

END OF YEAR PERFORMANCE REPORT

STATE: MONTANA

PROJECT: F-46-R-4

STUDY TITLE: WATER RESERVATIONS -
MISSOURI RIVER

STUDY: VII

JOB #: D

JOB TITLE: Water Leasing Study

PROJECT PERIOD: JULY 1, 1990 - JUNE 30, 1991

JOB OBJECTIVES AND DEGREE OF ATTAINMENT:

1. This is a new job which was previously under the F-38-R agreement. The specific job objective is 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.

Legislation authorizing the water leasing study and pilot program was signed by the Governor on May 1, 1990. Before streams can be investigated for water leasing, DFWP must receive approval from the Board of Natural Resources and Conservation (Board). Three streams have received approval for study. They are: (1) Swamp Creek, a tributary to the Big Hole River near Wisdom, Montana; (2) Big Creek, a tributary to the Yellowstone River near Emigrant, Montana, and (3) Mill Creek, a tributary to the Yellowstone River near Pray, Montana. The status of these three streams is as follows:

Swamp Creek

Leasing water in the lower 1-1/2 miles of Swamp Creek would have benefitted spawning and rearing conditions for the dwindling fluvial Arctic grayling population residing in the Big Hole River. This population is one of the last stream-dwelling grayling populations in the lower 48 states. However, price negotiations with the water right holder were not successful and Swamp Creek is currently not being pursued for water leasing.

Big Creek

Water leasing on Big Creek would benefit the Yellowstone cutthroat trout spawning population (entering from the Yellowstone River) which currently suffers from low flows during the egg incubation and fish rearing periods. Water to be leased would become available through "salvaging" water currently being used in several inefficient gravity flood irrigation ditches by constructing a more efficient gravity pipeline sprinkler system. Pipeline construction

is still several years away, but negotiations with water users and feasibility investigations by the Soil Conservation Service are currently being conducted.

Mill Creek

Successful water leasing on Mill Creek would also benefit spawning populations of Yellowstone cutthroat trout which currently cannot use Mill Creek due to excessive dewatering. The Mill Creek situation is similar to that of Big Creek in that salvaged water might be available for water leasing. A gravity pipeline sprinkler system is nearly completed and will replace three main canals which are currently being used for gravity flood irrigation and limited sprinkler use. Mill Creek is more complicated in that all of the existing water users on the Mill Creek project will not be converting to the pipeline sprinkler system. Therefore, protection of any instream flow water rights that may be leased will be a problem. Also, many individual water rights will have to be leased to provide enough water to meet the requirements of the fishery. However, such possibilities are currently being pursued.

In addition to the three streams approved by the Board, more than 40 other streams have been investigated for leasing potential. However, due to a number of factors, including hesitancy of water right holders to participate in the leasing program, poor location of water rights in a given stream reach, insufficient amount of water in the water rights, and low priority date of water rights, none of these streams have been further pursued or taken to the Board for approval.

The 1991 Legislature amended the original HB 707 by extending the leasing study period from 4 to 10 years, increasing the number of streams that can be approved for study from 5 to 10, and requiring annual reports by DFWP to the Legislature documenting the success of water leasing during the year.