



DRAFT Montana State Water Plan



Montana Department of Natural Resources and Conservation
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THE MONTANA STATE

WATER PLAN 2015

A WATERSHED APPROACH

CONTENTS

I.	Executive Summary	3
II.	Statutory Authority for Water Planning	8
III.	The Montana Water Supply Initiative – Process for Developing the State Water Plan	8
IV.	Institutional and Legal Framework for Water Use in Montana	12
V.	Water Resources in Montana	17
VI.	Water Use in Montana	22
VII.	Effect of Frequent Drought on the Availability of Future Water Supplies	33
VIII.	Potential Future Demands for Water in Montana	39
IX.	Options for Meeting Future Water Demands	42
X.	Major Findings and Key Recommendations	48
	– Water Supply and Demand	48
	– Water Use Administration	51
	– Water Information	54
	– Ecological Health and Environment	56
	– Collaborative Water Planning and Coordination	57
XI.	Lists of Figures & Tables	59
XII.	Appendix A: Glossary of Terms	61



EXECUTIVE SUMMARY

Montana's economy and quality of life rely on water for everything from agriculture, livestock, industry, fisheries, and recreation, to municipal and domestic uses. It is with this recognition of our dependence on water that the Department of Natural Resources and Conservation (DNRC) is proud to present the 2015 State Water Plan to the Montana Legislature.

The 2015 State Water Plan is a synthesis of the vision and efforts of regional Basin Advisory Councils (BACs) established in Montana's four main river basins: the Clark Fork/Kootenai, Upper Missouri, Lower Missouri, and the Yellowstone. The 80 members of the four BACs represent the most diverse group of water users and interests ever brought together by the state of Montana. As part of the planning process, the BACs and DNRC were assisted by the hundreds of Montanans who took the time to provide the BACs and the DNRC with comments on what they feel are the key water related issues facing Montana and how we, as a state, can address them together.

As a result, the recommendations in the State Water Plan reflect the collective work and ideas of a broad range of water users from across the state. We believe that if the state and people of Montana carry out the recommendations offered in the State Water Plan, then Montana in the next 20 years will:

- Have finalized the adjudication of all water rights in the state of Montana – an effort that began in 1973;
- Be better prepared to manage water in real-time to adjust to seasonal changes in supply and demand as well as prepare for longer term climatic changes;
- Be better able to protect existing and senior water right holders while continuing to improve the state's ability to allocate water to meet new demands;
- Be better prepared to endure droughts in watersheds across the state;
- Be able to supply water to serve the needs of a growing population and thriving economy as well as the natural systems, habitats, and species that our state is renowned for; and
- Have a public that better understands the dynamics of our water supply and the water rights system they rely upon every day.

The Montana Legislature directed DNRC to update the State Water Plan and submit the results to the 2015 Legislative Session. The state water plan is to include:

- An inventory of consumptive and nonconsumptive uses associated with existing water rights;
- An estimate of the amount of surface and ground water needed to satisfy new future demands;
- Analysis of the effects of frequent drought and new or increased depletions on the availability of future water supplies;
- Proposals for the best means, such as an evaluation of opportunities for storage of water by both private and public entities, to satisfy existing water rights and new water demands;
- Possible sources of water to meet the needs of the state; and
- Any legislation necessary to address water resource concerns.

The guiding legal principles for the State Water Plan include: the Montana Constitution with its recognition of pre-1973 water rights and the fundamental principles of the prior appropriation doctrine ("first in time is first in right"); and, the Montana Water Use Act that, amongst other things, governs the adjudication of existing pre-1973 water rights, new appropriations of water, changes to existing water rights, water rights compacts, water reservations, and water planning.

During the 18-month long planning process, DNRC worked with the BACs on developing basin specific responses to each of the subject areas listed above. Results of this effort in each planning basin, along with supporting data, are contained in four individual basin planning reports. Each of the four basin plans serves as a standalone document for guiding the development and management of the basin's water resources. These basin plans will continue to evolve to meet the planning needs of their respective basins.

In contrast to the detail rich basin plans, the State Water Plan provides a high-level overview of the state's water resources and lays out a path for managing those resources over the next twenty years. Although the State Water Plan is a standalone document, its foundation rests on the work of the BACs and the information contained within the individual basin plans.

Water use in Montana totals approximately 84 million acre-feet annually. Hydroelectric power generation accounts for 72 million acre-feet or 86% of the water used on a state-wide basis. Approximately 3.6 million acre-feet is consumed state-wide. Agriculture consumes approximately 2.4 million acre-feet, reservoir evaporation consumes 1 million acre-feet, and municipal, industrial, domestic, and livestock watering consume 200,000 acre-feet combined.

Demand for water is a function of many factors that are inherently uncertain. Population may grow or decline and agriculture and industry may demand more water or make do with less through greater efficiency. Changing and variable climatic conditions compound this uncertainty.

To forecast the potential effects of climate trends on future water supplies in Montana, DNRC modeled a range of climate scenarios following general procedures similar to those described in the U.S. Bureau of Reclamation (2011) West-Wide Climate Risk Assessments. Virtually all model simulations project warmer temperatures and most project modest precipitation increases. Although annual stream flow volumes are expected to stay the same or increase, Montanans are likely to see a shift in the timing of runoff due to earlier snowmelt and an increase in rain as a percentage of precipitation during late winter and early spring

The availability of water for new appropriations varies across the state and is subject to both physical water availability and existing legal demands. Many of the basins located in the western third of the state are generally closed to new surface water appropriations. Opportunities for new appropriations for surface water or hydraulically connected groundwater also may be limited outside of closed basins because of existing legal demands including irrigation claims, hydroelectric rights, or instream water rights for fisheries.

Given the scarcity of legally available surface water, the reallocation of existing water rights to new uses will play a key role in meeting future demands. As part of that reallocation, water users must receive an authorization from DNRC before they change or lease their water right in order to ensure that they will not adversely affect other water rights.

Additionally, water storage is an important tool for meeting future demands and responding to a changing climate. The prospect of constructing storage projects in Montana is limited by the availability of suitable locations, cost, public support, the need to mitigate environmental impacts, and limited legal and physical availability of water to store. The development of new storage projects is limited to basins where the volume of annual runoff exceeds downstream legal demands.

There are also opportunities to retain high spring flows through the use of natural systems such as riparian areas, floodplains and wetlands which act to slow runoff and promote groundwater recharge effectively storing water and releasing it slowly back to the surface water system. In this way, these natural systems fill a role similar to traditional reservoirs. Artificial recharge of alluvial aquifers may also provide additional opportunities to store water when the physical supply exceeds downstream legal demands.

The major findings and recommendations of the State Water Plan are found in Section X and summarized below. All recommendations contained in the State Water Plan are subject to the existing institutional and legal



framework for water use in Montana as provided by the Montana Constitution, prior appropriation doctrine, and Montana Water Use Act. Full implementation of some recommendations may require the Legislature to amend the Water Use Act.

WATER SUPPLY AND DEMAND

Water supply across Montana is controlled by the variability in seasonal temperature and precipitation. While the demand for water continues to grow, water availability varies from year-to-year and often changes dramatically within a given year. As a result, coping with supply and demand imbalances is a constant feature of water management in Montana. The importance of ensuring an adequate supply of water to meet current beneficial uses and future demands is a theme echoed by the four Basin Advisory Councils throughout the planning process.

