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EUGENE MANLEY

TAPE 1, SIDE A

Introduction

The following is an interview with Eugene Manley for the "General History of Montana" oral history project for the Montana Historical Society. In this interview Eugene Manley is going to talk about water useage and rights and irrigation in the upper Clark Fork Basin. This interview is being conducted in his home near Drummond, Montana on July 27, 1992 beginning at approximately 9:30 a.m. The interviewer is John Terreo. Also present at this interview is Gerald Mueller.

Interview

TERREO: Eugene let's start with some background information about yourself: the names of your parents, their occupation and where you were born.

MANLEY: The names of my parents were Isabelle Richards and William F. Manley. My mother was born in Deer Lodge, Montana on January 8, 1903. My father was born on a ranch just west of where we are in July of 1873. My mother married my father when she was just eighteen years old, so her only profession was a house wife. One of the things that I think would be important is the background of my grandparents. My grandmother was the first white women into the St. Ignatius Mission. She and her mother started to western Montana on the Oregon trail. Her mother passed away on that trip. So, my grandmother came on in to St. Ingatius Mission. It's not exactly clear to me how long she spent there because she was approximately thirteen years old when she came there. She was a little over fourteen when she married Pat Dooley who was a rancher in this basin. He owned a ranch just south and west about two miles from where we

are right now. He had accumulated a lot of property and used to raise draft horses that were written up in articles in eastern papers. He used to send those [horses] back east to sell. It is my understanding that he came here from Tennessee. Our family's beginning interest in water is they were developing irrigation on Willow Creek in the years that he owned ranching properties. He and his neighbor got into kind of a dispute over digging a ditch on Willow Creek to irrigate their two ranches and they agreed that the way they would settle that is they would go to Bannack which was the territorial capitol of Montana and get things settled there. Pat Dooley who was my grandfather -- on the day they were to go to Bannack had left here and on the way he got to thinking, "I am being doubled crossed here. I'm going to go to Bannack and that guy is going to stay home and start digging his ditch and therefore, he will have the prior right in the water." Pat Dooley came back and sure enough that's what was happening and they go into a dispute. His neighbor's name was Milroy. And Milroy shot and killed Pat Dooley. Then three years later my grandmother married my grandfather who had a homestead about three miles west of where she was living. My grandmother was left with five children. She married my grandfather and they had two children. My father, when he was old enough, homesteaded some properties about ten miles south and west of here. He went into the army in the First World War. When he came out and I remember this so vividly, telling me time after time that when he left here -- all of this country west of here was homesteaded clean up to the timber lines. That's where his homestead was and

that's where his father's homestead was. When he left here we had had good wet years that were tremendously productive. They produced large crops of grain. He went off to the First World War and came back and when he got off the train in Drummond, he told me he couldn't believe what had happened to this valley in the time he was gone. It was just burnt to a crisp. This I think was along in June of 1919. As a result of that, virtually all of those people that homesteaded in those foot hill areas eventually lost their homesteads or moved off from them because they were nonproductive. My father got started in carpentry work and did carpentry work for some time but his aim was to get an irrigated ranch. He also had the first trucking business in this area. I guess why I am so interested in water is that the thing he always kept telling me is, "Eugene, as a rancher the most valuable asset you have is water. What is deeded land without water? It is just nothing more than dry land pasture and look at the differences in values." He served as a foreman on a ranch just about two miles south and east of where we are. He and my mother got married in 1921 and I was born in 1923. About eighteen months later I had a brother born. When he was a year-and-a-half old, he and I were out -- there was a big irrigation canal that ran just by the house. When he and I were out playing in that canal, he fell in and drowned. My mother said, "I can't put up with this anymore." So my father rented a ranch up at Stone, Montana. I finished up the first grade there. Then we moved to New Chicago and my dad rented a ranch there. We stayed on that ranch for some eighteen years. Then this project started -- the initial work for it

was done back around 1936, the selling of subscription and pledge agreements to buy water. My father at last saw an opportunity to purchase some irrigated ground himself and he bought 167 acres on this bench that would be irrigated out of the East Fork Project. Later on we purchased an additional 97 acres on the north side of the airport. The place where we are now is part of another ranch that some older people owned. They were wanting to retire and they approached my father about buying it. They said, "You have three sons. Some of them may want to ranch. This will work in good with the present property you have. We share some irrigation water rights. We just think it would be a good thing for you to buy." How it all happened, we had a steer get into their pasture. We were still living down at the old town of New Chicago and this person called my dad and said, "I have one of your steers." My dad said, "We'll be up to get it." That's where the conversation came up about purchasing this property. Along the way home I said to my dad, "What do you think of that?" He said, "I don't even think it is worth talking about because he is going to want so much money for it we just can't afford it." I said, "Yes, but you don't know that. Let's go back and talk to him." So we went back the following day and this property that we're on had 235 acres irrigated ground, 1135 acres mountain pasture out in the hills eight miles west of us. We purchased this in 1946 for 12,000 dollars. We then left the place at New Chicago and moved. The main buildings for his ranch were down on Willow Creek itself. This house I built in 1976.

TERREO: Could we back up a bit?

You were saying that Pat Dooley was shot and killed by this guy Milroy over water rights. In this area was this the general attitude, that some times violence was necessary to secure water rights?

MANLEY: I think in those times from all of the things that I've heard, that violence didn't prevent them from getting what they want if possible. Even right today it doesn't resort to violence but you can have a lot of serious arguments. Ranchers will be buddy, buddy in the winter time but you will run into areas of time where water is short and they won't even speak to each other. It is an ongoing thing, I think - disputes over water rights especially in times of shortage like a year like this.

