

RESERVED WATER RIGHTS
COMPACT COMMISSION



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Gary Spaeth

STATE OF MONTANA

July 14, 1989

The Honorable W.W. Lessley
Chief Judge
Montana Water Court
P.O. Box 879
Bozeman, MT 59771-0879

Dear Judge Lessley:

In compliance with Section 85-2-705, Montana Code Annotated, the Montana Reserved Water Rights Compact Commission hereby submits to you its biannual report on negotiations with the federal agencies and Indian tribes.

Legislative matters absorbed much of the focus of the Commission's activities during the past six months. The Legislature authorized an increase in the Commission budget for the next biennium which will result in an increase of seven staff positions by FY 91.

The budget increase was proposed to provide the Commission the technical support to respond to the compact proposal from the Northern Cheyenne, while still maintaining the statutorily mandated focus on negotiations in the Milk River Basin. Since March, Commission representatives have met regularly on technical issues regarding the Northern Cheyenne compact proposal. One negotiating session has been held with the Northern Cheyenne negotiating committee.

A letter expressing the urgency with which the Northern Cheyenne view these negotiations is enclosed at the request of their Chairman, along with the response from Senator Mazurek.

The Commission continues to participate in discussions concerning the proposed rehabilitation of the Milk River Irrigation Project. Those ongoing discussions involve the Assiniboine and Gros Ventre Tribes from Fort Belknap, the Chippewa-Cree Tribe of Rocky Boy's, and the Blackfeet. In June the Blackfeet Tribal Business

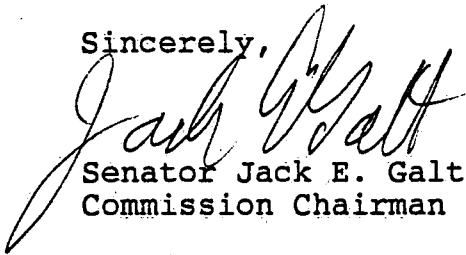
Marcia Beebe Rundle
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1520 East Sixth Avenue
Helena, Montana 59620-2301
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Judge W.W. Lessley
Page Two.
July 14, 1989

Council designated representatives to participate in discussions with the Compact Commission, and affirmed their continuing interest in participating in the formation of plans for the Milk River Project.

Communications continue with the other tribes and federal agencies claiming reserved water rights in Montana as appropriate. Please do not hesitate to contact me for further information.

Sincerely,



Senator Jack E. Galt
Commission Chairman

c: Commission Members
Robert Delk
Richard Whitesell
Richard Aldrich
Marcia Rundle

enc.

TRIBE: Assiniboine and Gros Ventre Tribes of the Fort Belknap Reservation

UPDATE: July 15, 1989

Last October, the Tribes temporarily suspended negotiations pending approval of their funding request for legal counsel. In May the Tribes informed the Commission that they had received approval of their request, that they had hired counsel to represent them, and that they were prepared to resume negotiations.

In the meantime, technical analysis of land and water resources on the reservation continued. Also, representatives of the Compact Commission and the Water Policy Committee of the Fort Belknap Community Council continued to meet with the Department of Natural Resources and Conservation and the Bureau of Reclamation regarding the rehabilitation of the Milk River Irrigation Project.

MEETINGS HELD:

May 23, 1989 - Representatives from the Fort Belknap, Blackfeet and Rocky Boy's Reservations, the U.S. Bureau of Reclamation, the Compact Commission and the Department of Natural Resource and Conservation met in Havre, Montana, to identify tribal water development needs in the basin. The participants discussed ways to incorporate the Tribes into the basin-wide planning process and, specifically, into the current plans to rehabilitate the Milk River Irrigation Project. The relationship between water rights and water development was discussed, as well as strategies for securing funds for assessment of the feasibility of proposed tribal water developments.

June 6, 1989 - Representatives of the Fort Belknap Water Policy Committee and the Compact Commission met in Billings to discuss procedural issues concerning the resumption of negotiations and to identify issues to be discussed in a negotiation session to be held in July.

June 30, 1989 - Counsel for the Commission met with staff of the Montana Congressmen to discuss funding options for feasibility studies of tribal water development.

