DEPARTMENT OF FISH, WILDLIFE AND PARKS

FISHERIES DIVISION JOB PROGRESS REPORT

STATE: MONTANA PROJECT TITLE: Water Leasing Study

Part One

PROJECT NO: F-46-R-6

JOB NO: <u>VII-D (3823)</u>

PROJECT PERIOD: July 1, 1992 to June 30, 1993

ABSTRACT

The water leasing study was authorized by the 1989 Legislature. Interest in leasing has been developing slowly, however, significant progress was made this year. During the past year one contract was let to complete a change-of-use application for a water lease, a lease agreement was negotiated, approved by the commission and awaiting signature and two leases were consummated.

OBJECTIVES AND DEGREE OF ATTAINMENT

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 and to acquire water leases for instream flow enhancement purposes.

This is a pilot study under HB 707 to determine the feasibility of leasing water for instream flows. If the project is successful, it could lead to expansion of legislative authority to lease water and will establish criteria and identify the problems involved in the water leasing process. A successful leasing program will benefit fisheries in the long term by enhancing flows in dewatered streams.

One change-of-use application was contracted during FY 93. One lease agreement was completed and awaiting signature. Two leases on Mill Creek were consummated.

FINDINGS

One change-of-use application was contracted during FY 93. One lease agreement was completed and awaiting signature. Two leases on Mill Creek were consummated.

RECOMMENDATIONS

It is recommended that this project be continued. Interest in water leasing has increased tremendously. In the coming years these funds will be put to good use.

Prepared by: Chris Hunter Date: 9/10/93