TERREO: Also, you mentioned when your father returned from the First World War, that the area had suffered a devastating drought which was a reason many people left the area. For the people that remained, did they find water more accessible or because of the general conditions was it more difficult to attain?

MANLEY: I'd say those people who were living in the outlying area like in these foot hills did not have water available for irrigation. You look back on those periods of time and wonder why those people ever homesteaded out there, what future did they see. I think we were in periods of time when we had a lot more rain fall and that ground was a lot more productive. Then generally the bottom lands, most of that water or places where you could have water for

irrigation available were taken. After those series of droughts and those people were leaving those homesteads, all the people that were left here were generally on irrigated ranches. Then they started purchasing or in some cases just paying the back taxes to accumulate that land for pasture lands. Some of these people accumulated anywhere from three thousand to six, eight, and ten [thousand] acres of what was generally those old homesteads and now it has been integrated into the irrigated ranches as mountain pasture for summer grazing.

TERREO: Your dad seems to have been a bit more aware or knowledgeable of irrigation than some of his neighbors were.

MANLEY: Yes. Let me tell you what the background of that is. I think one of the things is that once he lost that homestead and saw what happened to other friends of his loosing those homesteads, he became determined -- all he ever wanted to do was ranch. He realized he could do it if he had irrigated properties. It just was not feasible without it. In the late 1920s and mid-1920s, he was offered a job managing a ranch just across Willow Creek about two miles southeast of where we are now. There was an adjoining ranch owned by an individual named Jim McGowen. They shared a common irrigation ditch. Both those ranches had water rights out of that ditch. Jim McGowen and my father became very good friends and my father in essence was always picking Jim McGowen's brain about irrigation because he told me there was nobody who understood irrigation any better than Jim McGowen. The thing I will always remember so vividly about that is

after my brother drowned we moved up to a ranch up at Stone which is about three miles this side of Maxfield<sup>ville</sup>. Then we left that ranch and went down to New Chicago. At that time the road from New Chicag to Hall was an old dirt road, it was not oiled [paved] at that time. The thing I remember so vividly about that is when my dad went to go town, us kids would want to go and we'd always hope that if we went to Hall we would not see Jim McGowen because that meant we were going to have to sit there in the hot sun for two or three hours and listen to those people talk about water. Maybe I picked up on some of that, I don't know, but the one thing that was a development later on is those two ranches were short of water. In a normal year they were out of water as a general rule by the 15th of July. Things were so bad that in really dry years they had to even bring their horses down and water them in Willow Creek because they even had problems with the wells. Jim McGowen thought there was a way of alleviating the water shortages in this valley and he even went so far as to hire a surveyor to see if the couldn't run a canal out of the east fork of Rock Creek and bring it into this valley and supplement their irrigation supply. Then when [President Franklin] Roosevelt started his program of WPA [Works Progress Administration] and PWA [Progress Works Administration] and all of those things, they decided they could in the State of Montana build irrigation projects. This is one of the things they seized upon. They said, "Why can't we build a storage project out on the east fork and bring that water down into upper Flint Creek and sell water for that project." One of the

things that I always thought that showed you what a knowledgeable individual Jim McGowen was in water is everybody thought because that ranch needed water, needed it as bad as anybody needed it, they were going to sell him a lot of water. He refused to buy any. I look back on it -- I've looked back on it a good many times. The story he always told those people was you didn't bring that canal higher into the valley where I could have irrigated some of my outlying land. He owned property west of here. I always thought that was a ruse. He wasn't going to say, "I'm not going to buy water because I know there is going to be return flows enough from that project that I'm not going to have to buy water." I don't think he wanted people to know that. As a result of that east fork project those two ranches that were generally out of water prior to the east fork dam on June the 15th are now two of the best and biggest ranches in this valley.

TERRED: You used the term return flows, could you describe what a return is?

MANLEY: Return flows can happen within any part of a basin, but when you have a basin like this -- this basin is forty-five miles long, you have a lot of irrigation around Philipsburg, a lot of irrigated lands. Then the upper part of this valley narrows down to where there is a highway and the Flint Creek channel. As you start irrigating in that upper basin what you will begin to notice if you are observant, you will notice in the lower valley is all these small water courses that in the spring of the year are flowing very little



water or are absolutely dry. Those flowing a little water like a lot of those water courses in the upper basin will start flowing and increasing the amount of water and that amount of water will gradually increase throughout the irrigation season. So, you have numerous, probably hundreds of those water courses throughout the full length of this valley that increase in flow. In essence, the irrigation that is done in the early spring fills that aquifer. That aquifer has to go somewhere and it starts coming out in all of those water courses and makes its way into the main channel and furnishes irrigation water for all of the areas below the first diversions in the upper part of the basin. In essence, if you can get people in the upper valley and even here in the lower valley irrigating earlier in the spring -- the earlier they start to irrigate, the earlier those return flows start. These return flows in essence here in the lower valley probably furnish -- I would make a wild guess that seventy-five percent of the water being used in this valley right now is return flow.

TERREO: You might say return flow becomes the life blood for a lot of the ranches around here.