TECHNICAL WORK IN PROGRESS:

The Commission staff continues to obtain and to analyze data on land and water resources on the Fort Belknap Reservation. Research also continues on legal and historical issues.

TRIBE: Blackfeet

UPDATE: July 15, 1989

In June the Blackfeet Tribal Business Council designated Council members and staff to represent the Blackfeet in discussions with the Compact Commission. In his letter, the Chairman of the Blackfeet Council expressed the particular interest of the Blackfeet in continuing the ongoing discussions about the Milk River Irrigation Project.

MEETINGS HELD:

May 23, 1989 - Representatives from the Blackfeet, Fort Belknap and Rocky Boy's Reservations, the U.S. Bureau of Reclamation, the Compact Commission and the Department of Natural Resource and Conservation met in Havre, Montana, to identify tribal water development needs in the basin. The participants discussed ways to incorporate the Tribes into the basin-wide planning process and, specifically, into the current plans to rehabilitate the Milk River Irrigation Project. The relationship between water rights and water development was discussed, as well as strategies for securing funds for assessment of the feasibility of proposed tribal water developments.

June 30, 1989 - Counsel for the Commission met with staff of the Montana Congressmen to discuss funding options for feasibility studies of proposed tribal water development in the Milk River Basin.

TECHNICAL WORK IN PROGRESS:

A historical review of the development of irrigation on the Blackfeet Reservation is in progress, as well as an analysis of the St. Mary's canal as part of the Milk River Project.

TRIBE: Chippewa-Cree Tribe of the Rocky Boy's Reservation

UPDATE: July 15, 1989

During the Legislative Session, the Chairman maintained written communications with the Chairman of the Chippewa-Cree Tribe to keep him informed on legislative proposals involving water policy, negotiations, and other matters of interest to the Tribe. Counsel for the Chippewa-Cree have informed the Commission that the Tribe remains interested in a meeting with the Commission when scheduling can be arranged.

MEETINGS HELD:

May 23, 1989 - Representatives from the Rocky Boy's, Fort Belknap and Blackfeet Reservations, the U.S. Bureau of Reclamation, the Compact Commission and the Department of Natural Resource and Conservation met in Havre, Montana, to identify tribal water development needs in the basin. The participants discussed ways to incorporate the Tribes into the basin-wide planning process and, specifically, into the current plans to rehabilitate the Milk River Irrigation Project. The relationship between water rights and water development was discussed, as well as strategies for securing funds for assessment of the feasibility of proposed tribal water developments.

TECHNICAL WORK IN PROGRESS:

Identification of data needs and sources for technical analysis of the land and water resources on the Rocky Boy's Reservation is in progress.

TRIBE: Confederated Salish and Kootenai Tribes of the Flathead Reservation

UPDATE: The Commission continues to maintain communications with the Confederated Tribes. During the Legislative Session, the Chairman maintained written communications with the Tribal Chairman to keep him informed on legislative proposals involving water policy, negotiations, and other matters of interest to the Tribes.

Counsel for the Confederated Tribes have informed Commission representatives that the Tribal Council would like to meet soon with the Commission to reaffirm the commitment of the participants to the negotiations. A representative of the Tribes attended the Commission meeting on April 28, 1989.

TRIBE: Crow

UPDATE: July 15, 1989

During the Legislative Session, the Chairman maintained written communications with the Crow Tribal Chairman to keep him informed on legislative proposals involving water policy, negotiations, and other matters of interest to the Tribe. There have not been any recent communications explicitly dealing with negotiations between the Crow Tribe and the Commission because of the focus of the adjudication on the Milk River Basin.

TRIBE: Northern Cheyenne

UPDATE: July 15, 1989

During the past six months, the representatives of the Northern Cheyenne and the Compact Commission have maintained communications about the compact proposal presented to the Commission last fall. Technical sessions and a formal negotiating session have been held to identify and define issues for discussion.

MEETINGS HELD:

March 14, 1989 - Representatives of the Northern Cheyenne and the Compact Commission met in Helena to discuss procedural issues involved in resumption of active negotiations, to identify substantive issues for future negotiations, and to propose a timeline for negotiations.