- **Increase water use efficiency and water conservation** – As the demand for water increases, water conservation and water use efficiency to reduce the consumption of water will play a larger role in meeting the state’s future needs. Looking ahead, we must focus on innovative strategies to stretch supplies and promote water conservation while protecting against the adverse effects of increased consumption.
- **Expand efforts to quantify surface water supplies and availability** – While we cannot eliminate all supply and demand imbalances, Montana can improve and expand efforts to gather the best scientific information available to quantify and forecast water supplies and availability.
- **Increase flexibility to manage available water supplies through storage and rehabilitation of existing infrastructure** – Water storage is an important part of integrated water management. Water storage creates greater flexibility in managing available supplies to meet the multiple demands of agriculture, municipalities, industry, hydropower, fisheries, recreation and water quality. While a number of factors limit the prospects for constructing new storage, there may be opportunities to modify the operations of existing facilities or construct smaller off-stream storage projects.
- **Explore the use of natural storage and retention to benefit water supplies and ecosystems** – Existing natural systems, such as riparian areas, floodplains and wetlands act to slow runoff and promote groundwater recharge; effectively storing water and releasing it slowly back to the surface water system. In this way, these natural systems fill a role similar to traditional reservoirs. Artificial recharge of alluvial aquifers may also provide additional opportunities to store water when the physical supply exceeds downstream legal demands. Integrating existing natural systems into Montana’s water management practices will support late season flows, mitigate the impact of drought cycles, and provide environmental benefits.
- **Support and expand Montana’s existing drought preparedness and planning efforts** – Drought is part of Montana’s natural hydrologic regime. Drought readiness requires proactive planning and a collaborative stakeholder approach within small- to medium-sized watersheds.

WATER USE ADMINISTRATION

Historic beneficial use is the basis, measure and limit of a water right. An accurate understanding of water use is critical to Montana’s ability to protect existing water rights while meeting new demands through the water right change process or new appropriations of water. Enforcement against water use without a water right or permit is also critical to the management of Montana’s water resources.

- **Complete an accurate and enforceable water rights adjudication** – Adjudication of pre-1973 water rights is critical to Montana’s ability to develop strategies for meeting future demands while protecting existing water rights. The water rights adjudication process must be completed as accurately as possible to establish the priority of pre-1973 water rights.
- **Enforce against illegal water use** – Montana Water users want a more efficient, less expensive, and less adversarial approach to water right enforcement. There is growing public sentiment in support of DNRC playing a more active enforcement role against illegal water use (i.e. using water without a right or permit).

■ **Provide sufficient information, and legal and administrative capacity to minimize adverse impacts during times of water scarcity** – Drought planning efforts must include legal and administrative mechanisms that let water users reduce water diversions without putting their water rights at risk of abandonment and allow for the water savings to be protected.

■ **Analyze additional opportunities and challenges for using water marketing, mitigation, and banking tools for meeting new demands** – Water marketing, mitigation, and water banking each offer distinct opportunities, and challenges. Understanding the potential positive and negative impacts of each is the first step toward taking advantage of these approaches.



■ **Complete all outstanding tribal and federal reserved water rights compacts and work closely with federal partners to better manage federal water projects** – All four Basin Advisory Councils discussed the issue of outstanding reserved water right compacts and agreed that it is in the interest of the state, federal government, and the tribes to complete this important work. The State of Montana should work with the tribes, Montana’s Congressional delegation and the federal government to complete the compacting process through congressional and tribal ratification and decree by the Water Court.

WATER INFORMATION

Water resource issues are multi-faceted and often highly localized. Understanding and resolving them requires ready access to up-to-date information. Multiple local, state and federal agencies generate and use water information in carrying out their responsibilities related to the protection or allocation of Montana’s water resources. Better integration of this information will support planning, policy development and decision making at local, state and federal levels. Integration of information will also support planning and decision making by individual water users. Better access to hydrologic and climatic information at the appropriate geographic scale will result in more accurate assessments of water availability. Improved measurement and monitoring of water use will support the state’s ability to determine when water is physically and legally available to meet new demands, while protecting existing water rights. Improved access to integrated water information will also support the work of water managers to distribute water by priority.

■ **Support Improvements to the Montana Water Information System** – The Montana State Library’s Water Information System (WIS) is the starting point for finding water resources information in Montana. The WIS makes high quality data on surface water, groundwater, water quality, riparian areas, water rights, climate data and more available to the public from one common starting place. The State Library continues to improve the WIS through the development of new data sets, interactive applications, and maps. Efforts to improve the WIS should be encouraged and supported.

■ **Inventory of consumptive and non-consumptive uses** – An accurate inventory of Montana’s water use, both consumptive and non-consumptive, is critical to the state’s ability to meet new demands while protecting existing water users from adverse effects. Accurate information on historic water use and associated water rights will support the state’s ability to determine the extent to which water is legally and physically available for new beneficial uses.

■ **Monitor water supply and distribution** – Effective water management and distribution depend on accurate real-time measurements of streamflow, snowpack and soil moisture. Improving Montana’s water supply and distribution monitoring network will improve the ability of water managers to adjust to seasonal supply and demand imbalances as well as plan for longer term imbalances associated with climate variability.

- **Improve and expand efforts to characterize groundwater** – Montanans are increasingly looking to the state’s groundwater to meet future needs due to limits on the appropriation of surface water in many basins. Better groundwater information including aquifer characteristics and water monitoring data collected under the Montana Bureau of Mines and Geology Groundwater Water Assessment Program is needed statewide to identify sources of groundwater potentially available for development.
- **Improve management of surface water and groundwater as a conjunctive resource** – Montana recognizes the link between surface water and groundwater and manages them as a single resource. Additional information on interactions between groundwater and surface water from site-specific investigations and long-term monitoring as well as strategies for mitigating impacts of groundwater use on surface water users is necessary to facilitate decisions on new permitting and water right change authorizations.

ECOLOGICAL HEALTH AND THE ENVIRONMENT

Montana’s natural aquatic systems, lakes and rivers and associated biological resources, support our quality of life and Montana’s recreation and tourism economy. The availability of water in the appropriate quantity, quality, timing and duration is necessary to ensure the health of our water-dependent ecosystems. We must pursue proactive policies and management practices to meet the needs of aquatic ecosystems within the prior appropriation system in order to sustain the health of these valuable natural systems.

- **Provide sufficient protection for instream flows within the prior appropriation framework to maintain aquatic and riparian systems** – Coordinated efforts are needed to develop and implement strategies and tools for providing minimum instream flows within the prior appropriation framework.
- **Support proactive, coordinated efforts to reduce invasive species and protect endangered species in Montana** – Both aquatic and terrestrial invasive species can negatively impact water supplies and distribution. Coordinated efforts are needed to implement actions that protect Montana’s land and water resources.

COLLABORATIVE WATER PLANNING AND COORDINATION

Coordination increases communication, improves efficiencies, and leverages technical and financial resources. Effective collaboration helps to inform, engage, and connect stakeholders and supports efforts to improve water management across all watersheds. It is important to coordinate efforts and involve water managers, users, and stakeholders at the watershed, basin, and statewide scale to develop sustainable management solutions.

- **Expand support for basin and community-based watershed planning** – Community-based watershed groups, conservation districts, and other organizations provide the structure and a forum to bring together stakeholders, build partnerships, and work collaboratively to develop local water management plans. It will be increasingly important to provide such groups with planning support, technical assistance, and access to information to develop, implement, and monitor water use plans as demand for water grows and the administration of Montana’s water becomes more complex.
- **Encourage collaboration, coordination, and communication across state and federal agencies** – Many state and federal agencies share responsibilities for land and water management. The policies and actions of one often directly impact another. Close coordination between state and federal water managers is critical for achieving outcomes that serve both economic and environmental interests.
- **Develop a plan to deliver water-related training, education, and outreach** – Water management is complicated, not only because of water’s finite and variable nature, but also because of the complicated nature of the water right laws and rules used to administer it. Water education and outreach activities are necessary to provide a foundation for informed management of Montana’s water resources now and in the future.



STATUTORY AUTHORITY FOR WATER PLANNING

Article IX, Section 3 of Montana’s Constitution states “*All surface, underground, flood, and atmospheric waters within the boundaries of the state are the property of the state for the use of its people and are subject to appropriation for beneficial uses as provided by law*”. The Constitution also states that “*The use of all water that is now or may hereafter be appropriated ...shall be held to be a public use*”. Responsibility and statutory authority for developing the State Water Plan is given to DNRC in §85-1-203, *Montana Code Annotated (MCA)*. Montana citizens are given a formal role in the planning process through basin advisory councils established in accordance with the instructions given by the legislature in §85-1-203(4), MCA. The role of the basin advisory councils is to make recommendations to DNRC.