MANLEY: That is right! Take as another instance, not only in this valley but Gold Creek which is just ten miles east of here is a small stream that has I think about ten users on it. What used to happen as they developed that is -- in mostly all basins your senior water rights are on the lower end because that was where people first settled. The senior water rights on Gold Creek are always on the lower end of that basin. It is a small basin. I'd say about ten

miles long. Over the years those people learned that if they could get the people on the upper end of that valley to use water just as early as they can use it -- we don't care if it interferes with our senior rights in the early spring -- if we can get them to do that we are going to have water in the most critical part of the irrigation season, the last of July and the first of August. That's a small valley where they have learned that. I think in most all of your major valleys in western Montana, the people have learned it. They know it happens but I don't think they have learned how to manage those as intelligently as they could be managed.

TERREO: In your viewpoint how could they manage it more efficiently?

MANLEY: I think in order to manage more efficiently what you would have to do is start irrigating earlier in the irrigation season. One of the things I have thought a lot about since I got on this Clark Fork Steering Committee is that ranchers know that they should do this, especially on this lower end of the valley where this Allendale canal is. But what happens is they are so busy putting in their crops and trying to get their cattle off the meadows to move them into the hills, they do not get these canals and irrigation ditches on as early as they should. What I have thought so much about lately, with the developing water shortage, is they are going to have to change their priorities and realize that the most important priority of them all is to get irrigating just as early as they can in the season. Starting those return flows earlier -- When we run into

critical water shortages which some times come in June, those water shortages can be allivated by earlier irrigation. I've noticed especially this year that there were some people irrigating around Philipsburg as early as April.

TERRED: About when do most ranchers start irrigating?

MANLEY: Most of them start -- it's a problem to get them to start ... (tape runs out)

END OF TAPE 1, SIDE A

TAPE 1, SIDE B

[Editor's note: first ninety seconds of tape are blank].

MANLEY: ... they really should start earlier. Ranchers know we have water problems but I think they have to give more thought to how do we alleviate those problems. One of the simplest ways to alleviate them is start irrigation earlier in this basin. I have a neighbor here, he's a young fellow and he came back onto the ranch and I talked to him about this. What he decided to do is -- not because of the return flow entirely -- he thought, "I wonder what would happen if we would start irrigating earlier." I told him, I didn't know if it would make that much of a difference in his hay production. I watched what happened there. I own ground right over the fence from him. He irrigated in the fore part of April. This was just an average normal year. I held off and started irrigating probably six weeks later. I couldn't believe the difference in those hay crops. His by the middle of May was probably three inches higher than mine right over the fence from it. This is one thing that Jim McGowen always advocated is early, early irrigation. I think some of it was they had a big canal but he also thought it increased hay production. But see, people are so busy with their cattle, with planting crops and things they let irrigation become the third thing on the list when in my mind it should be the first.

TERREO: Isn't this a long-held attitude that irrigation takes a lower priority because it is something imbued or ingrained in the

way ranches have operated in this area and this notion is part of ranching tradition? Do you think this could be the case as you mentioned your neighbor who was younger and perhaps not having been exposed to past methods saw a new way of operating.?

MANLEY: That's part of it but he never followed up on it either (laughs). Every rancher will tell you yes that they know what return flows are and on, and on, and on. Yet, what I saw happen in this valley this year has been really unbelievable to me from the lessons I have learned from return flow. We ran into a critical problem in irrigation in this valley along in May. They had to make more extensive use of the east fork reservoir than they generally have to make. They turned that water on but couldn't get through the upper part of this basin. Everybody on Trout Creek and upper Flint Creek were diverting that water. I was in Philipsburg in the court house one day when the board of directors of Flint Creek Water Users were meeting trying to figure out how they could get that water through Trout Creek and Flint Creek to the lower basin because half of the water that is subscribed for out of that dam is held by contract holders in the upper valley. The other half is held by contract holders in this valley. They were having a problem trying to decide how they could get that water through. I thought, "Why worry about getting that water through because one of the lessons that had been learned on this project in the past is forget about that." Let those ranchers use that water. The most they can hold it out of Flint Creek is thirty-six hours probably. By making use of that water that

is going to alter the return flow patterns. You are going to have increasing return flow and that's been proven by what has just happened here. We can now look around and see sprinkler systems on the Allendale Canal, on the McGowen Ditch, that are being used. If weren't for that east fork project and if it weren't for those people in the upper valley using that water like they used it in May, we would be out of water down here. Probably only about sixty percent of the adjudicated rights could be filled. As of now all of them are being filled, even including this Allendale Canal's water right which was not in the decree because it was a water claim that came after the initial decree on Flint Creek.

TERREO: The workings of the legalities is interesting as it seems that as long as there is an adequate water supply it is adjudicated so that each ranch receives sufficient water but if there isn't enough water problems arise.

MANLEY: One thing you would have to understand about this basin and, it's really peculiar is that the upper basin is under a decree that was issued by a federal court. What had happened was the creation of Georgetown lake for storage for what used to be the Anaconda Company, so they could pump water back and take it to Butte. That was under a federal court decree. Later on, I think some ten years later, lower Flint Creek was decreed. The federal decree runs to where the canyon narrows up. I don't remember exactly where that dividing line is. The decree that was issued in the state court includes just this lower valley. There was always a concern on the part of all the

parties involved of how do we enforce those decrees. I am told there was a period of time when they did put a commissioner on upper Flint Creek. Prior to the east fork we had commissioners on lower Flint Creek every year. After the east fork was built it was very rare to have a commissioner on lower Flint. There was always kind of a division here in Granite County over water rights because those people under that federal decree said even though you have senior rights in the lower valley, you cannot interfere with that federal decree. The first fifteen senior rights are in this lower valley. I just don't know if the people in the lower valley were afraid to challenge that federal decree or what. I just don't know but they stayed away from that. That was kind of a no-man's land for the people in this lower valley. They had a system where they had a commissioner maybe under a federal decree in that upper valley, a commissioner in the lower valley under the state decree. Under the federal decree they have to release 1200 inches of water from Georgetown Lake during the irrigation season. I know there were people in this lower valley that went up to make sure that 1200 inches of water was there but that was kind of immaterial because certainly those people that were entitled to that 1200 inches of water were making sure it was there themselves.

