts/adjudication/default.asp

	BASINS BY COMPLETION DATE - DNRC WORK PLAN			
	2010			
			Estimated	
BASIN			Completion	
COUNT	BASIN NAME	WORK STATUS	Date	
		Examination		
1	Flathead R below Flathead Lake (76L)	complete	12	2009
		Summary prep		
2	Big Horn R below Greybull R (43P)	pending	5	2011
		Summary prep		
3	Rosebud Creek (42A)	pending	6	2010
4	Shoshone River (43N)	To be Examined	7	2013
		Summary prep in		
5	Milk River above Fresno (40F)	progress	11	2010
		Examination in		
6	Flathead River (76LJ)	progress	9	2011
		Summary prep		
7	Cut Bank River (41L)	pending	6	2012
		Summary prep		
8	St. Mary River (40T)	pending	7	2012
		Examination in		
9	Yellowstone R below Powder R (42M)	progress	8	2012
		Examination in		
10	Red Rock River (41A)	progress	2	2013
		Summary prep		
11	Peoples Creek (40I)	pending	6	2013
		Summary prep		
12	Two Medicine River (41M)	pending	8	2013
		Examination in		
13	Marias River (41P)	progress	10	2013
	Missouri R between Bullwacker &	Examination in		
14	Musselshell (40EJ)	progress	12	2012
		Examination in		
15	Bitterroot R, E side (76HA)	progress	6	2015
		Examination		
16	Frenchman Creek Re-Examination (40L)	complete	3	2010

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	
Automated indexes are now in use		

Post Decree Assistance (July thru Aug 1 2011)

Case type	case count	work hours
Certified case	• 0	0
85-2-248	8	321.5
Case	3	338
General assist	t	161
Total hours		820.5

Expenses

YTD FY 2011: Operating Costs \$ 14,325.42

Personnel Services \$\\\
\text{Total} \\
\text{Budget} \\
\text{Sudget} \\

Billing System

108,000 bills mailed Dec 27, 2005

Estimated revenue generated \$6.2 million Revenue received \$5.205 million

Appeals

5,059 Appeals received

5056 appeals resolved to date (1128 denied, 3928 resolved with fee correction)

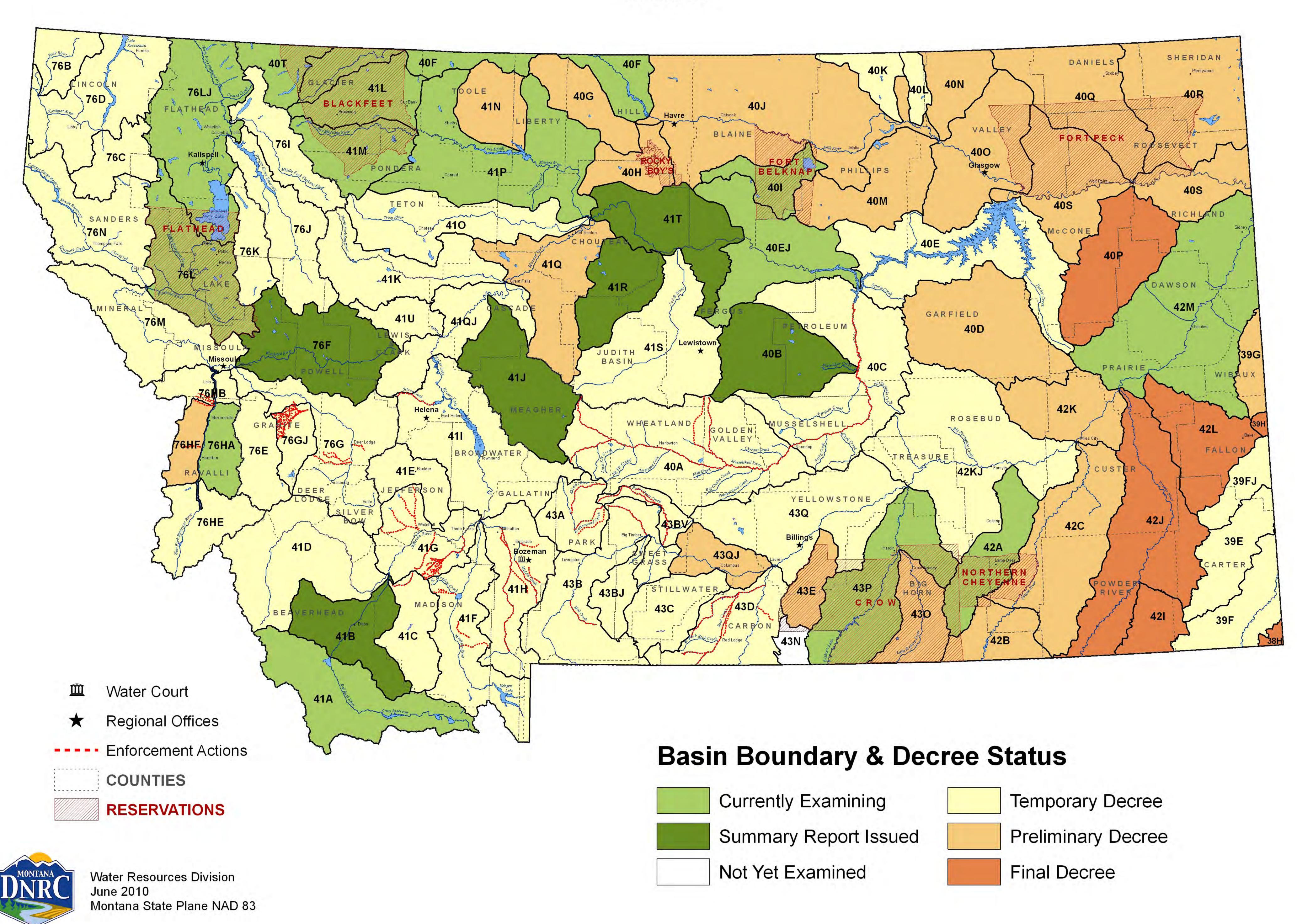
3 appeals remain

HB39 Automate Ownership updates (effective July 1, 2008)

- -Contract is finalized and Tyler Inc is developing the program for DOR to pass thru new property owner names to DNRC for updating water right records.
- -Geocodes were loaded into DNRC database in June 2008.
- -State-wide ownership update export to DNRC was received 12-4-2009.
- -The department has completed the initial data scrubbing and geocode validation due June 2010.