THE MONTANA WATER SUPPLY INITIATIVE

THE PROCESS FOR DEVELOPING THE STATE WATER PLAN

Convening the Basin Advisory Councils

DNRC developed the Montana Water Supply Initiative (MWSI) in order to carry out the direction provided by the 2009 Legislature to update the State Water Plan (85-1-203, MCA). The purpose of the MWSI was two-fold: first, to provide up-to-date water resource information essential for planning and estimating future water demand, and second, to actively engage citizens in developing an adaptive State Water Plan that identifies options to meet future needs, satisfy existing beneficial uses, and protect the state's water resources.

DNRC appointed a 20-member Basin Advisory Council (BAC) in each of the four major river basins in the state (Yellowstone, Lower Missouri, Upper Missouri, Clark Fork/Kootenai) for the purpose of conducting public listening sessions and to develop advisory recommendations that would serve to inform DNRC in developing the State Water Plan. Due to its large size and geographic and climatic variability, the Missouri River watershed was split for planning purposes into Upper and Lower Basins. The Clark Fork Basin was combined with the Kootenai Basin for planning purposes due to their proximity and geographic similarity (Figure 1).

STATE WATER PLANNING BASIN BOUNDARIES

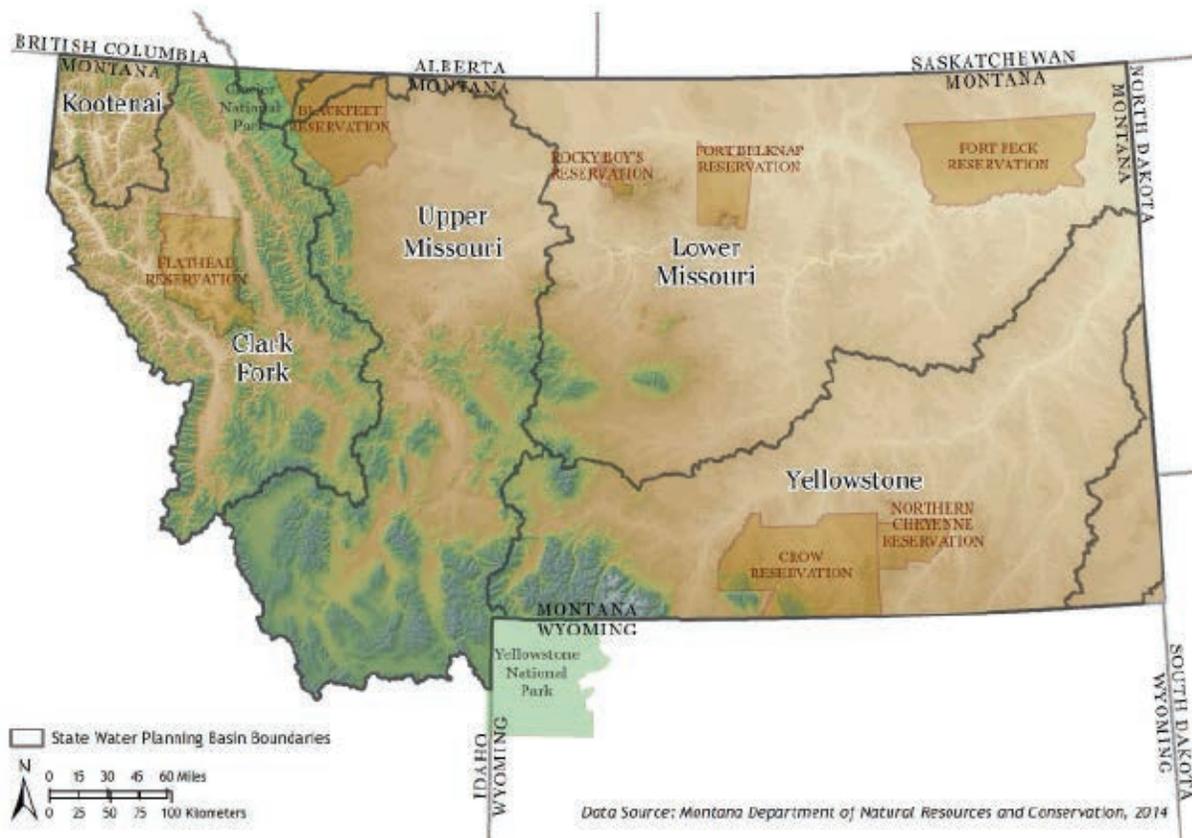


Figure 1: 2015 Montana Water Supply Initiative Planning Basins

DNRC made a deliberate effort to secure diverse and broad representation on each of the BACs. Nominations for appointees were sought from a variety of individuals and organizations including agriculture, conservation, industry, municipal supply, and tribal interests. Nominees were chosen on the basis of expertise in their particular area of interest and the constituency they represent. DNRC contracted with professional facilitators to assist the BACs through the process of identifying issues, information exchange, and the development of specific policy recommendations.

The Montana Water Supply Initiative and the Role of the Basin Advisory Councils

The BACs were created and organized as a means of maximizing citizen input into the planning process. Previous planning efforts in the late 1980s and 1990s were driven by DNRC and associated state and federal agencies to address problems and challenges in the area of water management. In the wake of the success achieved through locally driven watershed planning efforts of the last 10 to 15 years, the BACs were intended to serve as a more direct link between the agencies charged with crafting policy and the needs and issues of stakeholders at the local and regional level. The MWSI was designed as a three-phase process culminating in the development of a recommendations report meant to inform and advise DNRC in the development of the State Water Plan.

Phase One of MWSI – Issue Identification

The implementation of Phase 1 of MWSI was a series of listening sessions used to inform each BAC on water resource issues of concern to people living in the basin. Each of the BACs held 4 to 6 public meetings in their planning basins. Meetings were designed specifically to inform the public about the state water planning process; present information on surface and groundwater supply and water management in the basin; and to provide a forum for people to voice their concerns over water issues directly to the BAC members. Twenty-three public meetings were held throughout the state attended by 521 members of the public. Public input from each of the scoping sessions was captured by each BAC in a Water Resource Issues Scoping Report. The issues identified formed the basis for the agenda of the BACs as they moved forward through the process. These reports can be found at www.dnrc.mt.gov/mwsi.

Phase Two of MWSI – Information Transfer

During Phase 2 of MWSI, technical experts made presentations on a wide range of water related topics identified in the scoping meetings and prioritized by the BACs. Experts included staff from local, state, and federal agencies, non-profit organizations, and individuals involved in water management. Presentations were diverse and ranged from highly scientific to day-to-day practical water management and decision-making. BAC members also had the opportunity to ask questions of the experts and explore topics related to the issues under consideration. This transfer of technical, scientific, and policy information provided a foundation for the BACs when they developed recommendations.

Phase Three of MWSI – Recommendations Development

To initiate the process of developing recommendations, DNRC provided a framework to the BACs for Phase 3 that was intended to provide some consistency across the four BACs. In considering alternatives for recommendations, DNRC identified a set of criteria to screen alternatives:

- Is it technically feasible?
- Is it financially feasible?
- Is there broad public support?
- Is it actionable?
- Does the pertinent agency have the authority to implement?
- Does the pertinent agency have buy in?
- Is it in accordance with the Montana Constitution and the prior appropriations doctrine?

While it was agreed that the BACs may not have adequate information to fully apply each of the criteria, DNRC put forth the criteria so that the BACs would be aware of the limitations that might prevent adoption of a recommendation within the context of the final State Water Plan.

In early spring of 2014, each BAC facilitator prepared a Draft Basin Recommendations Report based on the work of the BACs that detailed the background, issues statements, goals, and objectives for a comprehensive set of recommendations for each basin. In April and May of 2014, each BAC held a series of meetings to take public comment on their draft recommendations. The Draft Basin Recommendations Reports were also posted on DNRC's website, and interested citizens had the opportunity to offer comments through a web survey. After a three-week public comment period, each BAC met to review and consider the public comments and adjust their recommendations. Each of the facilitators produced a Final Basin Recommendations Report that summarized the process, offered insight into the deliberations on each issue, and presented a series of advisory recommendations for DNRC to consider in developing the State Water Plan. These reports can be found at www.dnrc.mt.gov/mwsi.