April 17, 1989 - Representatives of the Northern Cheyenne, the Compact Commission, the Department of Natural Resources and Conservation, and the Bureau of Reclamation met in Helena to discuss background regarding the following components of the Northern Cheyenne compact proposal: the rehabilitation and enlargement of the Tongue River Dam; the proposed reserved water right for industrial uses; water marketing; Pick-Sloan funding; and the technical basis for quantification of the reserved water right.

April 28, 1989 - The Compact Commission negotiating team met to review reports and recommendations of the staff, to receive reports and comments from the state agencies, and to discuss future negotiations.

May 15, 1989 - Representatives of the Northern Cheyenne, the Compact Commission, the Department of Natural Resources and Conservation, and the Bureau of Reclamation met in Billings to discuss the need for and the optional methods available to finance the proposed feasibility study of the labyrinth weir design for the spillway at the Tongue River Dam.

June 30, 1989 - Counsel for the Commission met with staff of the Montana Congressmen in Washington, D.C. to discuss funding possibilities for feasibility studies for the new spillway design on the Tongue River Dam.

TECHNICAL WORK IN PROGRESS:

Analysis of the land and water resources of the Northern Cheyenne Reservation is in progress. The Commission is in the process of acquiring additional technical data pertinent to that analysis. Research has been undertaken regarding the legal and historical issues raised in the proposed compact.

TRIBE: Turtle Mountain Band of Chippewa Indians

UPDATE: July 15, 1989

There has been no formal communication during the past six months between the Commission and the Turtle Mountain Band of Chippewa Indians ~~during the past six~~ months because of the focus of the adjudication on the major tribal reservations in the Milk River Basin.

AGENCY: National Park Service

UPDATE: July 15, 1989

During the Legislative Session, the Chairman maintained written communications with the Field Solicitor to keep him informed on legislative proposals involving water policy, negotiations, and other matters of interest to the National Park Service and other agencies within the Department of the Interior. There have not been any recent communications explicitly dealing with negotiations between the National Park Service and the Commission because of the focus of the adjudication on the Milk River Basin.

AGENCY: United States Department of Agriculture for the
United States Forest Service

UPDATE: July 15, 1989

During the Legislative Session, the Chairman maintained written communications with the General Counsel to keep him informed on legislative proposals involving water policy, negotiations, and other matters of interest to the Forest Service and other agencies within the Department of Agriculture. There have not been any recent communications explicitly dealing with negotiations between the Forest Service and the Commission because of the focus of the adjudication on the Milk River Basin.

AGENCY: United States Bureau of Land Management as
Administrator of the Wild and Scenic Missouri River

UPDATE: July 15, 1989

During the Legislative Session, the Chairman maintained written communications with the Field Solicitor to keep him informed on legislative proposals involving water policy, negotiations, and other matters of interest to the Bureau of Land Management and other agencies within the Department of the Interior. Because of the legislative session and the change in administrations, the planned joint study which was reported last January has not yet begun. Members of the Commission staff will participate in the study at the first opportunity.

AGENCY: United States Fish and Wildlife Service

UPDATE: July 15, 1989

Representatives of the United States Fish and Wildlife Service responded to a series of technical questions posed by Commission staff. The Commission anticipates negotiating sessions this fall.

JUL 12 1989

MONT. DEPT. of NATURAL
RESOURCES & CONSERVATION

July 10, 1989

Senator Joe Mazurek, Chairman
Northern Cheyenne Negotiation Team
State of Montana Reserved Water Rights
Compact Commission
1520 East Sixth Avenue
Helena, Montana 59620-2301

RE: Lack of Progress of Negotiations

Dear Senator Mazurek:

It is with the utmost frustration that I am compelled to write this letter. The Northern Cheyenne Tribe's decision to enter into negotiations with the State rather than litigate its water rights was based upon the expectation that once we presented a proposal to the State that the Commission would give the proposal priority. While we realize that the Commission is directed by statute to give priority to resolution of the reserved water rights issues in the Milk River Basin, it does not appear that any active negotiations are taking place in that basin which would prevent the Negotiation Team from actively working on our proposal. We also realize that certain members of the Northern Cheyenne Negotiation Team are members of the legislature and are required to focus their efforts there when the legislature is in session.

However, the negotiation team has had our proposal since September, 1988 and so far all that has occurred is that we have furnished your technical staff with information regarding our claimed acreage. To date, no substantive response has been received on any of the issues raised by the proposal. In reviewing the transcript of the March 14, 1989 meeting, you indicated that this proposed compact would receive priority. However, that does not appear to be happening.

