



ENVIRONMENTAL QUALITY COUNCIL

PO BOX 201704
HELENA, MONTANA 59620-1704
(406) 444-3742

GOVERNOR BRIAN SCHWEITZER
DESIGNATED REPRESENTATIVE
MIKE VOLESKY

HOUSE MEMBERS
DEBBY BARRETT
NORMA BIXBY
SUE DICKENSON
CHRISTOPHER HARRIS
WALTER MCNUTT
JIM PETERSON

SENATE MEMBERS
LANE LARSON
GREG LIND
DANIEL MCGEE
JIM SHOCKLEY
ROBERT STORY
MICHAEL WHEAT

PUBLIC MEMBERS
BRIAN CEBULL
KRIS KOK
BUZZ MATTELIN
DOUGLAS MCRAE

COUNCIL STAFF
KRISTA LEE EVANS, Research Analyst
JOE KOLMAN, Research Analyst
CYNTHIA PETERSON, Secretary
TODD EVERTS, Legislative Environmental Analyst

Memorandum

To: Environmental Quality Council

From: Krista Lee Evans, Research Analyst

RE: HB 22 Update and related information

Date: January 11, 2006

As most of you are probably aware, the first billing cycle for HB 22 was started the end of December with over 100,000 bills being sent out to water users across Montana. As part of the HB 22 requirements DNRC and the Water Court will be giving you an update on progress of the adjudication at the January 27 meeting. There are some actions that are occurring in the DNRC field offices as a result of water users receiving their bills. These actions include water right termination, amendment, and changes. In the long run this should help to make the information in the DNRC database more accurate and the reflection of the actual amount of water being put to beneficial use in Montana more accurate. I have asked DNRC to provide you with an update on the amount of this type of activity the field offices have been experiencing in addition to their usual update regarding # of claims examined, etc.

I know that many of you have been receiving phone calls, emails, and other correspondence from constituents. DNRC has put together a HB 22 website that answers many of the frequently asked questions, provides appeals forms, and other important information. The link to the DNRC website is:
http://dnrc.mt.gov/house_bill22/default.asp

In this packet I have provided multiple pieces of information regarding HB 22 and its application. The "actual" numbers that are discussed are the amounts based on the bills that were sent out. We do not have a good estimate of actual payments yet. As that becomes available I will forward it to you. In the packet you will find:

- The HB 22 Fee by Billing Purpose/Billing Cycle from last interim with a new column that contains the actual billed by %. This compares the numbers that the 2004-2005 EQC and the 2005 legislature used that were estimates based on the number of

water rights in each category. The last column (Actual Billed by %) are the numbers based on the actual bills.

- Two tables comparing estimates to the actual bill amounts -- both in dollar figures and in percentages
- HB 22 -- 12/2005 Billing Fees Paid By Category Table
- HB 22 -- 12/2005 Billing Top 100 Payers Spreadsheet
- Instructions for Filing an Appeal of Adjudication Fee Bill (HB 22 had provisions for appealing the fee - this is the process and forms that DNRC has put together and made available on their website)
- RIT scoring table for Legislative Fiscal Division (A subcommittee of the Legislative Finance Committee is reviewing and analyzing what is paid out of RIT. Currently the Water Court receives a significant amount of its funding from this source. In the LFC Subcommittee's current ranking the water court is sitting at 30th. This has not been approved by the LFC nor has any official action been taken - it is strictly for your information. I am giving it to you because HB 22 requires that at least \$2 million be provided by sources other than the fee or the fee is terminated. The water courts budget was included in the \$2 million for this biennium)
- Claims Examination Rules email from Judge Loble.
- HB 22 Adjudication Progress Report (December 2005) from DNRC

If you have any questions or comments or need additional information please do not hesitate to contact me at 444-1640 or kevans@mt.gov.

CI2196 6011klxa.