Upon completion of Phase 3, DNRC assembled all of the information generated by each BAC during the basin planning process into individual basin plans. In addition to basin specific recommendations generated by the BACs, the basin plans include comprehensive information on water supply, consumption, future demands, and an analysis of the effects of drought and climate variability. Each basin plan serves as a standalone document for guiding the development and management of the basin's water resources and will continue to evolve to meet the planning needs of their respective basins. The information and recommendations contained in the basin plans serve as the foundation for developing the State Water Plan.

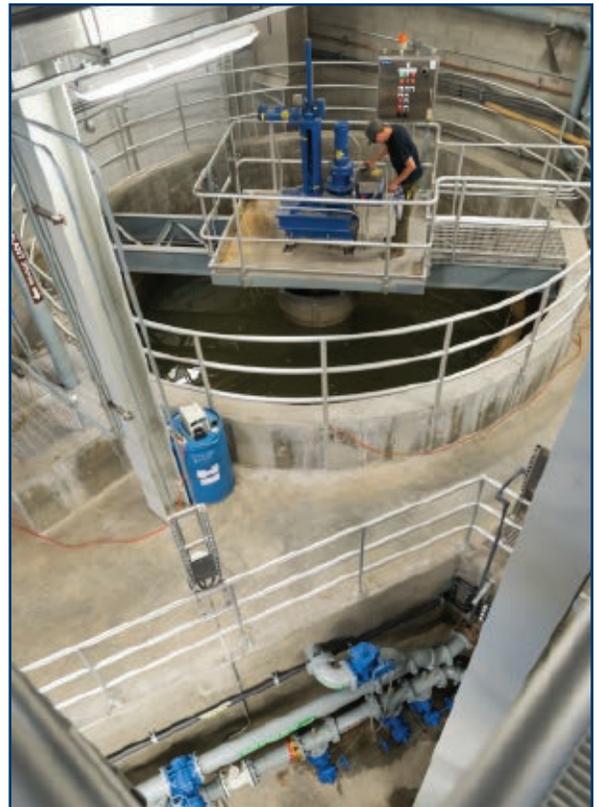
Developing the State Water Plan

In contrast to the detail rich basin plans, the State Water Plan offers a broad overview of the state's water resources and lays out a path for managing those resources over the next twenty years.

The State Water Plan contains 68 recommendations for improving the management and utilization of the state's water resources over the next twenty years. The genesis for these recommendations resides in the 42 separate goals, 109 objectives, and 222 recommendations DNRC received from the four BACs. Since many of the issues addressed by each of the BACs overlapped, DNRC staff sorted and categorized the information by issue area and developed a preliminary set of draft recommendations for the State Water Plan. DNRC then organized a State Water Plan Advisory Committee comprised of DNRC staff and two representatives from each of the four BACs. This step was critical to the process of translating recommendations developed at the watershed level into recommendations with statewide applicability. This group met over two days to help craft the recommendations found in the State Water Plan.

Public Participation and Plan Adoption

In addition to the many BAC meetings, public scoping process, and recommendations development process, DNRC also provided regular updates on the MWSI process and plan development to the Water Policy Interim Committee (WPIC) and Environmental Quality Council (EQC). Going forward, DNRC will provide WPIC and EQC a Draft State Water Plan for consideration at their final interim meeting in September 2014. DNRC will post the Draft State Water Plan on the department's web site in advance of a 30-day public comment period in September and October. DNRC will hold at least two public meetings in each of the MWSI planning basins during the public comment period. Following the 30-day comment period, DNRC will compile the comments received and make final adjustments to the State Water Plan. Following plan adoption by DNRC Director John Tubbs, the State Water Plan will be submitted to the 2015 Montana State Legislature.





INSTITUTIONAL AND LEGAL FRAMEWORK FOR WATER USE IN MONTANA

Prior Appropriation Doctrine and the Montana Water Use Act

In order to legally put water to a beneficial use in Montana, a person must have a water right. The elements of a Montana water right—the right to the beneficial use of water—are dictated by the prior appropriation doctrine. In its simplest form, the prior appropriation doctrine provides that a person’s right to use a specific quantity of water depends upon when that use began—first in time, is first in right. A water right consists of a priority date, a purpose of use, point of diversion, a source, place of use, period of use, and a quantity reflected in a flow rate, volume or both. There are no preferences among beneficial uses other than priority date. A water right does not create ownership in the water itself. Rather, it creates a property interest in the right to beneficially use a quantity of water for a specific purpose. Accordingly, actual historical beneficial use constitutes the basis, measure, and limit of a water right.

Prior to July 1, 1973, Montana’s prior appropriation system provided two primary methods for acquiring a water right: 1) a water user could simply construct a diversion and put the water to beneficial use (known as a use right); or 2) a water user could comply with the statutory notice of appropriation requirements (known as a statutory right). No prior authorization was required and the state had no control over use of this state-owned natural resource. As demands and conflicts over water increased, it became increasingly difficult to administer water rights because the rights were not recorded in a central location.

The 1972 Montana Constitutional Convention sought to remedy Montana’s antiquated system while at the same time preserving the fundamental prior appropriation principles of first in time, first in right and beneficial use as the basis, measure and limit of a water right. To accomplish this goal the Article IX Section 3(1) of the Montana Constitution recognized and confirmed “existing rights” to the “use of any waters for useful or beneficial purpose.” The Constitution also confirmed, in Article IX Section 3(3), that all waters within Montana are the property of the state for the use of its people and are subject to appropriation for beneficial uses as provided by law. Finally, in order to provide the necessary tools to better manage use of Montana’s water resources, Article IX Section 3(4) of the Constitution charged the legislature with providing for the administration, control, and regulation of water rights and establishing a system of centralized records.

The Legislature responded to these constitutional charges by passing the Montana Water Use Act (Act), effective July 1, 1973. In order to fulfill the constitutional mandates of Article IX, the Act established an adjudication system to adjudicate pre-July 1, 1973 water rights, a permit system to control and regulate post-July 1, 1973 water appropriations, changes in use of existing water rights, and a centralized system of recording water rights.

The Act confirmed the fundamental principles of Montana’s prior appropriation doctrine, including the following:

1. Montana’s water belongs to the state for the beneficial use of its people. Therefore, water right holders do not own the water; they possess the right to use the water.
2. Doctrine of Prior Appropriation (first in time, first in right).
3. “Use it or lose it.” A water right holder must use the water or risk losing the right to it.
4. The water diverted must be for a beneficial use, and all beneficial uses are equal under the law.
5. A water right is a property right and can be separated from the land.
6. One must have a water right to beneficially use water, and after July 1, 1973, new water rights can be obtained only from the DNRC, generally through the permitting process.

7. Any change in the purpose, place of use, place of storage, or point of diversion of a water right can not adversely affect other water rights and must first be approved by the DNRC

Over time the Act has refined elements of the permitting and change process to reflect increased understanding of water use and resources in the state. The Act has also evolved to provide for state-based water reservations, temporary changes and leases including for instream flows, and permits and change authorizations for marketing and mitigation. However, these refinements continue to be subject to the fundamental principles of the prior appropriation doctrine.

The Act authorized the DNRC, the Montana Water Court and the district courts to fulfill different roles in execution of the charges of both the Act and the Montana Constitution.

Montana Department of Natural Resources and Conservation

- Administers the portions of the Act that relate to water uses after June 30, 1973 such as Permits and Change Authorizations;
- Provides training for court appointed water commissioners;
- Provides technical information and assistance to the Water Court on water rights claims (pre-July 1, 1973) including examining those claims;
- Maintains a central water rights record system;
- Investigates complaints of illegal water use; and
- Other duties related to Water Operations, Water Management, and State Water Projects.

