

# Water Policy Interim Committee

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# 61st Montana Legislature

**SENATE MEMBERS**DAVID WANZENRIED--Vice Chair

DEBBY BARRETT
BRADLEY MAXON HAMLETT
TERRY MURPHY

HOUSE MEMBERS
WALTER MCNUTT--Chair
RUSSELL BEAN

RUSSELL BEAN
BILL MCCHESNEY
JP POMNICHOWSKI

**COMMITTEE STAFF** 

JOE KOLMAN, Research Analyst TODD EVERTS, Staff Attorney CYNTHIA PETERSON, Secretary

# **MINUTES**

Approved March 10, 2010

DATE: January 14, 2010

Room 152 Montana State Capitol

Please note: These minutes provide abbreviated information about committee discussion, public testimony, action taken, and other activities. The minutes are accompanied by an audio recording. For each action listed, the minutes indicate the approximate amount of time in hours, minutes, and seconds that has elapsed since the start of the meeting. This time may be used to locate the activity on the audio recording.

An electronic copy of these minutes and the audio recording may be accessed from the Legislative Branch home page at http://leg.mt.gov. On the left-side column of the home page, select *Committees*, then *Interim*, and then the appropriate committee.

To view the minutes, locate the meeting date and click on minutes. To hear the audio recording, click on the Real Player icon. Note: You must have Real Player to listen to the audio recording.

#### **COMMITTEE MEMBERS PRESENT**

REP. WALTER MCNUTT, Chair

SEN. DAVID WANZENRIED. Vice Chair

SEN. DEBBY BARRETT

SEN. BRADLEY MAXON HAMLETT

SEN. TERRY MURPHY

REP. RUSSELL BEAN

REP. BILL MCCHESNEY

REP. JP POMNICHOWSKI

#### STAFF PRESENT

JOE KOLMAN, Research Analyst HELEN THIGPEN, Staff Attorney DEBRA POLHEMUS, Secretary

#### **VISITORS**

Agenda (Attachment 1)
Visitors' list (Attachment 2)

# **COMMITTEE ACTION**

The WPIC took no formal action.

# **CALL TO ORDER AND ROLL CALL**

00:00:02 Representative McNutt, Chairman of the Walter Policy Interim Committee (WPIC), reconvened the meeting at 8:00 A.M. The secretary called the roll (Attachment 3).

## **AGENDA**

# **COAL BED METHANE OVERVIEW AND PERMITTING**

guidelines for other industries.

00:01:05	Joe Kolman, Legislative Services Division (LSD), summarized the presentations and plans for the meeting concerning use of permitting for coal bed methane (CBM) water. Mr. Kolman submitted information supplied by the Rosebud Conservation District, whose representative was unable to attend the meeting (EXHIBIT 1).
00:04:40	Tom Richmond, Petroleum Engineer, Board of Oil and Gas Conservation, presented the report "Montana Board of Oil and Gas Conservation" ( <b>EXHIBIT 2</b> ).
00:20:03	Candace West, Legal Counsel, Department of Natural Resources and Conservation (DNRC), discussed the permitting process for the beneficial use of water in production of methane gas.
00:36:18	George Mathieus, Administrator, Planning Division, Department of Environmental Quality (DEQ), circulated information representing the permitting process through DEQ ( <b>EXHIBIT 3</b> ).
00:42:15	Dan Fox, Bureau of Land Management (BLM), Miles City, discussed the application process for issues relating to surface water and sub-surface water.
00:49:38	Julie DalSoglio, Director, Environmental Protection Agency (EPA), discussed the legal actions relating to water quality standards, and the review of effluent

## **Public comment**

Senator Keith Bales, SD 20, discussed the beneficial use portion of this issue. Senator Bales expressed concern about the language that is put in the law and believed the term "water" should have been used rather than "ground water."
 Brenda Lindlief-Hall, representing the Tongue River Water Users' Association, stated the point of diversion is the ground, thus the correct term should be "ground water."