TERRED: About what period of time were these federal decrees issued?

MANLEY: I think the federal decree was issued in about 1908. What you have to understand is that the people in this lower valley were never made defendants in that federal decree. Therefore, they were

not a part of that federal decree. There was great reluctance to say, "Hey, we have senior rights down here in this lower valley that are not being filled while some of your rights that are junior are being filled in the upper valley." That's as far as it went.

TERREO: You mentioned earlier when the deal went into effect and brought WPA [Works Progress Administration] and all the other various programs that this area benefitted from those programs. Were some of those benefits connected to water distribution? What were the effects and what kinds of politics are going on at this time? Were some ranchers lobbying to have things better for their particular operations?

MANLEY: Right. Very definitely. This was the case in this valley once they realized that was probably a feasible project and they could get money to build that east fork dam. You had right here in this area the Allendale Irrigation Company and they owned this canal you see just west of us here. Also, on the upper valley there was Rock Creek Flume and Ditch Company who had a small canal out at the east fork. The people that originally were in that project through economic conditions have lost those ranches. All of them had big Federal Land Bank loans on them. At one time the Federal Land Bank probably owned sixty percent of this land under this Allendale canal. It [Federal Land Bank] had foreclosed on the land and was just holding it. What you have is the people on the Allendale Canal and the Federal Land Bank had vital interests here to see that something was done to assure water for that Allendale canal. All of



a sudden you see the Allendale Irrigation Company which had been an almost defunct corporation because they were no longer operating that canal, get very busy and get a new board of directors. The people that had the most to gain, I think made sure that they got on that board of directors. I had been told in later years by a person that was really knowledgeable that the people in the Rock Creek Flume and Ditch Company were in the same situation. They were about ready to loose those ranches. So what you wound up with is a board of directors on Flint Creek Water Users who is the organization that was established to run this project. You have people from the Rock Creek Flume and Ditch Company and Allendale Irrigation Company sitting on the board of Directors of Flint Creek Water Users. As a result of that, Allendale Irrigation Company eventually wound up with -- they deeded the whole canal originally to the State of Montana. They finally in a law suit and in negotiations after that law suit took back this canal from the three twenty which is just west of us on to the end. They took back that part of the canal. They wound up with a contract to give them free delivery of 2400 acre feet of water in May, 2400 acre feet of water in June, 1280 acre feet of water from the first to the fifteenth of July, and 1280 acre feet from the 1st to the fifteenth September. That is supposed to come out of a water right Allendale Irrigation Company deeded to the State of Montana. Rock Creek Flume and Ditch Company wound up with 800 inches of steady flow for the use. The odd thing with Allendale Irrigation Company, the State of Montana got a 3500 inch water

right. It was a real later right. It wasn't of much value at that point in time. The State of Montana wound up with very little -- just a small part of that canal they ever used. In essence what you have here is fifty percent of the useable capacity of this project given out for right aways. In some cases right aways that didn't exist. What it is done has put a real burden on the people that have to purchase water contracts or have purchased waster contracts out of that project. All of the O and M has to come from the 14,475 acre feet of water that is purchased out of that damn. So it puts an undue burden on the people that have those contracts.

MUELLER: Could you say more about what fairer way those costs would be.

MANLEY: I think the lesson to be learned here -- what we want to avoid in the future -- we want to just come in if we're going to build a storage project. The organization that does that wants to make sure that they have just outright purchased all the canals and all those water rights so that the people that use them in the future are going to be paying for them, not what was done here. It was something I think should have not been done. That's also hindsight too. I have the advantage of that. I think the lesson to learned is don't do what was done here.

MUELLER: When we were on our field trip you talked about the fact because of the return flows that were created by the East Fork Project, many people who didn't buy contracts get water. Therefore you suggested the O and M be divided amongst all the people who use

water regardless of where it was from. My understanding ...

MANLEY: But that is going to be a difficult thing to do. Maybe it can be done. But just take a look at this project. In 1988, which is the driest year we've ever had up until now, the east fork dam did not fill -- there were approximately 10,000 acre feet of water that was discharged into this upper basin for use of this project. I went through that year and tried to determine just how much water was used in this basin -- try to get an idea of what return flows were in it. If we ever build any future projects -- if there were some way that we could determine ahead of time just what affect that was going to have on this basin. As near as I can figure one of the problems is inadequate records that were kept by Flint Creek Water Users and not being able to get an exact measure on how much water was distributed throughout this basin. I did spend a lot time on it and I think my figures fairly reflect what took place. From that original 10,000 acre feet of water there was some 40,000 acre feet of water distributed into this project through this smaller canal I don't know what they call it at Philipsburg -- maybe it is the Johnson Canal. There is the Marshall Creek Canal. There are also water users on Flint Creek that purchased some contracts. There were some 40,000 acre feet of water that went into the actual project itself. In addition, and what I had done is use a cutoff date of 1978 or 1979 of what would have happened if there were no east fork canal. What water rights on Flint Creek would have been shut off and had no water available if it weren't for that east fork project. I