Montana Water Court

- Adjudicates water rights as they were protected under the laws pre- July 1, 1973;
- Decides any legal issues referred from the District Court on pre- July 1, 1973 water rights; and
- Assists District Courts with enforcement.

District Courts

- Can issue injunctive relief while it certifies water rights issues to the Water Court;
- Appoints Water Commissioners for enforcement; and
- Manages the enforcement of water rights and handles complaints by dissatisfied water users.

Reserved Water Rights Compact Commission (Commission)

- Negotiates settlements with federal agencies and Indian tribes claiming federal reserved water rights within the State of Montana; and
- Negotiates on behalf of the Governor's Office and represents the interests of the State water users.

Attorney General

- The Water Court may join the Attorney General to intervene, on behalf of the state, in the adjudication of water right claims that are being decreed by the Water Court.

Legislature Provides policy direction and laws for the administration of waters. When the Legislature is not in Session, two interim committees have oversight of water related issues:

- *Water Policy Interim Committee (WPIC)* – permanent, joint bipartisan committee that studies water issues in order to develop a clear policy direction and necessary legislation to guide Montana's water policy.
- *Environmental Quality Council* – contributes policy oversight to the administration of state water rights by advising and updating the legislature and overseeing institutions dealing with water, and communicates with the public on matters of water policy.

Water Rights Adjudication and the Water Court

The Act set forth the framework for Montana to embark upon a state-wide general stream adjudication of pre-July 1, 1973, existing water rights. The adjudication serves to recognize and confirm existing water rights as required by the Constitution. The adjudication involves examining, litigating and decreeing claims to water with priority dates prior to July 1, 1973 through the Water Court (§85-2-2 MCA).

The first phase of the adjudication process involved the examination of each water right claim for factual and legal issues in accordance with Montana Supreme Court Claim Examination Rules. Over 220,000 claims for pre-1973 water use were received. This phase of examination was performed by the DNRC and completed in 2014. Additionally, the Water Court issued an order for DNRC to re-examine certain elements of claims in 45 basins that were not examined according to the current and more rigorous Montana Supreme Court Claim Examination Rules. The second phase of the adjudication involves issuance of temporary and/or preliminary decree, public notice, litigation of objections, and resolution of issue remarks (Figure 2). Following the resolution of objections and issue remarks, the Water Court will issue final decrees for each of Montana’s 85 river basins which will define pre-July 1, 1973 water rights by owner, purpose, priority date, source, place of use and other elements of the water right. The current target date for the Water Court to issue final decrees is 2028.

Montana’s water rights adjudication process will not be complete until all Federal and Tribal reserved water right compacts have been decreed by the Water Court. Prior to review by the Water Court, all compacts must be ratified by the Montana Legislature, approved by appropriate federal authorities, and in the case of Tribal compacts approved by Tribes. Where federal authorization or federal appropriations are needed to implement provisions of the settlement, congressional approval is required.

STATEWIDE ADJUDICATION DECREE STATUS

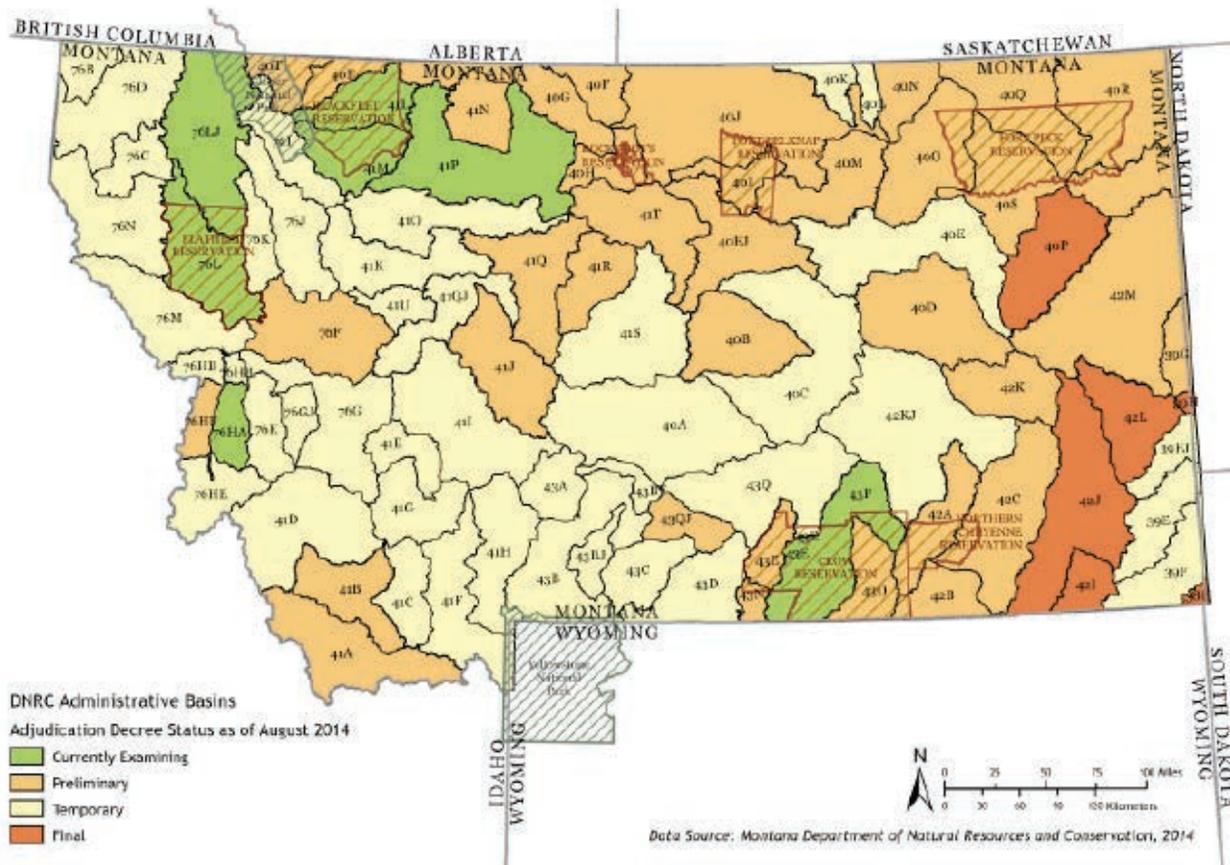


Figure 2: State-wide General Stream Adjudication of pre-July 1, 1973 Water Rights as of August 2014

To date seventeen compacts have been negotiated and approved by the Montana Legislature. A negotiated compact with the Confederated Salish and Kootenai Tribes (CSKT) is awaiting approval by the Montana Legislature. If the legislature does not approve the proposed CSKT compact, the Tribes must file their claims with the Water Court prior to July 1, 2015.

New Beneficial Water Use Permits, Change in Use Authorizations, and the DNRC

Under the Act, the DNRC has jurisdiction over all changes in use and new appropriations occurring after July 1, 1973. The DNRC has the authority to enforce against illegal water use, and performs a number of other responsibilities related to post July 1, 1973 water use, planning and management in Montana.

In exercising its jurisdiction over new appropriations, the DNRC evaluates the proposed use pursuant to the §85-2-311, MCA, permit criteria. These criteria require the applicant prove that water for a proposed appropriation is both physically and legally available, that existing appropriators will not be adversely affected, that the proposed use is a recognized beneficial use of water, that the proposed diversion is adequate, and that the applicant has a possessory interest in the place of use.

Similarly, DNRC exercises its jurisdiction over changes in use for existing water rights pursuant to the Act's change criteria found at §85-2-402, MCA. A water user can change the place of use, purpose of use, point of diversion, and place of storage for a water right. While these elements of a water right are subject to being changed, a water user may not expand the extent of the underlying water right. Therefore, evaluation of the change criteria focuses on the historic beneficial use of the underlying water right, alteration of return flows, and a determination of whether the change in use will adversely affect other water users (senior and junior) on the source. The change provisions of the Act are discussed in more detail under Section IX of this plan.

