MONTANA DEPARTMENT OF FISH, WILDLIFE AND PARKS FISHERIES DIVISION

JOB PROGRESS REPORT

STATE: MONT		ITANA	PROJECT '	TITLE:			,
PROJECT	NO.:	F-38-R-5	STUDY TI			SERVATIONS	
JOB NUME	BER:	4			MISSOURI	RIVER	
JOB TITLE: WATER LEASING STUDY							
PROJECT	PERIO): JUL	Y 1, 1989	THROUGH	JUNE 30.	1990	
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JOB OBJECTIVES AND DEGREE OF ATTAINMENT

1. To implement the provisions of HB 707 of the 1989 Legislature which authorized a pilot water leasing study to test the feasibility of leasing existing diversionary water rights for instream flow enhancement purposes and to acquire water leases.

The pilot water leasing study was begun following signing of the water leasing bill by the Governor in May 1990. Activities in FY 90 included developing criteria to use in selecting streams for leasing; developing a list of candidate streams; meeting with landowners to determine interest in leasing; selecting two streams for leasing; meeting with other water users on those streams to provide them information on the program; seeking and obtaining approval to study the two streams from the Board of Natural Resources and Conservation (as required by law); and arranging for studies to determine hydrologic effects of leasing water and also to determine the market value of leasing agricultural water for instream uses.

The two streams selected for the leasing study are:

- 1. Swamp Creek, a tributary to the Big Hole River near Wisdom, Montana, where a 3.38 cfs water right would be leased to provide additional flows for the dwindling fluvial Arctic grayling population in the Big Hole basin, and
- 2. Big Creek, a tributary to the Yellowstone River, near Emigrant, Montana, where "salvaged" water would be leased to benefit the Yellowstone cutthroat trout which spawn in this stream. The salvaged water would become available from conversion of six inefficient irrigation ditches to a gravity pipeline and sprinkler system.

HB 707 authorized the Department to spend up to \$60,000 of federal revenue for water leasing studies.

Prepared by: <u>Liter Spence</u> Date: <u>September 17, 1990</u>