took and figured all of that out and by estimation there were approximately 38,500 feet what that went to the decreed users that they wouldn't have had if it weren't for that east fork canal. The point I intended to make up there is that is not a way to run a canal or run an irrigation system when you are basing your O and M on just the water stored in that dam. It would be far more fairer if you were to go just so far to raise your O and M from the water that is actually delivered in an irrigation season. Plus if you are going to build a system figure out and make sure the preliminary work or something was done to establish some rights in the future to those return flows, that you are also getting paid for them. The one point I would make on -- and why I would like this done or why I think it would be the thing to do is charging by the amount of water that people actually can become a great management tool. If you have people with contracts for 14,475 acre feet of water and you're charging them for what's stored in that basin they know that they are going to get certain amounts of water. When water is plentiful they're not using it and then when it gets short they're wondering why. To get back to why that's going to be such a difficult thing to do, let me explain what happened in the Allendale Irrigation Company. This is something unbelievable. I and a guy that was president -- ten years to get When this project got going the original Allendale Irrigation Company had allocated three shares of Allendale Irrigation Company water that went with every acre of land under the Allendale. So there were 6,020 shares issued. It figured out approximately one-

third of an inch during the contract use of that water to each acre foot of water. I became Secretary of the Allendale Irrigation Company in 1953 or 1954 and through a series of circumstances they wanted me to take over as Executive Secretary to try and get some of the problems resolved. One of the things I have observed is if you are going to have a steady flow of water based upon the number of shares you own you are not going to make efficient use of this water. I saw neighbors going on vacation and because they were entitled to that water, they were letting it run. They for three and four days. They wouldn't turn it back into the canal. We were raising our O and M from 6,020 shares. It had no relation to how much water we used. I said to the people, "We have got to change this." At the same time there were people putting in sprinkler systems. There's a 320 acre ranch just a quarter-of-a-mile from where we are today that was using as much as 300, 350 acre inches of water flood irrigating. They put in a sprinkler system. What happens? Their water useage drops to a fourth. Yet, they are paying the same O and M as they were when they were flood irrigating. I said to the board of the directors, "Look, this is absolutely not fair." I proposed just charging people for the water that they use. That didn't go over at all. It took ten years to accomplish this. Mind you that what I was proposing was what I thought was a fair way to do it. When I couldn't make any headway I said, "Okay, then let's go this way. Let's raise half of our O and M on the shares of water that you own ... (tape runs out)

## TAPE 2, SIDE A

MANLEY: If you start charging people for the water they use, they're going to make a more efficient use of it. They're going to not waste it and do things they should do to cut down on their yearly costs of water. The thing that made me think so much of that, at the very time that we owned land up here, we had contract water. We eventually got some Allendale water for the ranch we had. At that very time I was doing all the irrigating for my dad. I had 267 acres irrigated ground. Up here I had 345 acres down on the place at New Chicago that we were renting. The thing I remember so well about that is -- they put a commissioner on it and of course with a commissioner you pay for the water you actually use. Here we had water up on this bench that was costing us two dollars an acre foot. That was paid for by a flat fee every year. Down there on Flint Creek we paid for what the commissioner charged us. The water my dad was most concerned that I get on and off the fastest, was not the water up here that was the most expensive but the water down on Flint Creek where we had to pay for the useage of it. I'm thinking if we can do the same thing up here, make that water more expensive and charge them by the amount they acutally use, the better off they are. That's as far as I got with that. I remember when I resigned at a board meeting for the Allendale Irrigation Company, one of the remarks was -- one of the things that we've accomplished is the way we now charge for water. We would never want to go back to that old

system but we never went as far as we should have.

MUELLER: Eugene, if we did manage to convince more people in other areas to pay costs based on use, is it easy to determine what people use so there aren't arguments about that? Does everyone gauge it? How does that work?

MANLEY: What you are going to run into immediately and this to me is very amusing is -- for so long so many of these ranchers have got by with just their diversion and that's it. I'm talking mainly about decreed users on these creeks. Maybe you've heard this at one of our meetings of the steering committee -- these ranchers will say, "What we're going to have to do now is put in measuring devices." I don't care, they're going to have to face that sooner or later. All of this water is going to have to be measured. I don't see how you can run a system without doing it. It's not a big problem. What you do is measure your flow rate and then convert that. You can measure your flow rate and total up that flow rate day by day and then total that up within a decree. Then allocate the charges for the commissioner against that or convert your flow rate into acre feet and charge on that. That in my mind is something we face in the whole state of Montana. In this Clark Fork Basin once our final decrees are issued, how are we going to administer those decrees and there be a lot of thought put into that. What I am so fearful of is like right here on Willow Creek, we get by hiring somebody and there's generally people available and we pay them a thousand dollars a month. This can turn out to be a mammoth bureaucracy and that's

what I fear. What's going to happen like here in Flint Creek Basin, it would probably take about three commissioners, maybe two could handle it. I'm thinking how it's going to be before somebody is going to say, "Look these commissioners have to be engineers because we have measuring devices to install and those can be fairly unstable. We can't have just an ordinary commissioner because he can't determine how accurate those are. Then the next thing you're going to have happen is that they'll need secretarial help and it can blow into something that is totally uncalled for.

MUELLER: One of our challenges is to figure out how to keep that at the local level.

MANLEY: Right.

MUELLER: It is the water users themselves that are taking care and administrating those decrees rather than somebody from the outside.