The permit and change provisions of the Act reflect a fundamental shift from pre-July 1, 1973, water appropriation in that they require prior approval from the DNRC before water is appropriated or a change in use occurs. The Act provides the DNRC with the authority to condition, revoke, or modify permits and change authorizations as necessary to ensure compliance with the Act through administrative proceedings. §85-2-311, 312, and 314, MCA.

Over the past 40 years, DNRC has developed and refined the permit and change procedures in an effort to maintain the balance between authorizing new water uses and changes while at the same time protecting existing water rights from adverse effects. The DNRC has developed specialized expertise and adopted rules on various aspects of water availability and water use throughout the state. See Title 36, Chapter 12, Mont. Rules Admin. For example, DNRC's rules include information regarding accepted methods for measuring water availability in gauged and un-gauged sources, estimating historic consumptive use, and modeling groundwater aquifer characteristics and properties.

Water Resource Project and Programs Funding

Most water resource improvement projects in Montana are a collaboration that starts at the local level. Funding is often leveraged from a variety of sources to support a single project. Montana offers numerous grant programs aimed at conserving, protecting, and expanding the beneficial use of Montana's water.

Grant Programs available through the Department of Natural Resources and Conservation include:

1. **Renewable Resource Project Grants** fund projects that conserve, develop, preserve or improve management of Montana's renewable resources such as water. Grants are available up to \$125,000.
2. **Renewable Resource Planning Grants** support planning activities for projects that are eligible for Renewable Resource project grants (above). Grants are available up to \$10,000.
3. **Capacity Grants** provide funds for conservation districts and watershed groups to build their capacities, knowledge, and resources in order to fulfill their mission. Grants are available up to \$20,000.
4. **Reclamation and Development Project Grants** fund activities that reclaim natural resources damaged by mineral extraction, hazardous waste or activities that meet a crucial state need. Grant limit is \$500,000.

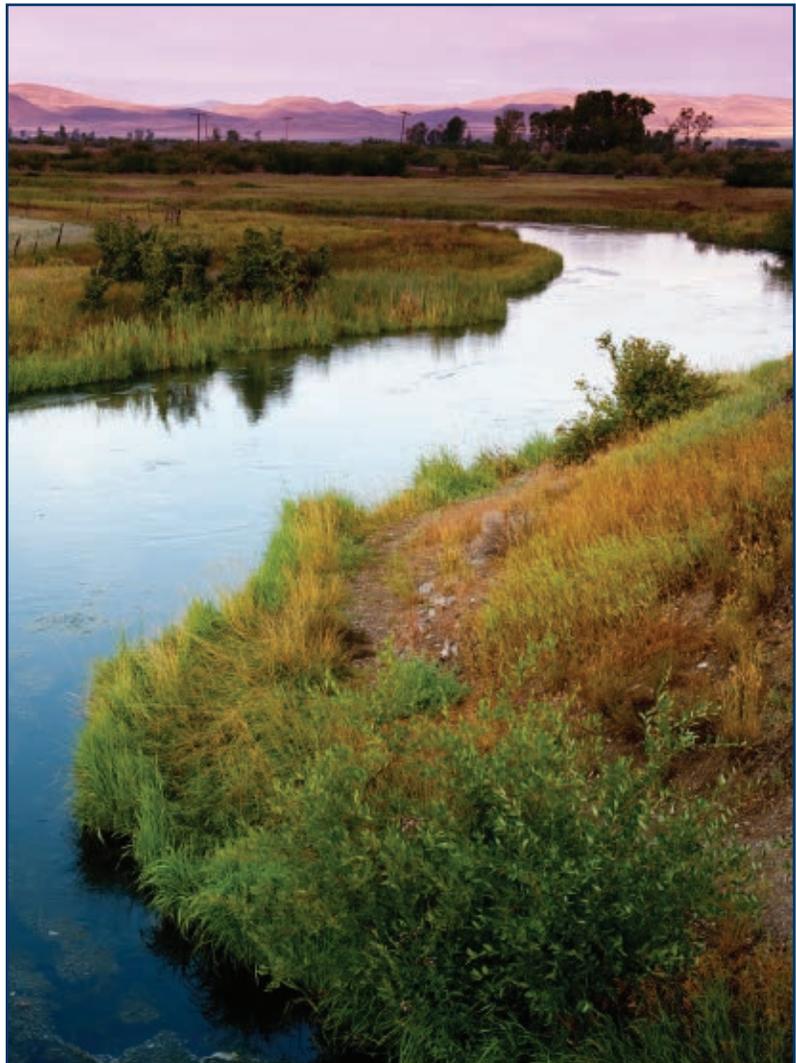
5. **Reclamation and Development Planning Grants** provide up to \$50,000 to support planning for natural resource projects eligible for Reclamation and Development Project Grants (above).
6. **Reclamation and Development Aquatic Invasive Species Grants** fund projects that protect natural resources from aquatic invasive species. Grants are available up to \$25,000.
7. **Irrigation Development Grants** fund projects leading to development of new irrigation or increased value of agriculture. Grants are available up to \$20,000.
8. **Private Water Grants** are available to individuals or non-governmental groups for up to \$5,000 or 25% of project costs whichever is less. These grants fund projects that benefit water resources.
9. **Emergency Grants** fund activities needing immediate attention to prevent substantial damage or legal liability. Must benefit or develop renewable resources such as water.
10. **Conservation District Grants (House Bill 223 Grants)** provide up to \$20,000 to fund conservation district soil and water conservation natural resource related projects. Eligible projects must be sponsored by a Montana Conservation District.
11. **Conservation District Development Grants** are intended to increase a conservation district's ability to meet statutory requirements of developing and implementing locally led conservation projects. Grants are available up to \$10,000.
12. **Education Mini-Grants** provide up to \$500 in funding for educational programs that address natural resource conservation. Eligible projects must be approved by a Montana Conservation District.

Grant Programs available through the Department of Fish Wildlife and Parks include:

13. **Future Fisheries Improvement Program** provides between \$350,000 and \$650,000 annually to restore essential habitats for the growth and propagation of wild fish populations in Montana's lakes, rivers and streams. Contact the Montana Dept of Fish Wildlife and Parks for additional information <http://fwp.mt.gov>

Grant Programs available through the Department of Environmental Quality include:

14. **The Montana Department of Environmental Quality's (DEQ) 319 Grant Program** provides funds to restore water quality in water bodies whose beneficial uses are impaired by nonpoint source (NPS) pollution and whose water quality does not meet state standards. DEQ strongly encourages the development and implementation of science-based, locally-supported Watershed Restoration Plans (WRPs) to guide these efforts.



V WATER RESOURCES IN MONTANA

Surface Water Resources

This section summarizes more detailed descriptions of surface water resources in each of the MWSI Planning Basins found in the individual basin reports.

Straddling the Continental Divide, Montana is headwaters to several major river systems of the northern Rockies, with both sides of the divide spawning rivers of national importance (Figure 3). About 25,000 square miles of Montana’s land area, or 17 percent, lies west of the divide. The other 122,000 square miles, or 83 percent, lie on the east side. Although the Clark Fork and Kootenai River Basins west of the divide drain a smaller area, they produce substantially more water than the Missouri and Yellowstone Basins east of the divide. The headwaters of the Clark Fork and Missouri Rivers originate in Montana, but most of the Kootenai and Yellowstone headwaters are in British Columbia and Wyoming respectively.