#### Questions and discussion

- O1:00:59 Senator Murphy inquired about the walter quality of the Powder River and wondered if adding CBM water to the river actually improves the water quality. George Mathieus responded there are many parameters that affect water quality but it is the cumulative affect that can impact water quality.
- O1:03:09 Senator Hamlett asked whether the DEQ requires poor quality water to be injected back into the ground from the source it came from. George Mathieus replied the Board of Environmental Review did not adopt that option, and producers get to pick the method of disposal as long as it meets the standard.
- O1:04:21 Senator Wanzenried asked whether a single well could not be permitted, even though the project is permitted. Tom Richmond replied that individual wells are permitted but not through the same process as a project would be, and that one well also needs a water management plan. Senator Wanzenried asked if there were any reinjection wells in Montana. Mr. Richmond said that nine are permitted now but only two are being used. Senator Wanzenried asked if standards for water quality remain the same over time or whether they vary over the life of the well. Mr. Richmond replied that the water quality mostly remains the same.
- O1:12:01 Representative Pomnichowski asked how many wells are producing CBM. Mr. Richmond replied there are about 1,000 producing wells. Representative Pomnichowski stated that the typical life of a well is about 12 years and wondered if any had stopped producing. Mr. Richmond replied that in the oldest portion some wells have been plugged. Representative Pomnichowski wondered why with the increase in the number of wells between 1998 and 2010 there was a corresponding increase in CBM and water, but not gas. Mr. Richmond replied that while water production reduces substantially over time, going from 200 wells to 700 wells in just under 3 years results in an unusual water production number. Representative Pomnichowski asked how many wells there are that do not produce water. Mr. Richmond replied he did not have a specific number but estimated that there were some, but not very many.
- O1:20:51 Representative Pomnichowski asked whether the EPA would be deciding in October whether to establish CBM rules, and inquired what the criteria would be. Ms. DalSoglio replied that the agency will look at whether it is technologically or economically feasible, and whether it can be applied to various locations.
- O1:23:29 Senator Hamlett asked what year the law was changed in the Legislature to transfer control of CBM water from the DNRC to the Board of Oil and Gas. Mr. Richmond stated the law did not transfer control, but rather set some parameters for regulation guidelines. Senator Hamlett asked if members of the Oil and Gas Commission, by law, are required to be members of the oil an gas industry. Mr. Richmond stated the law requires involvement of three industry members, two landowners, and two public members, any one of the members must be an attorney, and of the two landowners, one must own mineral rights and another one not own mineral rights. Senator Hamlett asked if reinjection was the most expensive way to deal with the water. Mr. Richmond replied that reinjection is

one of the more costly methods, and the problem with injection is finding a suitable location to inject the water. Mr. Richmond stated that shallow zones for injection areas are less expensive. Senator Hamlett stated that the public has the perception that a reinjection can occur in the same well that was originally drilled. Mr. Richmond replied that the purpose of creating pressure would be defeated and that the water needs to be injected elsewhere. Senator Hamlett asked about the possibility of delaying the reinjection. Mr. Richmond replied that might be possible, but that the physical characteristics of coal changes after producing gas, and there is uncertainty if the flow channels are capable of taking the water back in.

- O1:31:29 Representative McChesney stated that there is misperception about the feasibility of reinjection. John Wheaton, Montana Bureau of Mines and Geology (MBMG), replied that theory states that if you take a certain amount of water out, the same amount could be reinjected. Mr. Wheaton stated that if there is a collapse within the structure, then if would be much harder to inject the water.
- O1:35:47 Representative McChesney asked if the EPA is comfortable with the discharge standards Montana adopted for water quality. Ms. DalSoglio replied that Montana went though a good review, although the courts did not agree.
- O1:37:33 Senator Hamlett asked what percentage of fields could qualify for reinjection. Mr. Wheaton stated that his answer would be in percent of water, and that the deeper part of the basin is probably the easiest for reinjection. Mr. Wheaton thought the amount would be a significant percentage, but not 50-80 percent.
- O1:39:40 Senator Hamlett inquired what year the DNRC transferred control of the water to the Board of Oil and Gas. Candace West replied that the original legislation gave authority to the Board of Oil and Gas in 1961 with updates to that authority in 1974. Senator Hamlett asked how comfortable the DNRC was with this situation. Ms. West replied that the question would be more appropriately answered by the Director of the Water Resources Division, but felt the DNRC was working well within the quidelines.

#### **OVERVIEW FROM STAKEHOLDERS**

O1:43:38 Bruce Williams, Consultant, Fidelity Exploration & Production Company, stated that the company's exploration for coal bed natural gas began in 1997 and had pilot projects starting in 1998 all on the west side of the Powder River Basin. Mr. Williams said that Fidelity has 670 active producing wells and has drilled over 900 wells. Mr. Williams shared that in 2007 the company tried to develop all of the coal zones with a single well, rather than individual wells to each zone, and that the landowners expressed an interest in using the water from the coal seams for watering cattle. Mr. Williams continued that in over a two- to three-township area, there are 80 points of CBM water use and only a minimal amount is used for domestic purposes. Mr. Williams stated that about 35 percent of the water is treated and discharged, 10 percent is consumed by beneficial uses, and 55 percent is untreated and discharged. He further stated that Fidelity has a surface use agreement with all well or spring owners and landowners within one mile of

the CBM development, and there have been no adverse effects to any landowners that has not been addressed and water restored to the landowner as needed.