MANLEY: We're going to have to convince decreed water users that this is going to happen and you better try to keep it under your control rather than let it come under a bureaucracy's control because one way or another we are going to have to administer these decrees. Why are we decreeing in the state of Montana if we don't intend to make use of those decrees? The big problem is going to be in convincing agriculture that this is something you have to do. I can say right here, right now, I will bet my bottom dollar with the commissioners we have on lower Flint Creek -- Willow Creek might be a little bit better -- but I'll be you that if you look at those decreed users on Flint Creek a lot of them do not even have



measuring devices.

TERRED: You mentioned that this water has been primarily for agriculture. For a long time water with little exception, was used for agricultural purposes. There are disputes going on between the users and the government, but what has come into the equation recently are recreational uses of this water. I would assume that is something which will have to be worked out too. When did the recreationalists and environmentalists become involved?

MANLEY: It was just an initial little glimmer is in the Water Use Act of 1973. That provided for reservations and for in-stream flow which in some case would be for recreational use. What is interesting or what I didn't realize about this having served with Ollie \_\_\_\_\_, on headwaters R, C, and D is he was in the Department of Natural Resources when that act was written. One of the thoughts he had was reservational water for agricultural purposes. Now that's what he told me. He said when I worked on that that recreation would pick up on that and Fish, Wildlife, and Parks would be asking for reservations for in-stream flow for recreational purposes and to maintain the fisheries. I know it didn't register on my mind at that point in time but that's what they are now using to ask for reservations for in-stream flow.

TERRED: How did most people around here react to that?

MANLEY: If you are talking about most agricultural people and I would say most and that doesn't include myself, are very upset about it. I don't view it in quite that light. I think we have to

think about maintaining our fisheries and what I am particularly concerned about is what goes on in this Clark Fork River and what's happened to our fisheries there. I think my concern about reservations for in stream flow on the part of Fish, Wildlife and Parks is in a basin like this where there is no water available for any useage -- Fish, Wildlife, and Parks wants a reservation in this basin. That bothers me because this east fork canal has improved the fisheries in Flint Creek tremendously. What I don't want to see is some bureaucracy in this basin that we have to educate on the useages of water when I see people in agriculture who don't fully understand the useage of water in this basin. In the initial stages of this east fork project, we had hands on administration of this whole project by a state engineer and this project was disaster because that individual did not understand irrigation. I found out some things in investigating the financing and everything in this project and I didn't like what I saw going on. I accompanied the board of directors of Flint Creek Water Users to a meeting and out of that they got control of this project. What happened after that is unbelievable. Once it was in the hands of the people whose livelihood depended on the successful operation, that project was entirely different. Looking at it from that standpoint, the problems we had with the old water board, I don't want to see a state bureucracy asking for an instream reservation that will give them an interest in how this basin is administered. What I see coming is having to educate those people on how this basin works. I don't say

this about all people in Fish, Wildlife and Parks because I've had some very interesting conversations with Liter Spense over this and I think Liter realizes where I am coming from. I hope he does.

TERREO: After the Water Use Act of 1973, about six years later the Murphy Rights were created which seems to have created more of a legislative involvement which you and people who support would be opposed to.

MANLEY: I don't have all that great an understanding of the Murphy Rights because we're not involved with them here. From what I have seen of those, I think there was something that had to be done to given protection to our fisheries. What you will find out in most of those basins or the ones I know where we have Murphy Rights there is an excess of water. There's not the demand from agriculture to the point where you had to adjudicate those streams. It tells me there was water available for in-stream flow under those Murphy Rights. I think that's something that had to be done because I don't think we should have continued down the road dewatering those particular streams to where they were resulting in an adverse impact on our fisheries. I'm not against reservations. I think we need reservations but like the Clark Fork, that has real problems. The thing I am thinking and I hope Fish, Wildlife and Parks would realize that this basin is contributing immensely to in-stream flow in that Clark Fork. I can take you and show you -- of course you can't look back over the years and see what I saw prior to that East Fork project being put in when Flint Creek could just furnish those right

on lower Flint Creek -- Flint Creek was dried up where it ran into the Clark Fork. You go down there now and this being one of the more dry years we've ever had but there's at least 1,000 or 1,500 inches of water going into the Clark Fork out of Flint Creek that would have never gone in before that East Fork project was in there. If you've got to bring some bureaucracy into this basin, we've got problems. I wondering if they shouldn't have followed up on that more.

TERREO: In a historical context the evolution has been that the various ranchers want control of water and water useage but as water becomes more scarce and more outside pressures are coming in that the reliance on adjudication to solve disputes is leading up to more government involvement.

MANLEY: I think you have to have government involvement in that part of it because the adjudicational water is a state priority and only the state of Montana can do it. The sad thing about all of this is we waited probably fifty years too long. We should have had this whole process going on forty or fifty years ago. One of the problems is now is when we get into this adjudication and all those hearings and things, all the witnesses that have known what happened in the past are gone. It's difficult to get a good adjudication now. Even with all my knowledge of what happened in this basin, I think I became more aware that we had some tremendous problems in the state of Montana. In 1967 or 1968 we sold the biggest share of the ranch properties and I just kept this here and some mountain pasture.