STATEWIDE AVERAGE ANNUAL FLOW ACCUMULATION

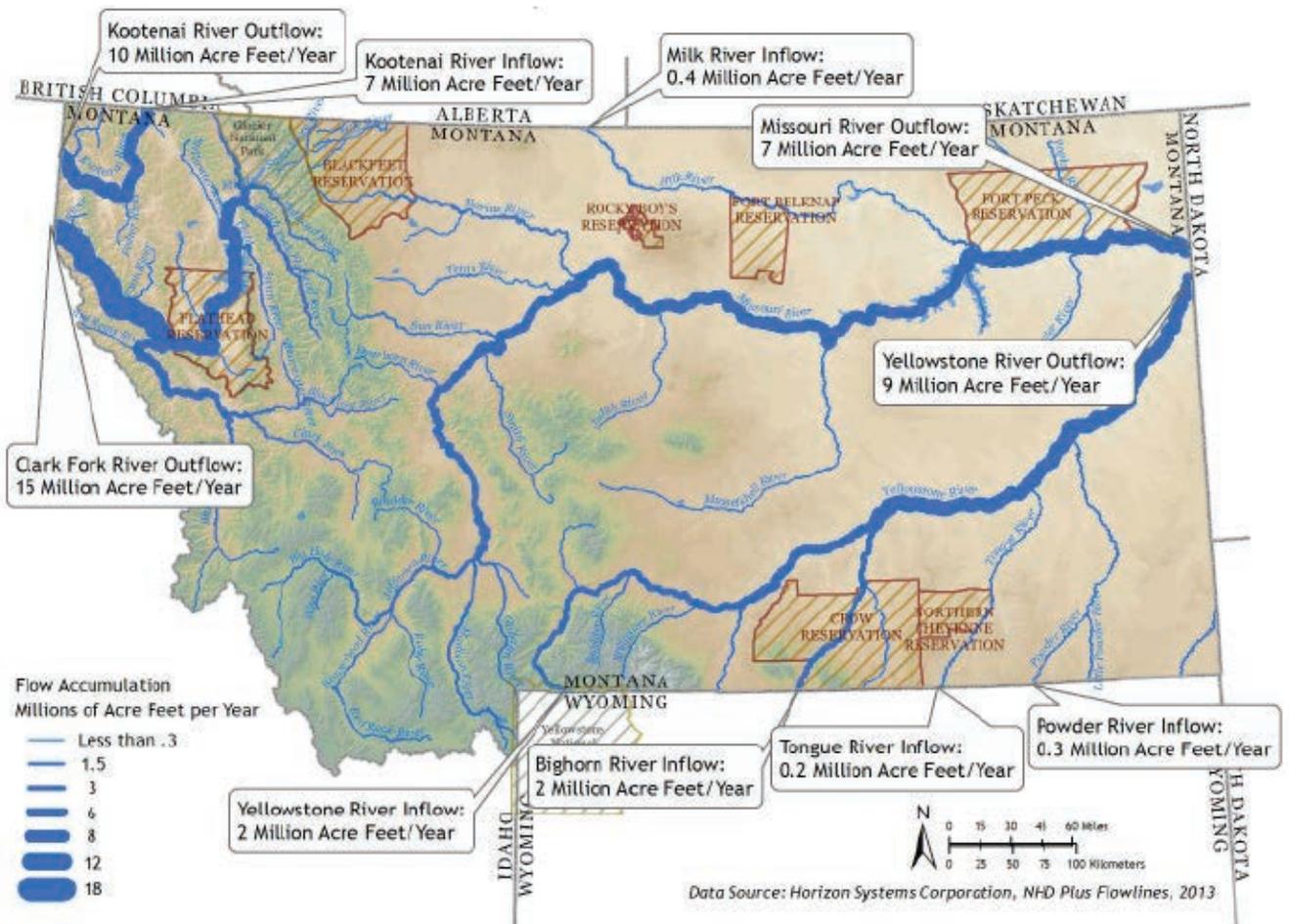


Figure 3: Statewide average inflows and outflows in Montana

Climate

West of the divide, the Clark Fork and Kootenai Basins have a Pacific Northwest climate, which is generally wetter and more temperate than the rest of the state (Figure 4). Higher elevations receive a heavy winter snowpack, and much of the basin receives more rainfall than lands to the east. As a result, total water yield and water yield relative to basin area are far greater in the Clark Fork and Kootenai basins than in other parts of Montana. Even so, some valley bottomlands receive less than one foot of moisture annually, similar to much of the eastern Montana prairie. Most communities and agricultural activities are located in drier valleys.

STATEWIDE MEAN ANNUAL PRECIPITATION

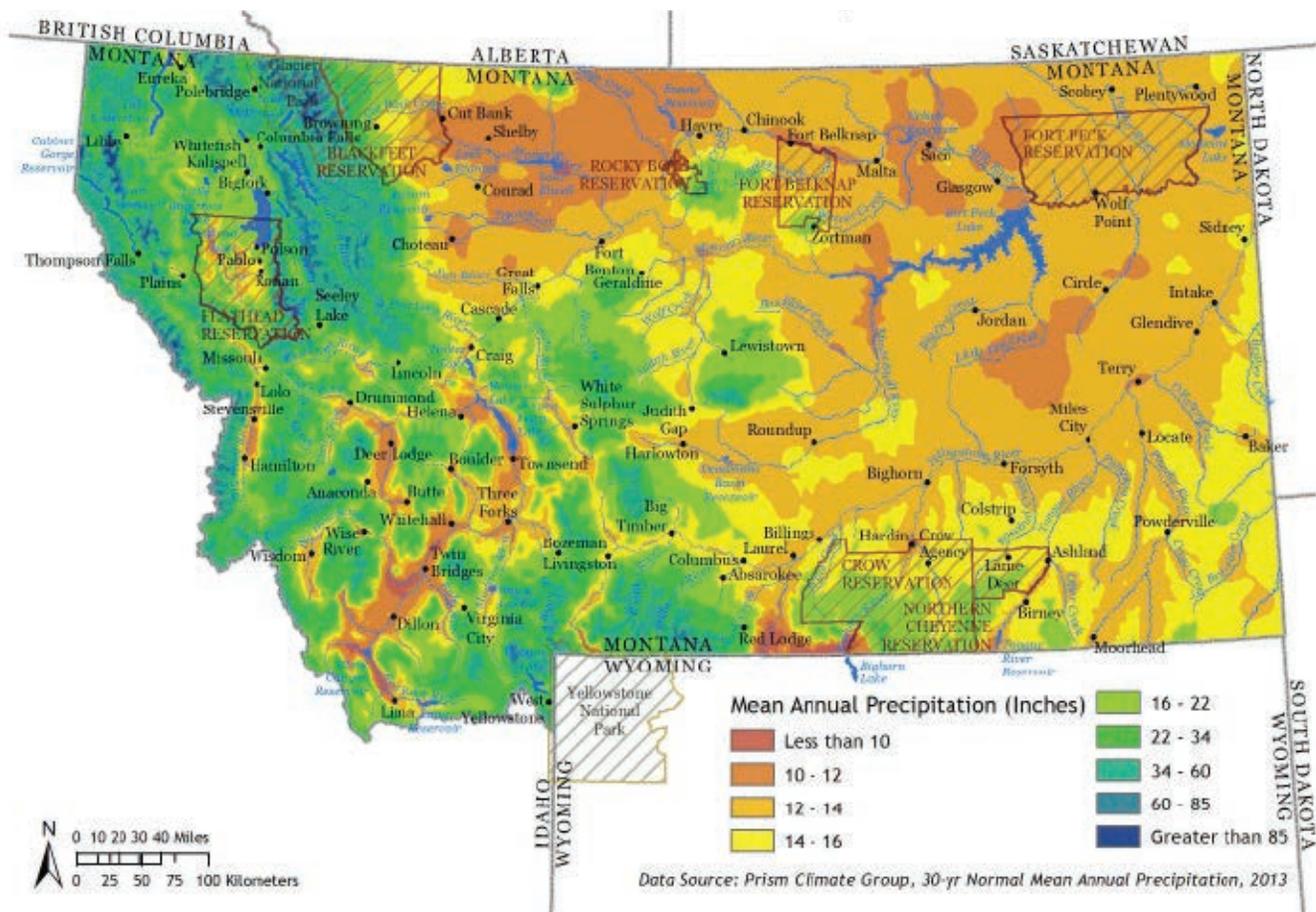


Figure 4: Mean annual precipitation in Montana

East of the Continental Divide, Montana is generally drier, windier, and experiences more extreme seasonal temperature fluctuations. Summers are hot and dry, and winters cold. Valley and prairie lands are arid to semi-arid, some receiving less than 10 inches of moisture a year. High elevations east of the divide accumulate a heavy snowpack and also receive more rainfall than the lower elevations.