The Tribe is most serious about having this compact ready for presentation to the 1991 legislative session and in order to achieve this, the Negotiation Team must begin to actively consider and respond to our proposed compact. If the Team cannot give this compact the priority it should receive in order to have it ready for presentation in 1991, then you should let us know as soon as possible.

We understand that the Compact Commission will be submitting a status report on the negotiations to Judge Lessley

on the 14th of this month. We would like you to include a copy of this letter with your status report.

Sincerely,

Janet Robinson, Vice Chairman
for Edwin Dahle, Chairman
Northern Cheyenne Tribal Council

cc: Jeanne Whiteing, Tribal Attorney
Ethel J. Abeita, Tribal Attorney
Calvin Wilson, Tribal Attorney
Richard Whitesell, Billings Area Director, BIA
Jim Clear, Department of Justice
Richard Alrich, Field Solicitor
Ann Criton, Office of the Associate Solicitor
for Indian Affairs
Senator Jack Galt, Chairman, RWRCC
Chris Tweenten, Vice-Chair, RWRCC
Rep. Dennis Iverson, RWRCC
Marcia Rundle, RWRCC Program Manager



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RESERVED WATER RIGHTS
COMPACT COMMISSION
STATE OF MONTANA

July 14, 1989

Edwin Dahle, Jr., Chairman
Northern Cheyenne Tribal Council
P.O. Box 128
Lame Deer, MT 59043

Dear Mr. Dahle:

~~Thank you for your recent letter expressing the commitment of the Northern Cheyenne Tribe to resolving its claims for reserved water rights prior to the 1991 legislative session. As chairman of the Commission's team for the Northern Cheyenne negotiations, I assure you that I share that goal.~~

While the regular legislative session and an extended special session absorbed the time and attention of Senator Galt, Rep. Iverson, and myself over the past six months, approximately half of the time and resources of the staff have been devoted to evaluation of the proposed compact. In addition, Chris Tweeten has been actively involved in staff discussions and analysis. I therefore feel it is necessary to respond in some detail to the frustration that you express over the pace of negotiations.

As you acknowledged in your letter, the legislature has statutorily mandated that the adjudication, including negotiations, focus on the Milk River Basin. The Commission met last December and decided to submit a proposal to the legislature to substantially increase the resources of the Commission for the next biennium. The intention of the proposal was to allow the Commission to prepare the needed technical foundation for our discussions with the Northern Cheyenne, without neglecting our responsibilities in ongoing discussions with the tribes in the Milk River Basin.

The legislature approved the Commission's proposal during a session which was otherwise very tough on proposed program increases. When the additional staff is in place, technical

Marcia Beebe Rundle
Legal Counsel/Program Manager
1520 East Sixth Avenue
Helena, Montana 59620-2301
(406) 444-6841

Edwin Dahle, Jr., Chairman
July 14, 1989
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support for the Northern Cheyenne negotiations will be developed more rapidly than has been possible to date. However, despite prior staff assignments, a number of meetings have been held and progress has been made on technical, legal and historical analyses.

In your letter, you referred to the March 14, 1989, meeting when representatives of the Northern Cheyenne, the federal government, state agencies, and the Compact Commission assembled in Helena to discuss resumption of active negotiations. At that time, I affirmed the willingness of the Commission to accept the compact proposal for active consideration. However, I also explained the legislative and fiscal constraints on our ability to respond immediately and the proposal that we had offered the legislature to remedy that situation. We indicated that the staff would continue to devote approximately half of its time to work on the Northern Cheyenne proposal.

On April 17, 1989, the first technical meeting was held between representatives of the Tribe, the Compact Commission, state agencies, and the federal government. Background information was provided on several components in the proposed compact including the rehabilitation and enlargement of the Tongue River Dam, the proposed use of water from Yellowtail Dam, the water marketing proposal, and the Pick-Sloan funding proposal. There was a short and very general discussion of the technical basis for quantification of the reserved water right.

On April 28, 1989, the negotiating team met to review reports and recommendations of the staff, to receive reports and comments from the state agencies, and to discuss future negotiations.