- O2:02:34 Art Hayes, Jr., President, Tongue River Water Users' Association, presented a report on the negative effect of coal bed methane production to the water quality of the surface waters in the Tongue and Powder River areas (**EXHIBIT 4**).
- 02:16:47 Dustin Shaw, Porter Ranch, Decker, stated that coal bed methane has enabled his family to stay on the ranch that has been in his family for four generations. Mr. Shaw stated the CBM water has proven to be an ample source for cattle and wildlife, and the cattle can now move to new areas of the pasture due to the presence of water tanks (EXHIBIT 5).

#### Public comment

- O2:21:26 Terry Webster, Pinnacle Gas, stated that the company had applied for a permit for an injection well two years ago, and it has been a very long process. Mr. Webster said that the company has nine permits for shallow injections although only a few worked, and when it tried to move the injection site to a more shallow spot on BLM land, they were denied.
- O2:25:15 Shanny Spang Gion, Water Resources Administrator, Northern Cheyenne Tribe (speaking not as a representative of the tribe, but rather just presenting from a program perspective), stated that the tribe does have a water compact with the state of Montana, and is presently pursuing water quality standards for the Tongue River. Ms. Gion stated that the untreated water discharged has a negative impact on the marketing of the water in the Tongue River.
- 02:30:00 Mark Fix, Northern Plains Resource Council, and rancher on the Tongue River, Miles City, circulated U.S. Geological Survey data collected at Miles City tracking water quality issues (**EXHIBIT 6**).
- 02:34:00 Mark Moreland, Rancher, Decker, expressed frustration about how difficult it is to get stock water permits through the DNRC. Mr. Moreland reports that CBM production has not affected water wells. Mr. Moreland said that in order to get a beneficial use permit for irrigation, one must show that it will not adversely affect someone else, which is extremely difficult to prove.
- O2:38:36 Todd O'Hair, representing Cloud Peak Energy (previously Rio Tinto Energy), stated that the use of coal bed methane water for their dust abatement mine near Spring Creek Mine is crucial, due to requirements of the air-quality permit. Mr. O'Hair stated that the company uses about 80 million gallons of this water plus per year which results in their not needing to drill any wells to accommodate this usage.
- 02:42:52 Brenda Lindlief-Hall, representing the Tongue River Water Users' Association, mentioned that yesterday there were arguments heard before the Montana

Supreme Court about whether the water from coal bed methane needs to be treated.

#### **Questions and discussion**

- O2:44:48 Representative McChesney inquired how the Tongue River Water Users' Association would respond to the negative comments from landowners that they cannot get the CBM water. Ms. Lindlief-Hall reported that much CBM water is being stored in ponds with large fences around the ponds. Representative McChesney asked Mr. Hayes how close his ranch is to a CBM well. Mr. Hayes responded 15 miles.
- O2:48:45 Senator Wanzenried inquired how many abandoned wells Fidelity had. Mr. Williams reported that presently 34 wells are permanently plugged. Senator Wanzenried asked if it was Fidelity's policy to not provide water once a well is not providing coal, and whether plugged wells could be used for water wells. Mr. Williams reported that the landowner can have the option to take over the well and permit through the Board of Oil and Gas once a well is non productive.
- 02:54:50 Representative Pomnichowski asked Mr. Williams how many more years of production there would be. Mr. Williams responded that the earliest wells Fidelity drilled are now reaching their economic limit, and a production period of 10 to 12 years per well is reasonable. Mr. Williams continued that the last wells drilled were in 2007-08. Representative Pomnichowski asked if the accepted density of wells is one per section. Mr. Williams responded that wildcat wells can be permitted one per section.
- O2:59:18 Senator Barrett referenced the information circulated by the Tongue River Water Users' Association and asked for clarification of their position on the depletion of Montana's ground water resources. Ms. Lindlief-Hall expressed two concerns: First, the issue of pollution of surface water; and, second, the protection of ground water resources which are essential to their health, safety, and welfare.
- O3:02:23 Senator Hamlett stated that CBM precedes coal development and asked Mr. Williams to elaborate on his comment that litigation would be possible. Mr. Williams replied that this is not a general concern but a comment that related to concern in Spring Creek. Senator Hamlett asked what is the percentage of water discharge in Tongue River compared to the fields. Mr. Williams replied that 55 percent of discharges are untreated, 10 percent are for beneficial use, and 35 percent discharge treated water.
- O3:04:20 Senator Hamlett asked if the DNRC had a problem with the policy of reinjection of water on state lands. Candace West stated that the department is concerned about the fiduciary issues relating to the trust if the water is to be moved, but generally reinjection appears to be a perfectly appropriate method of returning the water to its original source. Senator Hamlett asked if the department would have to sign off on all permits for reinjection on state lands. Ms. West replied that the department should be involved in the review of the permits.