Basin Location and Adjudication Status

6/23/10



WATER COURT

ADJUDICATION PROGRESS REPORT TO THE EQC PURSUANT TO § 85-2-281, MCA Submitted by C. Bruce Loble, Chief Water Judge August 17, 2010

The Water Court is working through its 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
40A	Musselshell River above Roundup	5,812	141
40E	Missouri River between Musselshell River & Fort Peck Dam	3,010	184
40G	Sage Creek	943	38
40H	Big Sandy Creek	797	33
40J	Milk River Between Fresno Reservoir & Whitewater Creek	12,897	Decree issued 6/24/2010 Objection Deadline is 12/21/2010
40M	Beaver Creek, Tributary of Milk River	2,942	1,457
40O	Milk River Below Whitewater Creek	3,306	1,058
40R	Big Muddy Creek	2,029	Decree issued 1/28/2010 Extended Objection Deadline is 10/25/2010
40S	Missouri River Below Ft. Peck Dam	2,966	200
41C	Ruby River	2,183	187
41D	Big Hole River	3,892	1,902
41G	Jefferson River	2,407	213
41I	Missouri River upstream of Holter Dam	5,168	227
41K	Sun River	2,856	102
410	Teton River	2,541	622
41Q	Missouri River from Sun River to Marias River	4,127	Decree issued 5/27/2010 Objection Deadline 11/23/2010
41QJ	Missouri River from Holter Dam to Sun River	2,584	513
42B	Tongue River above & including Hanging Woman Creek	1,345	368

42C	Tongue River below Hanging Woman Creek	4,708	1,183
42KJ	Yellowstone River between Bighorn and Tongue Rivers	4,767	489
43A	Shields River	3,395	128
43B	Yellowstone River above & including Bridger Creek	4,860	339
43E	Pyror Creek	630	Decree issued 2/25/2010 Extended Objection Deadline is 11/22/2010
430	Little Big Horn River	1,176	Decree issued 3/25/2010 Objection Deadline is 9/21/2010
43Q	Yellowstone River between Clarks Fork Yellowstone and Bighorn Rivers	2,473	145
76HF	Bitterroot River - Westside Subbasin	3,774	181
United States Forest Service - Montana Compact — Several Objections Still Pending - Discovery and Pre-hearing Deadlines have been Set			
United States Bureau of Land Management - Montana Compact — All Objections Withdrawn			

The chief water judge has scheduled the following basin public meetings in two newly issued decreed basins:

Basin 40J - middle Milk River

August 25, 2010 - telephone conference call - 8:30 PM

September 29, 2010 - meeting - Malta High School - 8:00 PM

September 30, 2010 - meeting - Havre High School - 8:00 PM

December 2, 2010 - telephone conference call - 7:00 PM

Basin 41Q - Missouri River between Sun River and Marias River

September 8, 2010 - meeting - Belt Public School Library 8:00 PM

The Water Court has completed most of its review of the current Summary Reports (basically draft decrees) generated by the DNRC following completion of the DNRC basin water right claim examination duties. The Water Court anticipates issuing decrees, perhaps as often as one a month, in the approximate order of the following basin list:

Basin Designation	Source	Approximate Number of Claims
76F	Blackfoot River	3,699
41J	Smith River	2,719
41B	Beaverhead River	2,222
40B	Flatwillow Creek	3,677

41R	Arrow Creek	2,173
41T	Missouri River Between Marias River to and including Bullwacker Creek	3,050
Six Basins	Approximate Number of Claims in Prospective Decrees	17,540

In June 2010, the Water Court issued a decision dismissing the objections filed by Montana Trout Unlimited (Water Court Case 41D-1: *Trout Unlimited v. Beaverhead Water Company, Garrison Ranches Inc., and Paul H Cleary Jr. Trust*) and Western Watersheds Project & Laurence D. Zuckerman (Case 41D-2) in the Big Hole River basin decree. The Water Court concluded these objectors did not have standing to file objections because they did not meet the Legislature's "good cause shown" requirement, set forth in § 85-2-233(1)(b), MCA, that objectors must have an "ownership interest in water or its use."

On August 3, Trout Unlimited filed its Notice of Appeal to the Montana Supreme Court (Supreme Court Cause No. DA 10-0382). In its Notice of Appeal, Trout Unlimited stated that it filed "objections to over-stated water right claims based on its long-standing interest and participation in drought response, streamflow restoration and aquatic conservation in the Big Hole River basin." Trout Unlimited further stated that its "demonstration of an active interest in water use and more efficient water management in the Big Hole River basin" is sufficient "good cause shown" and satisfied the legislative requirement that an objector must have an "ownership interest in water *or its use*. . ." (Notice of Appeal at 3 and 4, italics in original).

Finally, in response to the 2009 legislative mandate to generate "vacancy savings" and the Supreme Court Administrator's suggestion, a few Water Court staff members have continued scaling back their hours to slightly less than full time to help the Judicial Branch meet its vacancy savings goals.

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