

1 SENATE JOINT RESOLUTION NO. 21

2 INTRODUCED BY M. CUFFE

3
4 A JOINT RESOLUTION OF THE SENATE AND THE HOUSE OF REPRESENTATIVES OF THE STATE OF
5 MONTANA SUPPORTING THE PAYMENT OF COMPENSATION TO MONTANA FOR LOSSES INCURRED
6 AND BENEFITS REALIZED DOWNSTREAM DUE TO THE CONSTRUCTION OF LIBBY DAM AND
7 OPPOSING THE RIGHT TO DIVERT 1,500,000 ACRE-FEET OF WATER FROM THE KOOTENAI RIVER TO
8 THE COLUMBIA RIVER AT CANAL FLATS, BRITISH COLUMBIA.

9
10 WHEREAS, Libby Dam, located in Lincoln County, Montana, is the fourth dam constructed under the
11 Columbia River Treaty, which the Canadian government and the United States government entered into in
12 1964, and is located on the Kootenai River, which is the third largest tributary to the Columbia River and
13 contributes almost 20% of the stored water under the Columbia River Treaty; and

14 WHEREAS, Libby Dam was dedicated on August 24, 1975, and spans the Kootenai River 17 miles
15 upstream from the town of Libby, Montana; and

16 WHEREAS, Lake Koccanusa, the reservoir behind Libby Dam, extends 90 miles north of the dam, with
17 48 miles of Lake Koccanusa located in Lincoln County and the remainder in British Columbia, Canada; and

18 WHEREAS, Libby Dam, in Montana's northwest corner, and three dams in Canada were constructed to
19 protect downstream areas from flooding, and Libby Dam holds back an average of 5,800,000 acre-feet of
20 water; and

21 WHEREAS, economic benefits have been derived from the storage of these floodwaters and the
22 coordinated, timely release of those waters for generation of electricity, irrigation, navigation, and recreation;
23 and

24 WHEREAS, the construction of Libby Dam placed many thousands of acres of land in Lincoln County
25 under water, leading to decreased real property tax revenues for the county and a loss of timber sales and
26 wildlife and fish habitat, among other losses; and

27 WHEREAS, storage of water behind Libby Dam provides flood protection to British Columbia and
28 provides the opportunity for electricity to be generated throughout the year at seven hydropower generating

1 facilities between Nelson and Castlegar, British Columbia, as well as at numerous other dams further down the
2 Columbia River in Washington and Oregon; and

3 WHEREAS, the Canadian government was compensated for construction of the dams and storage of
4 floodwaters through a sharing of electricity from additional power generated at downstream dams and
5 hydropower generating facilities, leading to the formation of the Columbia Basin Trust; and

6 WHEREAS, citizens of Lincoln County and Montana did not participate in the negotiations for the terms
7 of the Columbia River Treaty, and no compensation has been received by Lincoln County or Montana except
8 for fish and game mitigation; and

9 WHEREAS, the renegotiation or modernization of the treaty is currently in process, and there is a
10 possibility that compensation could be provided to Lincoln County and Montana as a result of federal
11 legislation, litigation, determination of regulations, and the renegotiation of the treaty; and

12 WHEREAS, in 2017, Libby Dam produced 2.557 million megawatts at a value of \$54 per megawatt for
13 a total gross value of \$138 million at Libby Dam, although there is a production cost of \$4.16 per megawatt,
14 leaving a net value of almost \$127 million; and

15 WHEREAS, British Columbia and Canada were granted the right to divert 1,500,000 acre-feet of water
16 from the Kootenai River to the Columbia River at Canal Flats, British Columbia, before the Kootenai River flows
17 into Montana; and

18 WHEREAS, this reduction of 1,500,000 acre-feet would amount to 26% of the Kootenai River flow into
19 Montana and through Libby Dam; and

20 WHEREAS, such a diversion would create serious and devastating impacts to the ecology of Lake
21 Koocanusa and the Kootenai River Basin and to the life within and the surrounding ecosystem, as well as a
22 major loss in revenue to Bonneville Power Administration.

23
24 NOW, THEREFORE, BE IT RESOLVED BY THE SENATE AND THE HOUSE OF REPRESENTATIVES OF
25 THE STATE OF MONTANA:

26 That the state of Montana seeks compensation for the decreased real property tax revenues, the loss
27 of timber, minerals, and real estate development, and other losses due to the construction of Libby Dam for all
28 the same reasons that the province of British Columbia, Canada, is compensated.