03:07:07 BREAK

## UPDATE ON YELLOWSTONE RIVER COMPACT, MONTANA V. WYOMING

03:33:13 Jennifer Anders, Attorney General's Office, presented an update on the Yellowstone River Compact ~ Montana vs. Wyoming.

#### **Public Comment**

There was no public comment.

#### Questions from the committee

There were no questions from the Committee.

03:37:57 LUNCH

#### **CBM WATER QUANTITY ISSUES**

- John Wheaton, Senior Research Hydrogeologist, Montana Bureau of Mines and Geology (MBMG), represented a report "Montana Regional Coalbed Methane Ground Water Monitoring Program" (EXHIBIT 7). Mr. Wheaton stated that recovery is occurring in areas where CBM is produced realizing 73-82 percent recovery over five to seven years.
- 05:14:44 Russell Levens, Hydrogeologist, DNRC, discussed "CBM Water Quantity Issues: Powder River Basin Controlled Groundwater Area" (**EXHIBIT 8**).

#### Public comment

Mark Fix, Northern Plains Resource Council, questioned where the billions of gallons of water that comes out of the ground comes from and believed the interconnection between the surface and ground water should be considered. Mr. Fix also stated that DNRC needs to be more involved in the process.

# Questions and discussion

O5:24:46 Senator Wanzenried questioned when the cycle of a recovery process on a well begins and the size of a field. John Wheaton stated that the dimensions are dynamic and start at a point and continue to grow. Mr. Wheaton replied that a field is a few square miles. Representative Wanzenried asked whether a 72-85 percent recovery rate is an average. Mr. Wheaton stated that recovery data is close to outcrop, and the deepest part of the basin may take longer to recharge.

## **CBM WATER USE**

O5:29:26 Charlie Gephart, Consulting Soil Scientist, Miles City, presented a report "Effects of CBM Discharge Water on Irrigated Soils in the Tongue River Valley" (EXHIBIT 9). Mr. Gephart shared his observations that Tier 2 and Tier 1 methodology

caused a rise of the ground water table that resulted in both "water logging and most likely - increases in soil salinity." The recommendation is to abandon uncontrolled releases of CBM water into the drainages by Tier 2 and Tier 1 methodology in favor of the Tier 3 methodology that relies on appropriate management practices to control salinity.

06:09:36 Kevin Harvey, Soil Scientist, President, KC Harvey, Inc., Bozeman, gave a PowerPoint presentation "Managed Irrigation with Coalbed Natural Gas Produced Water" (EXHIBIT 10). Mr. Harvey's report summarized Managed Irrigation, Phase 1: Irrigation Feasibility Evaluation, Phase II: Irrigation Design and Permitting, and Phase III: Operations and Monitoring.

#### **Public comment**

- 06:35:07 Roger Muglee, Manager, Tongue Yellowstone Irrigation District, Miles City, presented a report "Evaluation of Water Quality Criteria for Rain-Irrigation Cropping Systems" (EXHIBIT 11).
- O6:41:43 Senator Keith Bales, SD 20, Otter, questioned whether the state actually wanted energy development. Senator Bales said that it is very difficult for any further CBM development to occur in Montana because one has to file a water right on each well and each coal seam on the land, and then would have to prove that there is not adverse effect on others. Senator Bales also noted that the price of natural gas also affects CBM development.

#### Questions and discussion

There were no questions or discussion.