On May 15, 1989, representatives of the Tribe, the Compact Commission, state agencies, and the federal government met again, this time in Billings, to discuss in detail the new spillway design for the Tongue River Dam, the need for and scope of a feasibility study of that design, the potential cost of the study, and possible funding options.

In June, the attorney for the Commission spent several days in the National Archives in D.C., researching issues raised in the proposed compact. While she was in Washington, Ms. Rundle also met with staff of the Montana Congressional Delegation to pursue more information on the funding options discussed in May, and to raise awareness in those offices of these negotiations.

It is my understanding that another technical meeting has been tentatively scheduled for July 20 or 21, 1989, in Helena to discuss new analysis conducted by Mr. Kersich on the spillway design for the Tongue River Dam, funding possibilities, and

Edwin Dahle, Jr., Chairman
July 14, 1989
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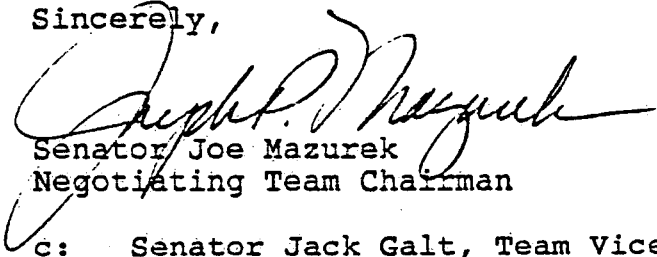
quantification issues. In addition, the negotiating team will be available later this summer to meet with your committee, in Lame Deer if you prefer.

At the March meeting, we gave our assurances that the Northern Cheyenne compact proposal would be given as high a priority as possible under the circumstances, which I discuss earlier in this letter. I believe we have honored the commitment I made during that meeting and that the activities I have outlined above illustrate that the Commission has made the Northern Cheyenne negotiations a priority for Commission resources. It will continue to do so as long as progress appears likely.

Unexpected or uncontrollable events do occur to delay negotiations. The Northern Cheyenne originally planned to submit a compact to the Commission soon after the October 23, 1985, negotiating session, but it was not until October 7, 1988, that you were able to do so. We need to remain committed to our mutual goal of a negotiated settlement, even when circumstances arise that cause frustrating delays. The alternatives are not in the best interests of our people.

A copy of your letter has been sent to the Water Court, as you requested, along with a copy of this response. Please do not hesitate to call me as negotiations proceed (406) 442-8560.

Sincerely,


Senator Joe Mazurek
Negotiating Team Chairman

c: Senator Jack Galt, Team Vice-Chair
Representative Dennis Iverson, Team Member
Chris Tweeten, Team Member
Marcia Rundle, Counsel/Program Manager
Jeanne Whiteing, Tribal Attorney
Ethel Abeita, Tribal Attorney
Cal Wilson, Tribal Attorney
Richard Whitesell, Billings Area Director, BIA
Jim Clear, Department of Justice
Richard Aldrich, Field Solicitor
Ann Crichton, Office of the Associate Solicitor
for Indian Affairs
Judge W.W. Lessley, Chief Judge, Montana Water Court



RESERVED WATER RIGHTS COMPACT COMMISSION

STATE OF MONTANA

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July 14, 1989

The Honorable W.W. Lessley
Chief Judge
Montana Water Court
P.O. Box 879
Bozeman, MT 59771-0879

Dear Judge Lessley:

In compliance with Section 85-2-705, Montana Code Annotated, the Montana Reserved Water Rights Compact Commission hereby submits to you its biannual report on negotiations with the federal agencies and Indian tribes.

Legislative matters absorbed much of the focus of the Commission's activities during the past six months. The Legislature authorized an increase in the Commission budget for the next biennium which will result in an increase of seven staff positions by FY 91.

The budget increase was proposed to provide the Commission the technical support to respond to the compact proposal from the Northern Cheyenne, while still maintaining the statutorily mandated focus on negotiations in the Milk River Basin. Since March, Commission representatives have met regularly on technical issues regarding the Northern Cheyenne compact proposal. One negotiating session has been held with the Northern Cheyenne negotiating committee.

A letter expressing the urgency with which the Northern Cheyenne view these negotiations is enclosed at the request of their Chairman, along with the response from Senator Mazurek.

