

Benefiting Landowners



Benefiting Streamflows



Benefiting Communities

Water Marketing in Montana

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EXHIBIT 13

Current Water Leasing Process

- Since the 1990's Water Leasing in Montana has evolved into a fairly sophisticated process
- MWT, TU, DNRC and FWP have all learned and adapted from what has worked and what hasn't' worked
- Current change process is working – holding the burden of proof to the applicant to insure that water leased will provide a beneficial use for fisheries while also protecting other water right holders
- As the adjudication process proceeds and more hydrological work is completed in certain areas and basins, the process should get even smoother

Potential Changes for Montana's "change laws"

- Lower Teton Water Users – Group of traditional agricultural irrigators propose donating 10% of their post adjudicated water rights to instream flow for the Teton River.
- Currently legal parameters and the change process would make this near impossible. Consider how our laws and institutions could embrace such a proposal, as water put back instream adds value to our state and other water users downstream
- Consider that "change applications" which would deliver more water instream could be prioritized in the change process or submitted to a dedicated instream flow bureau
- Develop mechanisms to process "donated" water rights for other uses

Water Marketing – State's role

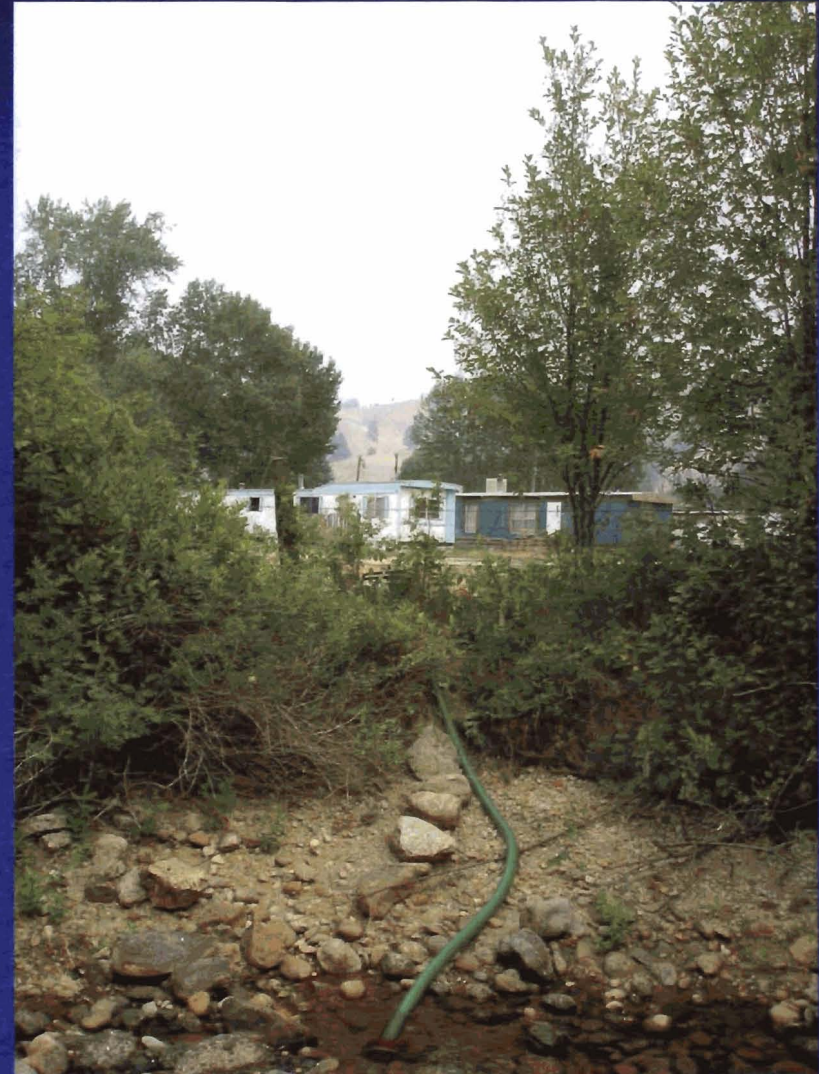
- Support more ground/surface water hydrological studies. Hydrology **MUST** be understood in areas where water is traded, whether through traditional leasing or water banking
- Hydrology must be understood to assess impacts to surface/ground water supply and implementing HB 831 as well as protecting other water users rights
- Help facilitate potential stakeholder meetings to help develop partnerships
- Complete the Adjudication Process
- Watershed approach – only when Adjudication is complete and hydrology understood can we begin to develop mechanisms to allow larger scale water trading or banking

Water Banking

- Water Banks can be effective in maximizing water use in basins only when water rights are adjudicated and hydrology is known
- Develop “pilot” studies of water banking per basin in order to protect water right users
- All of these steps should be done in order to help protect water rights whether they are active or not active in the Water Bank
- Statewide Water Banking could only be done once all basins within the state have gone through such a trial or study

Water Management Improvement

- Enforcement of existing Water Law to protect all Water Rights holders!
- Empower DNRC with enough manpower to enforce and leverage fines against illegal water use
- Illegal diverters steal water from the State of Montana as well as all junior and senior water rights holders...eroding all individual rights
- With our water resources becoming more scarce and valuable, we as a state need to work harder to protect it for future demand



Illegal Water Users – Tin Cup Ck Bitterroot Basin



Illegal headgate for irrigation storage within a closed basin on an over appropriated stream. This Landowner has no storage water rights, no surface water rights for this diversion



Conclusion

- To best manage our water resource through water markets while protecting our property rights we must:
 - Understand our hydrology
 - Know our water rights
 - Empower our Water Resource managers with the manpower and the financial resources to do best do their work