

DEPARTMENT OF FISH, WILDLIFE AND PARKS

FISHERIES DIVISION
JOB PROGRESS REPORT

STATE: Montana PROJECT TITLE: Water Leasing Fund
PROJECT NO: F-46-R-7
JOB NO: VII-C (3829)
PROJECT PERIOD: July 1, 1993 to June 30, 1994

ABSTRACT

A water leasing study was authorized by the 1989 Legislature. Water leasing is a complex and somewhat controversial program. The study is moving ahead. One lease was completed during FY 1994.

OBJECTIVES AND DEGREE OF ATTAINMENT

The specific job objective is to implement the provisions of SB 425 of the 1991 Legislature which amended the original water leasing study bill (HB 707) which authorized a pilot water leasing study to test the feasibility of leasing existing diversionary water rights and to acquire water leases for instream flow enhancement purposes. SB 425 appropriated for the biennium ending June 30, 1995 to FWP \$11,250 from the federal special revenue fund and \$3,750 from the state special revenue fund to lease existing water rights as provided for in HB 707. These funds will be used to pay for the leasing of diversionary water rights that may be obtained through the water leasing program.

The leasing program is beginning to bear fruit. A total of three leases have been implemented to date. Two leases were implemented (Mill Creek) in FY 93, one in FY94 (Blanchard Creek) and others were being negotiated, or winding their way through the water rights "change" process at DNRC.

RECOMMENDATIONS

Interest in water leasing has increased since the beginning of the program. It is recommended that this project be continued.

Prepared by Liter Spence Date 8-22-94