The Commission continues to participate in discussions concerning the proposed rehabilitation of the Milk River Irrigation Project. Those ongoing discussions involve the Assiniboine and Gros Ventre Tribes from Fort Belknap, the Chippewa-Cree Tribe of Rocky Boy's, and the Blackfeet. In June the Blackfeet Tribal Business

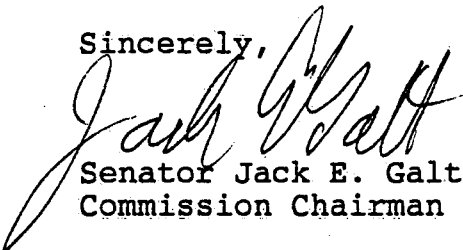
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1520 East Sixth Avenue
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Judge W.W. Lessley
Page Two.
July 14, 1989

Council designated representatives to participate in discussions with the Compact Commission, and affirmed their continuing interest in participating in the formation of plans for the Milk River Project.

Communications continue with the other tribes and federal agencies claiming reserved water rights in Montana as appropriate. Please do not hesitate to contact me for further information.

Sincerely,



Senator Jack E. Galt
Commission Chairman

c: Commission Members
Robert Delk
Richard Whitesell
Richard Aldrich
Marcia Rundle

enc.

RESERVED WATER RIGHTS
COMPACT COMMISSION



STATE OF MONTANA

Jack E. Galt, Chairman

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Gene J. Etchart

Joseph P. Mazurek
W. Gordon McOmber
Audrey G. Roth
Gary Spaeth

January 16, 1989

The Honorable W.W. Lessley
Chief Judge
Montana Water Court
P.O. Box 879
Bozeman, MT 59771-0879

Dear Judge Lessley:

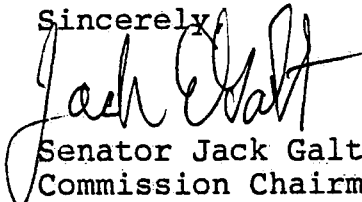
In compliance with Section 85-2-705, Montana Code Annotated, the Montana Reserved Water Rights Compact Commission hereby submits to you its biannual report on negotiations with the federal agencies and Indian tribes.

As required by statute, the Compact Commission continued to focus negotiations and technical analysis on reserved water rights claims in the Milk River Basin. In particular, discussions and technical analysis focused on the reserved water rights of the Assiniboine and Gros Ventre Tribes of the Fort Belknap Reservation.

Meetings were held with representatives of the Blackfeet Tribal Business Council and with the Council itself. Also, the Chippewa Cree Tribes recently informed the Compact Commission that they will be prepared to begin negotiations this Spring on reserved water rights claims for the Rocky Boy's Reservation.

Communications continue with the other tribes and federal agencies claiming reserved water rights in Montana when appropriate. Please do not hesitate to contact me for further information.

Sincerely,


Senator Jack Galt
Commission Chairman

c: Commission Members
Robert Delk

Richard Whitesell
Marcia Rundle

Richard Aldrich

Marcia Beebe Rundle
Legal Counsel/Program Manager
1520 East Sixth Avenue
Helena, Montana 59620-2301
(406) 444-6841

TRIBE: Assiniboine and Gros Ventre Tribes of the Fort Belknap Reservation

UPDATE: January 15, 1989

During the past six months, both the Tribes and the Compact Commission continued the technical analysis of land and water resources on the reservation. The Compact Commission and the Water Policy Committee of the Fort Belknap Community Council continued to meet with each other and with representatives of other entities involved in the proposed rehabilitation of the Milk River Project. In October the Tribes informed the Commission that they considered it necessary to postpone further discussions until they have the benefit of legal counsel.

MEETINGS HELD:

July 21, 1988 - An informational meeting co-hosted by the Compact Commission and the Water Policy Committee was held at the State Library in Helena. The Montana Water Court, the Montana Department of Natural Resources and Conservation and the United States Bureau of Reclamation presented information to the members of the Commission and the Water Policy Committee. Representatives of the United States Geological Survey and the Milk River irrigation districts also attended and participated in discussions.

The members of the Compact Commission and the Water Policy Committee also discussed the provisions of a proposed Memo of Understanding to establish the process for future negotiations and to identify issues to be discussed.