# **CBM Mitigation**

- 06:50:18 Bruce Williams, representing Fidelity Exploration & Production Company, presented a brief history of mitigation agreements. Mr. Williams reported that the company offers water well mitigation agreements with landowners within one mile of a well. Mr. Williams stated that the water resource owner has the responsibility to verify that a well impairment is not due to the mechanical, electrical, or pump malfunction, and that Fidelity monitors wells on a three-year cycle.
- 06:59:05 Ray Beck, Conservation & Resource Development Division Administrator, DNRC, referenced the Coal Bed Methane Protection Act (**EXHIBIT 12**) which gave conservation districts the authority to be involved with CBM activity within their region. Mr. Beck further stated that compensation is only available for the emergency loss of water, and that to date, no applications for the emergency water loss have been filed.

#### Public comment

- O7:06:00 Senator Keith Bales stated it would be good for the committee to evaluate the issues and consider raising the mitigation value to \$75,000.
- 07:06:22 Julia Page, (previously represented Northern Plains Resource Council),
  Gardiner, commented that she is concerned about how the state uses its water resources and wants to prevent harm from occurring.
- 07:16:39 Dustin Shaw, Porter Ranch, Decker, stated that landowners should be able to negotiate their own agreements with the producer.
- 07:17:32 Brad Sauer, Rancher, Rosebud Creek, Miles City, stated that serious inputs are needed in order to address the issue of CBM development. Mr. Sauer said that mitigation agreements have to go beyond the life of the project for them to be effective.
- 07:21:43 Mark Moreland, Decker, offered to make his water well mitigation copy available for the committee to view.

#### Questions and discussion

- O7:22:37 Senator Hamlett asked what percentage of water is contained in one ton of coal. John Wheaton said one ton would yield 300 gallons of water. Senator Hamlett asked if it is a benefit to the mining and coal company if the water is removed from the coal before it is mined. Mr. Wheaton replied that mines can ship more coal in a railcar if it weighs less.
- 07:26:40 Representative Pomnichowski asked whether senior water rights could be restored on a well that has stopped producing water and started producing gas and then is cemented. Terri McLaughlin, Water Rights Bureau, DNRC, stated that a senior water right can be moved from an old well to a new well and maintain the original date of issue. Representative Pomnichowski asked if the DNRC reviews the mitigation agreements. Ms. McLaughlin replied the department does not, and stated that the mitigation plans were designed to help replace or compensate for the impacts experienced by the landowner for methane development. Mr. Levens said that the operators are required to provide an example of a mitigation agreement when they begin the permitting process.
- O7:34:54 Chairman McNutt stated that mitigation plans are not all the same and they are usually tailored to the needs of the developer and the landowner. Mr. Williams replied that was correct. Chairman McNutt stated the mitigation agreement was a contract between the operator and the landowner and the state should not need to review the contract. Mr. Williams agreed and stated the mitigation agreement does not impact the state's water in any way and only affects the use of the water.
- O7:39:19 Senator Murphy asked that when CBM comes out of the ground if it is in a usable form to the ultimate user, or whether it requires any processing. Mr. Williams

stated that normally it needs to go through separation and another step of dehydration to remove more water. Mr. Williams also stated that the content of the gas is 95 percent methane, 2 percent nitrogen, and little carbon dioxide. Senator Murphy asked if this was the same process that natural gas goes through. Mr. Williams responded that the natural gas produced in the Cedar Creek area is very similar in content to CBM. In some instances in deeper gas fields, the gas might contain other elements that need to be reduced.

O7:42:01 Senator Hamlett asked whether when land is sold, the mitigation agreement stays with the property and is recorded at the county courthouse. Mr. Williams stated that the agreement is not recorded, but the agreement contains the general language that states this agreement pertains to all heirs, successors, assigns.

#### 07:43:15 BREAK

# Committee discussion on exempt wells

- 08:06:54 Chairman McNutt circulated information to the committee provided by Abigail St. Lawrence titled "Average daily household water use" (**EXHIBIT 13**).
- 08:08:00 Chairman McNutt stated that the next WPIC meeting is scheduled for March 10-11, 2010. Chairman McNutt expressed an interested in having more information on the topics of mitigation banks and water banking, and asked the committee what agenda items and questions should be discussed.
- 08:10:30 Senator Wanzenried stated that the committee needs to develop solutions for the exempt well problem. Senator Wanzenried also expressed an interest in mitigation banking ideas.
- O8:12:51 Chairman McNutt stated that input should be gathered from all stakeholders to develop a meaningful proposal that could launch policy for the future. Chairman McNutt asked the committee to provide information to Mr. Kolman, so he can assemble the information and the committee can have sufficient time for review to solve some of these issues.
- 08:16:50 Representative McChesney asked whether the study could incorporate waste water treatment.
- 08:17:45 Chairman McNutt stated that both issues need to be considered, but both might not be able to be tackled at the same time.
- 08:18:48 Representative McChesney commented that Utah has a water right bank for these very items. Mr. Kolman said that Yakima Valley in Washington state has set up a mitigation list/bank.
- 08:19:28 Representative Bean acknowledged the differences between rural and urban communities, and expressed concern that since a finite level of water exists,

