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Environmental Quality Council  
Comments on Water Rights Adjudication Billing

Madam Chairman and Council Members,

My name is George Trischman, I manage Hamilton Ranches at Twin Bridges, MT. I am also a member of the board of directors of the Montana Stockgrowers Association (MSGA). Today I will be making comments on HB 22 and the recent water adjudication billing fiasco. In representing MSGA and myself, I will also relate my own experience in trying to deal with the multiple bills I (Hamilton Ranches) have received.

First, the Montana Stockgrowers perspective. When HB 22, the water adjudication fee was first proposed, MSGA discussed at length with the membership the pros and cons of this legislation. After considerable internal discussion, Montana Stockgrowers came out and supported passage of the legislation. The MSGA policy that was developed in support of HB 22 stated: 1) EQC oversight of these funds for the adjudication process, 2) requirements that the adjudication process meet established benchmarks, 3) that the EQC provide annual progress reports on the status of the adjudication, and 4) any funds remaining in the water adjudication account by the year 2020 should fund the administration and enforcement of water rights. MSGA's support also hinged on the sideboard that DNRC would be upgrading their computer database system to a level that would enable them to send out and collect the bills and administer the legislation if passed. If my memory serves me correct, I believe the EQC and many other individual members of the Montana Legislature also agreed that HB 22 would not be introduced if DNRC could not get their computer system up to the task. As we all know, during the last session DNRC assured us all they had their computer problems fixed and the legislation became law.

As you know, the Dept. of Revenue sent the bills out on December 27, 2005. The telephones in our office started ringing immediately and have not stopped yet. The callers are members and non-members. They all have similar stories. Many have received multiple bills, others have received bills for water rights they no longer own, yet others have received multiple bills on the same right that may have more than one family member listed as owner or more than one place of use, the list of reasons goes on and on. Many of these people have tried to call the DNRC hotline number shown on the bill only to be left on hold for extended periods of time or if they did get through, their questions

or concerns have in some cases been answered incorrectly or not to their satisfaction. This all points to a DNRC database that is badly broken.

The bills are due January 31<sup>st</sup>. There is an appeals process with a deadline of March 31<sup>st</sup>. People who have received incorrect or multiple bills that total more than \$400.00 are being told to pay full amount billed by January 31<sup>st</sup> and then file an appeal on the overpayment. This is not right, the law clearly states the maximum any one individual shall have to pay for water rights in the category of stock, domestic use, and private irrigation is \$400.00 every other year. On behalf the Montana Stockgrowers Association, I urge you to move to slow this billing process down by extending the due date on the bills to at least March 31<sup>st</sup> when the appeals process deadline occurs. This extension will give both DNRC and water right holders some time to try and resolve these errors.

Now for my own experience with the process. Hamilton Ranch is a family owned partnership. The Hamiltons own land in Montana which I manage, they reside in and maintain an Illinois address. The property we have in Montana has been acquired over many years in many separate transactions. We also have an office and mailing address here in Montana. Over the years that we have put the ranch together two things have happened. One is sometimes property was purchased using the Illinois address and sometimes using the Twin Bridges address. This resulted in the water rights being titled to whichever address we used at the time of purchase. The second problem was caused by a business name change done in about 1990. The ownership of the water rights and property never changed only the business name.

When the bills started arriving about the end of December, I received 4 separate invoices totaling \$920.00. Being somewhat familiar with the law, I knew this was incorrect. I called the DNRC hotline and gave them my invoice numbers and tried to explain my problem with the overbilling. The person I spoke with understood the law less than I did and immediately offered to send me abstracts on all of our rights so I could pay my bills. I said go ahead and send me the abstracts because in spite of the already excessive bills, I didn't think they had all our water rights listed. This raised alarms with the person I was talking to. She was concerned I hadn't been billed enough. I then asked how to go about getting all these invoices rolled into one \$400.00 statement. This question greatly confused the gal I was talking to. She asked, "why would you want to do that? You should pay all of the bills." I then tried to explain the law to her, after which she said she would send me an appeal form along with my abstracts and we hung up with me being somewhat more confused than when I started. About two weeks later a too small envelope arrived from DNRC. Upon opening it, I found they had only sent the abstracts on our Beaverhead County property and none on our Madison County property. The majority of our ground is in Madison County. So I again called the hotline, this being just last Monday, it seems the volume of calls they are getting has greatly increased. I was on hold for about 45 minutes with the message saying the next available operator would take my call. This hotline is not a toll free number! My call was finally answered and I again explained my dilemma to someone who sounded very tired. I was again told to pay all of the bills by January 31<sup>st</sup> and send the appeal in by March 31<sup>st</sup> if I felt I was being overcharged. I then asked that they send me the rest of the abstracts that they were to

have sent before. When she pulled the list up I overheard a "WOW" and she said she would send them, but due to number of them she would not be able to run them off until after 5:00 PM because it would slow their computer system down to much to do it right then, while everyone else in the office was also using it. Knowing the list to be large, it ran 198 pages when I received it. This was ok with me. I then asked her about one additional right that I had received a bill on and wanted an abstract for. She found the right and said it being just one page, she would print it right now. This is when the condition of DNRC's computer system became apparent to me. While she was printing that one page abstract, I asked her to look up one additional right. As she tried to do this, after a moment she said it will take another minute or two because just printing this one page abstract slowed her system down to being non-functional. This sounds a lot like my dial-up internet when I am the unfortunate recipient of e-mail containing pictures. DNRC's computers are obviously broken. I urge you to take action to slow this billing process down. While I strongly believe in the importance of and support getting our water adjudication completed in a timely fashion. We have waited 24 years since 1982 for the adjudication to be completed. Lets slow down a few months or another year if necessary and get it correct as possible.

Thank You for Your Consideration,

George T. Trischman