October 27, 1988 - The Commission's hydrologist participated in technical discussions in Lethbridge, Alberta evaluating methodologies used to compute the respective shares of the United States and Canada to waters of the St. Mary's and Milk Rivers.

TECHNICAL WORK IN PROGRESS:

The Commission staff continues to analyze new data on land and water resources on the Fort Belknap Reservation as it is obtained from federal agencies. A history of the development of the Milk River Project after the Winters decision is also in progress.

TRIBE: Blackfeet

UPDATE: January 15, 1989

Meetings and other communications between representatives of the Blackfeet and the Compact Commission continued throughout the past six months.

MEETINGS HELD:

September 30, 1988 - A Blackfeet Tribal Business Council member and a staff representative from the Blackfeet Land Board met in Helena with Commission members and staff to discuss the state adjudication and the negotiations process.

November 7, 1988 - An attorney and a staff member represented the Blackfeet Tribal Business Council at a Compact Commission meeting.

December 20, 1988 - Compact Commission members and staff and the director of the Montana Department of Natural Resources and Conservation met in Helena with legal counsel for the Tribe.

January 4, 1989 - Commission members and legal counsel for the Commission attended a special meeting of the Blackfeet Tribal Business Council in Browning to discuss the procedures for pursuing formal negotiations under the state adjudication statutes.

TECHNICAL WORK IN PROGRESS:

A review of the Blackfeet Irrigation Project is in progress, as well as an analysis of the St. Mary's diversion as part of the history of the Milk River Project. BIA development of irrigation on the reservation and non-tribal irrigation on the reservation is also under review.

TRIBE: Chippewa-Cree Tribe of the Rocky Boy's Reservation

UPDATE: January 15, 1989

The Chippewa-Cree Tribe recently informed the Compact Commission that the Native American Rights Fund has been retained as legal counsel for the Tribe and that the Tribe proposes to begin negotiations this Spring.

TECHNICAL WORK IN PROGRESS:

The Commission continues to acquire technical data pertinent to analysis of the land and water resources of the Rocky Boy's Reservation.

TRIBE: Confederated Salish and Kootenai Tribes of the Flathead Reservation

UPDATE: The Commission continued to maintain informal communications with the Confederated Tribes and to meet with the representatives of the Tribes on an informal basis when appropriate.

TRIBE: Crow

UPDATE: January 15, 1989

There has been no communication during the past six months between the Commission and representatives of the Crow Tribe and no meetings are expected to be scheduled in the near future because of the focus of the adjudication on the Milk River Basin.

TRIBE: Northern Cheyenne

UPDATE: January 15, 1989

In October, the Northern Cheyenne presented a formal compact proposal to the Compact Commission. The Commission negotiating team met to discuss the potential for expediting negotiations with the Northern Cheyenne. Since the receipt of the proposal, Commission members and staff met with legal counsel for the Tribe and a meeting was proposed to be held in Helena during the legislative session.

MEETINGS HELD:

December 20, 1988 - Commission members and staff and the director of the Montana Department of Natural Resources and Conservation met with the legal counsel for the Tribe in Helena to discuss an initial meeting with the negotiating team for the Northern Cheyenne.

TRIBE: Turtle Mountain Band of Chippewa Indians

UPDATE: January 15, 1989

There has been no communication during the past six months between the Commission and representatives of the Turtle Mountain Band of Chippewa Indians and no meetings are expected to be scheduled in the near future because of the focus of the adjudication on the major tribal reservations in the Milk River Basin.

AGENCY: National Park Service

UPDATE: January 15, 1989

There has been no communication during the past six months between the Commission and representatives of the National Park Service and no meetings are expected to be scheduled in the near future because of the focus of the adjudication on the major tribal reservations in the Milk River Basin.

AGENCY: United States Department of Agriculture for the
United States Forest Service

UPDATE: January 15, 1989

Representatives of the Forest Service and the Compact Commission met informally to discuss possible timelines for discussions between the two negotiating teams. More informal meetings are expected to discuss possible separation of the negotiations on the claims of the Department of Agriculture for the Sheep Experiment Station and the Livestock and Range Research Station from the claims for the National Forests.