- establishing a water bank could make water too costly and the average citizen would have difficulty obtaining use.
- 08:20:35 Senator Hamlett asked whether Anne Yates could provide the committee with a presentation on the Montana-Alberta working group, and John Wheaton could present a program on water evaporation.
- 08:21:14 Representative Pomnichowski expressed an interest in urban considerations versus rural considerations, and residential densities. Representative Pomnichowski also stated that maybe some of these problems could be approached through the subdivision regulations.
- O8:23:02 Chairman McNutt stated that closed basins are already in statute, and that the problems associated with the expansion of wells are all occurring in growth regions, so the review should be in closed basin areas.
- 08:24:44 Mr. Kolman stated that he would provide a menu of options for the WPIC to review concerning the mitigation bank idea.
- 08:25:38 Chairman McNutt stated that ideas should be brought forth quickly because by May the committee needs to be on course to propose legislation, and he felt that it was important that a large majority of the committee agrees to any proposals.

## Committee discussion on CBM wells

- 08:27:45 Representative McChesney requested the committee review HB 575, and wondered if the committee could find a route around the hurdles and find appropriate usage of the water that is presently discharged.
- O8:29:12 Chairman McNutt stated that Mr. Kolman should walk the committee through the bill and possibly the committee should take another look at the bill.

  Representative Pomnichowski requested to review the proposed amendments also.
- 08:30:10 Senator Wanzenried asked if the committee could be given a summary of the bill and not a bill draft. Chairman McNutt stated that the committee did not really want to resurrect the old bill and thought a bill summary was a good idea.
- 08:31:34 Mr. Kolman stated that he would work with Representative McChesney and develop a menu of options that covers the intent of HB 575. Chairman McNutt requested that other committee members report to Mr. Kolman any other ideas for review.
- O8:33:22 Senator Wanzenried stated that the review should not be limited to the intent of HB 575, but should address choices dealing with the overall issue of coal bed methane.
- 08:34:54 Chairman McNutt stated that some objections have existed for many years, and the sides have not changed their positions much over time.

## Other discussion areas

08:40:18 Representative Bean commented on the report from Senators Hamlett and Barrett that the Legislative Council on River Governance could not come to a consensus and wondered if the committee could reach a consensus that it is opposed to removing the term "navigability" from the Clean Water Act. 08:41:20 Mr. Kolman asked for a point of clarification as to whether Representative Bean was asking for a motion to be made. Representative Bean responded yes, and moved that the committee send a letter to the Montana Delegation expressing disapproval of removing the term "navigability" from the Clean Water Act. 08:42:24 Chairman McNutt asked Representative Bean to withdraw the motion because of time constraints and the need for public notice. 08:42:43 Representative Bean withdrew the motion, but requested this topic be placed on the agenda for the next meeting. 08:43:11 Senator Wanzenried asked if Senators Hamlett and Barrett could provide the staff with specifically what was not agreed to at the Legislative Council on River Governance committee meeting. 08:43:35 Representative McChesney announced that he had attended the annual meeting of the League of Cities and Towns and that inadequacies in current laws as they apply to municipal water supplies were discussed. 08:44:20 Mr. Kolman announced that he was a presenter at the meeting and noted that this item is scheduled for the next meeting. Additionally, Mr. Kolman reviewed the tentative agenda for the next meeting. Mr. Kolman further stated that the next meeting is scheduled for May 11-12, 2010, in Helena.

#### **ADJOURNMENT**

Chairman McNutt adjourned the meeting at 4:55 P.M.

#### **ADDITIONAL EXHIBITS**

"Coal Bed Methane Water: An Overview of Water Right Issues" by Joe Kolman (**EXHIBIT 14**). "2008 Water Year Annual Coalbed Methane Regional Ground-Water Monitoring Report: Powder River Basin, Montana" by the Montana Bureau of Mines and Geology (**EXHIBIT 15**). Email dated January 12, 2010 from Walt Hill, Division of Biological Sciences, University of Montana (**EXHIBIT 16**).

Memo to WPIC "Overview of the Legal Tests of Navigability" by Todd Everts, dated September 16, 2009 (EXHIBIT 17).

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