Looking around for something I could do, I thought why not get a real estate broker's license and sell ranches because that is what I know. I understand the financing and I know ranches and so I got my salesman license in 1973 and I got my broker's license in 1976. You have to wait two years. One of the things I was very careful on and one of the things I learned right quick, if you are going to sell a ranching property to an out-of-stater and you can't give a good thorough explanation of what those water rights are, you've got problems. When I got into the ranch brokerage business, if you could list a ranch there was no problem selling it because ranching properties were a hot item until about 1980. I was very careful. I spent in some cases maybe two weeks researching water rights so at least I could give those people an idea of what their water rights were or might be. I couldn't believe some of the problems I ran into in doing that. I would reach a point where I could say this is what I think they are. That's why I was glad we were going into this adjudication process because my job would be much easier. When we're through with it, all<sub>x</sub> I would have to do is get a copy of the certificate of their water rights and just hand it to the buyer and say here is what the water rights are. In my research on water rights I found water rights that people didn't even know they owned and especially when we came into this adjudication on some of the ranches I was handling. It is something that has to be done, should have been done a long time ago. We've got some horrendous problems down the road.

TERREO: While you were doing this kind of work, did you find there were some common problems or a diversity of problems.

MANLEY: I think the biggest problem was just in researching the water rights themselves. The big problem is what is going on with this adjudication. It's become a little more complicated handling [selling] ranches and one of the reasons I've handled few ranches anymore is I confine my activities to this basin pretty much where I know what's going on. Now with this adjudication process you're almost into a no-man's land where you don't know what those water rights are going to be. All you can hope is that they are what you think they are and what you read in those temporary and preliminary decrees that have been issued. It gets into a real problem in researching those temporary and preliminary decrees because you may be in an objection period. You don't know what objections may have been filed that are going to adversely impact the water rights you are dealing with.

MUELLER: Eugene, I'm very interested in what I hear you suggesting which is somehow out of our work with the steering committee we need to come out with some sort of local organization that is involved with running the water system.

MANLEY: Right!

MUELLER: To do that I at least want to understand what organizations now exist and what their histories are and what they manage. For example, you talked about the Flint Creek Water Users and the and the Allendale Irrigation Company. Which one was first and was

one more encompassing than the other and how did they work?

MANLEY: Allendale Irrigation Company was formed in 1908 or 1918.

There was a combination of Allendale Irrigation Company and Allendale Land Company. A group of Mormons came in here from Utah and evidently purchased a lot of this ground -- from the 320 [acres] on down right to the west of us, they purchased a lot of that land and I don't know how they transacted with the individuals -- they built this Allendale Canal. That was the earliest one of the organizations we had. Then when they decided to build that East Fork project, they formed Flint Creek Water Users and that would have been formed in about 1936 or 1937. Allendale Irrigation company has only controlled the water under that canal and as of now they control use of that water just from the 320 on to the end of the canal. Flint Creek Water Users handle and administer the use of the water from that East Fork reservoir. They hired ditch riders on the upper end that handle the Marshall Canal and delivery into Flint Creek to bring water down to be diverted into the Allendale Canal. Then of course you have the decreed users. They have no association or anything. They do have a group, I don't know if it is still active, in the upper valley, the Granite County Water Users. I was asked by the county commissioners to form that group when we started into this adjudication because when our temporary preliminary decree was issued people were not paying any attention to what was in that. I became really concerned. That organization hired an attorney and the attorney and I got into some disagreements. The majority of the

board wanted to go along with the attorney so I just resigned as chairman of that group. They may be active yet. Getting to what you are talking about and this has been a thing of mine for years, within a basin you knowingly don't sit down and say, "This is how we are going to operate this basin." These basins' useage of water just develops. You develop certain concepts of useage throughout that basin to the point where there is a basin concept of water use. It is not defined but it is there. What I think we need and we will not have successfull administration over our water in the State of Montana until we have some kind of basin committees. The problem with that is are you going to be able to get people that want to serve on those committees. Once again since the main ownership of water useage in a basin is agriculture, agriculture better get on that and say, "Look, we have got to do this. We have got to take more interest in our water and water rights than we do. I just think it's something that has to be done. Maybe this committee can give some credence to that. Once I was appointed chairman of that Granite County Water Users, I talked to other commissioners. I visited with the Powell [county] commissioners and tried to get them to do something. They never did. My main concern then was what was going in this adjudication. I thought there had to be more participation by the claimants than there was.

TERREO: The current Upper Clark Fork River Basin Steering Committee, (I hope I got that right) grew out of a task force. Do you feel that is going to solve anything? From what you are telling us is



these other water user groups have not been very successful in the past.

MANLEY: They have been successful from their viewpoint but not from my viewpoint because I generally didn't want to carry these things farther. I think the Upper Clark Fork River Basin Valley Steering Committee was the only way to go on the Clark Fork. Let me tell you something interesting about that. We have an organization called Headwaters Ag Water Committee. It's headquarters are in Butte ...  
(tape runs out).

END TAPE 2, SIDE A

TAPE 2, SIDE B

[Approximately sixty seconds of tape is blank before interview resumes].