AGENCY: United States Bureau of Land Management as
Administrator of the Wild and Scenic Missouri River

UPDATE: January 15, 1989

MEETINGS HELD:

July 28, 1988 - The Commission negotiating team met to discuss the reactions to the field investigations conducted in June and possible approaches to further discussions with the Bureau. The director of the Montana Department of Fish, Wildlife and Parks and the director of the Montana Department of Natural Resources and Conservation reported to the Commission on the status of departmental evaluation of the BLM claims.

November 21, 1988 - Commission members and staff, the director of the Department of Fish, Wildlife and Parks, and the director of the Department of Natural Resources and Conservation met in Billings with the field solicitor of the United States Department of the Interior and the state director of the United States Bureau of Land Management and members of their staffs. Representatives of the Bureau of Reclamation also participated in the meeting. The participants agreed on the concept of joint development of a factual basis for negotiations. The proposed joint study will examine historical use of the Upper Missouri River, water availability, and management options for operation of storage facilities.

TECHNICAL WORK IN PROGRESS:

Members of the Commission's technical staff will participate in the joint study as it progresses.

AGENCY: United States Fish and Wildlife Service

UPDATE: January 15, 1989

Informal discussions continued between representatives of the Commission and the U.S. Fish and Wildlife Service concerning potential future meeting dates. At this time no meetings have been scheduled.

RESERVED WATER RIGHTS
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January 25, 1989

The Honorable W. W. Lessley
Chief Judge
Montana Water Court
P.O. Box 879
Bozeman, Montana 59771-0879

Dear Judge Lessley:

Judy called from your office yesterday to inform me that you did not need the materials which you requested by phone on Monday. I am, therefore, not enclosing the claims that the United States Department of Agriculture has submitted to the Compact Commission for reserved water rights for the national forests.

I would like to confirm, however, that the Department of the Interior and the Department of Agriculture have designated representatives to negotiate with the Compact Commission for a quantification of reserved water rights for the federal lands which the agencies manage. Within the Department of the Interior, the National Park Service, the United States Fish and Wildlife Service, and the Bureau of Land Management each have separate negotiating teams. In contrast, one negotiating team has been designated to represent the three agencies within the Department of Agriculture.

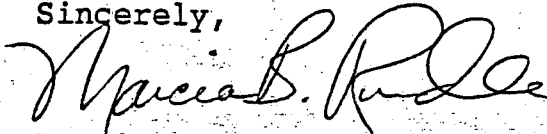
Separate claims have been filed for each of the lands managed by the federal agencies and for the Wild and Scenic Missouri River. Although the claims were not submitted on a "form", as none is required or provided by statute, the claims identify water sources, quantities, place of use, means of diversion when that is appropriate, time of use when that is applicable, and the purpose or purposes for which the water was reserved. As we discussed Monday, some of the claims were submitted in the form of draft compacts, others were submitted as tabulations of

Marcia Beebe Rundle
Legal Counsel/Program Manager
1520 East Sixth Avenue
Helena, Montana 59620-2301
(406) 444-6841

claims, and still others were submitted in the form of proposed methodologies for quantification. The claims for the national forests fall into the last category.

I trust that this confirms the discussions that we had on Monday. Please call if I can be of further assistance or if you decide that you do wish to receive a copy of any of the claims for the federal agencies.

Sincerely,



Marcia Beebe Rundle
Counsel/Program Manager

c: Senator Jack Galt, Chairman
Chris Tweeten, Vice-Chairman



Stan Stephens
Governor

Chris D. Tweeten, Vice-Chairman
Carl M. Davis
Everett C. Elliott
Gene J. Eichart

Jack E. Galt, Chairman

Dennis Iverson
Joseph P. Mazurek
W. Gordon McOmber
Gary Spaeth

RESERVED WATER RIGHTS COMPACT COMMISSION

STATE OF MONTANA

January 25, 1989

The Honorable W. W. Lessley
Chief Judge
Montana Water Court
P.O. Box 879
Bozeman, Montana 59771-0879

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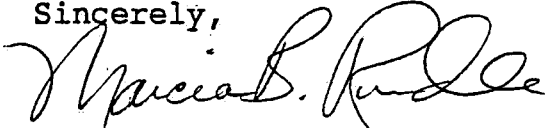
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