MANLEY: ... maybe four or five east of the [Continental] Divide. We have representation on that committee from the upper Clark Fork and from the upper Missouri and I'm a little disappointed in that organization. I thought that could be the greatest thing in the world because we are representing two of the main headwaters in the whole United States. When we got into this reservation process we had reservations going on in the upper Clark Fork and reservations on the upper Missouri. In one of the meetings two years ago, I was asked by Bill Murphy, who sat on that committee what I thought we should do. I said, "Look, I think the only solution to this is close these basins or get a moratorium and get the people together to decide what we are going to do." I didn't envision anything like this Clark Fork Steering Committee. What happened and this is interesting, is in the course of things there was a task force here on the upper Clark Fork and when we were getting closer to the contested case hearing, they were a little behind us on the upper Missouri. The people on that committee -- that Headwaters Ag Water Committee from the Clark Fork -- I begged them to let's not go into those contested case hearings if we can avoid it. Because once we get into those contested case hearings we turn our case over to attorneys and believe me, my experience with attorneys is once you get attorneys involved, you lose control unless you know more about

the subject than they do. The only way is if we can get the people together that are concerned and sit down and work together, maybe we can come to a solution that may not be what all of us want but it is going to be more agreeable I think than losing control of it and turning it over to a hearing officer. We would have never taken this basin or taken a tour of the Blackfoot if we were in that situation. What happens is the upper Clark Fork part of that group wanted to go into what we are in now. The upper Missouri attorneys got hold of those people and said, "Let's go into the contested case hearings, let's do it and get it over with." What was really interesting at the last meeting we had is that we had a letter from J.B. Anderson who represents Headwaters among other people on the upper Missouri. The letter was there because they had got at that point in time the results from the hearing officer and that was the priorities for water on reservations on the upper Missouri which were municipalities, second, environmental sciences; third, Fish, Wildlife and Parks; fourth, BLM [Bureau of Land Management]; fifth, Conservation Districts; and sixth, the Bureau of Reclamation. Those attorneys decided they were going to approach the Board of Natural Resources to throw out the whole reservation process in the upper Missouri and do what they are doing on the Clark Fork.

TERREO: You mentioned moratoriums and I think House Bill 434 has enacted a moratorium here on the Clark Fork. How has that worked out?

MANLEY: I think that has worked out great! I really like what I see

going on because it is an education for all of us. I'm learning where the environmental problems are. I think I understand what the fisheries problems are. At least you have the people concerned sitting down and listening to each other. I think out of that we will have more informed decisions made as to what should be done on the upper Clark Fork. I think it is the greatest thing in the world. It is a thing that I am totally in favor of. I think I learned that from serving as Executive Secretary of Allendale Irrigation Company in which I in essence had seventeen water users to keep satisfied. "What can we do to better improve the system?" I didn't accomplish all the things I would like to but then Allendale Irrigation Company in turn is dealing with Flint Creek Water Users and they in turn have to deal with the eighty-five decreed users on Flint Creek. In my position as Executive Secretary, I was able to do a lot of things that I could have never done if I had not held that position. What I found out was we had a lot of problems between upper valley and lower valley and the distribution of that water. Two or three times I got those board of directors together and said to them, "You people are acting without being fully informed. You are quarrelling with Flint Creek Water Users and you don't even know what their situation is and they don't know what yours is. I think from that I learned that you don't solve problems unless you get people together and get them to working together and listening to each other. I have a great aversion to dealing through the courts. I don't like that because you wind up with results that are generally not satisfactory to all

the parties concerned. In essence with this committee, we're getting good on the ground knowledge of what everyone problem's are and I think we have a group of very good reasonable people. I think it is an exceptional group.

TERREO: Several times you have alluded to your time as Executive of the Allendale Irrigation Company? Could you tell how you got that position?

MANLEY: Originally when we came up here, we'd just purchased the ground. We just had contract water out of the East Fork Project. My father realized that under the situation that had developed -- in fact we'd purchased that ground under a contract from the Federal Land Bank. He went to the Federal Land Bank because of all the problems we had in delivery and said, "Look, if I don't have Allendale water you people can just as well take that ranch back because it is not going to work." That man in the Federal Land Bank said, "Look, we are not real estate holders, we want to get rid of that property, I'll see what I can do." At that point in time they owned a lot of this land. It had a lot of Allendale shares on it, so they transferred off different sections of that land 336 shares of Allendale water which then put us in a better position. As soon as we got that Allendale water -- I guess I tend to be a little nosy but I want to know what is going on. So, I attended some of those Allendale Board of Director meetings. There were some things I wanted done. Then one day I decided what I wanted to do was go back over the minutes of the Allendale Irrigation Company and fully

acquaint myself with this operation if I am going to serve as [Executive] Secretary. I want to know what the background is and what we can and can't do. One of the things I discovered was number one, they'd hired a ditch rider for years and not paid any workman's comp [compensation] and they had not paid any Social Security; number two, as a company organized in the State of Montana, their charter had expired. I went to the next board of directors of meetings and said, "You've got some problems here." Of course, the Secretary at that time was very upset with me because he thought I was picking on him and I said, "I'm just pointing out you have problems and they better be solved." They said, "What are we going to do about them." I said, "Well, you'd better contact Internal Revenue Service and you better see about getting that charter renewed." I guess the Secretary was a little ticked off and he resigned and they asked me if I would take the job and take it as Executive Secretary. There were no provisions in their by-laws for an Executive Secretary but I just let that pass. When there were problems -- and believe me, we had problems on the distribution of water, the Board of Directors didn't want to confront the people that were causing them problems. I said, "I don't understand that because if you can go to that person with reasons why what he is doing is wrong, how is he going to continue to do what he is doing?" I really enjoyed that job because I had a lot of one-on-one contact with people trying to discuss with them how they could they change their practices. I thought that was a lot better, me as Secretary

doing that than the Board of Directors trying to tell people what to do. I really enjoyed that job but it got to the point where I had so many other things to do. I thought I could serve well and then we got into this adjudication and I thought I could better serve the people of Granite County by getting away from that.

TERREO: We've covered a lot of ground in this interview. Is there anything you might want to add?

END OF INTERVIEW