Opportunities for Research and Investment

The mission of the Water Resources Division of DNRC is to promote and coordinate the beneficial use, conservation, protection and development of Montana’s water resources. Implementing this mission is complicated by the fact that water is in high demand across the state, yet its abundance varies widely in time (weeks, months, and seasons) and space (geographic location). The primary source of surface water data that DNRC uses to monitor the state’s water resources is gathered from a network of stream gages operated by the State of Montana and the U.S. Geological Survey (USGS), in addition to SNOTEL (SNOW TElemetry), gages operated by Natural Resource Conservation Service (NRCS).

The USGS currently operates over 200 stream gages that measure real-time stream stage and streamflow on the Montana's mainstem rivers and many of their larger tributaries. DNRC currently provides funds to operate and maintain forty-four of these gages through the USGS Cooperative Water Program. Each of the USGS gages provides critical information to support the management of the state's water resources.

NRCS currently operates 90 SNOTEL sites in Montana. These sites are generally located in high-mountain watersheds where access is often difficult or restricted. Each site measures snow water content, accumulated precipitation, and air temperature. Some sites also measure snow depth, soil moisture and temperature, wind speed, solar radiation, humidity, and atmospheric pressure. These data are used to forecast yearly water supplies, predict floods, and for general climate research.

Data provided by both the USGS stream gage program and NRCS SNOTEL program are critical to Montana's ability to monitor and manage its water resources. Continued funding for both of these programs should be encouraged at the state and federal levels.

Montana's ability to monitor and manage its water resources will be significantly enhanced by investing in the development of a state-based stream flow monitoring network focused on collecting real-time hydrologic information on Montana's smaller streams and tributaries. Hydrologic information generated through this network will enhance decision making and policy development related to administering the Montana Water Use Act, including new appropriations, change applications, decree enforcement, and implementation of federal water right compacts. Gages installed to monitor stream flows and reservoir levels at state water projects will enhance reservoir management and operation. Information generated by the network will also support the objectives of court appointed water commissioners, senior water right holders, local watershed groups (drought management planning), MT Bureau of Mines & Geology (groundwater studies) Dept of Fish Wildlife and Parks (instream flow), and the Dept of Environmental Quality (flow related water quality monitoring).

The robust collection of both stream flow and snowpack data will assist DNRC with planning for the long-term sustainability of the state's water resources. Information on real-time streamflows will aid DNRC in developing basin water budgets, evaluating water supplies on multiple scales, and evaluating proposals to increase storage. Additional hydrologic data will also support the development of river system planning models to simulate potential impacts related to increased development, climate change, and downstream demands.

Groundwater Resources

This section summarizes more detailed descriptions of ground water resources in each of the MWSI Planning Basins found in the individual basin reports.

Aquifers are an important water source, but whether groundwater is physically available at any given location depends on the on-site physical characteristics of the aquifer, recharge to the aquifer from precipitation, and interactions with surface water. The most common sources of groundwater in Montana are shallow sand and gravel aquifers along the floodplains of major streams and rivers (Figure 5). These alluvial aquifers are by far the most common sources of water for irrigation, municipal, industrial, household, and livestock purposes.

Bedrock aquifers are another important source of groundwater in Montana (Figure 6). Bedrock aquifers in western Montana are limited to the edges of valleys where fractures and faults are sufficient to provide adequate water supplies for individual residential or small public water supplies that rely upon multiple wells to provide an adequate water source. Bedrock aquifers in sandstone and limestone rocks are an important source of groundwater in the central and eastern parts of the state providing water supplies for domestic and stock uses, and occasionally for larger municipal or industrial uses. The available quantities and water quality of sandstone aquifers, however, generally preclude their use for irrigation.

All aquifers, particularly alluvial aquifers, store considerable quantities of water that can be accessed by wells for water supplies and that also contribute to surface water. The year-round contribution of groundwater to streamflows (Figure 7) is known as base flow and is important for sustaining flow in streams outside the spring months. Much of the groundwater that contributes to surface water circulates at shallow depths in mountainous regions and may not come from productive aquifers or be readily accessible for use. Withdrawal of groundwater stored in an aquifer commonly depletes surface water flows and decreases the amount of water available for surface water users and instream flows.

STATEWIDE SURFICIAL AQUIFERS

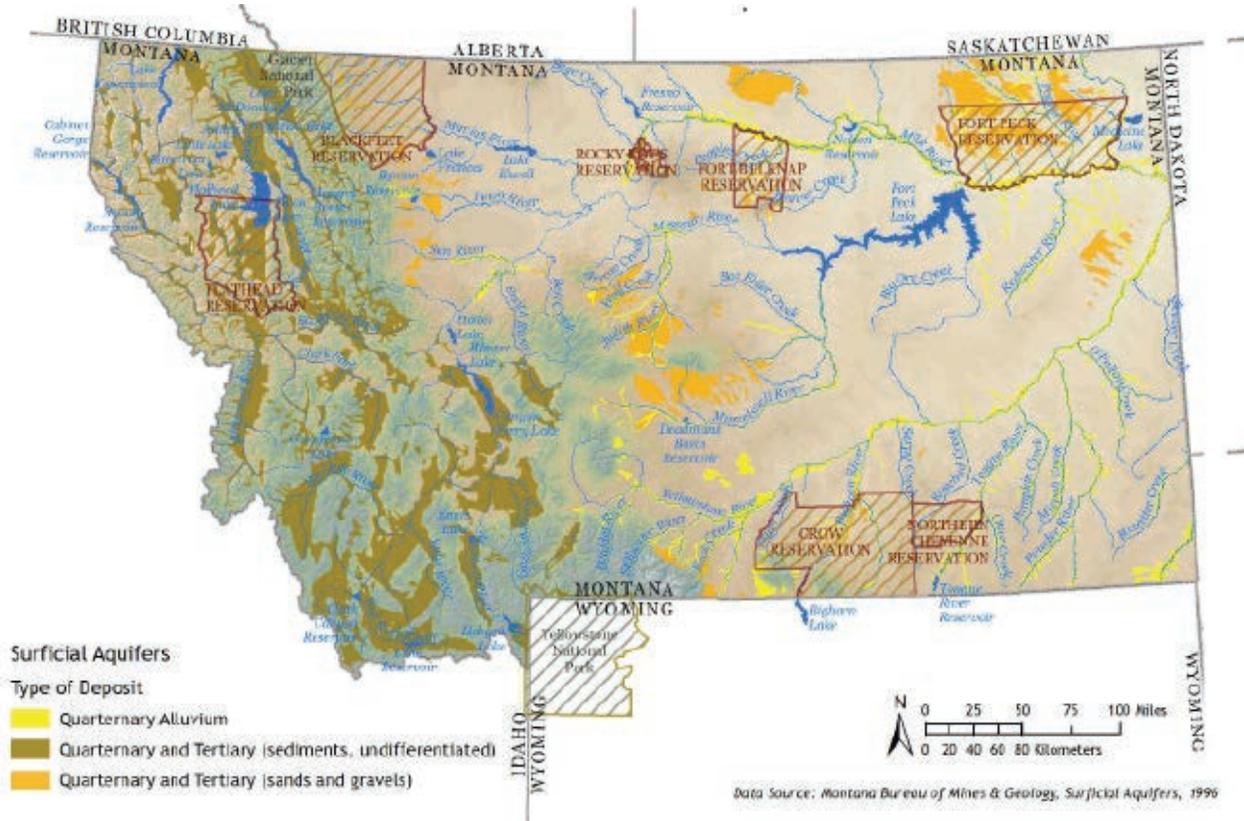


Figure 5: Surficial aquifers in Montana

STATEWIDE BEDROCK AQUIFERS

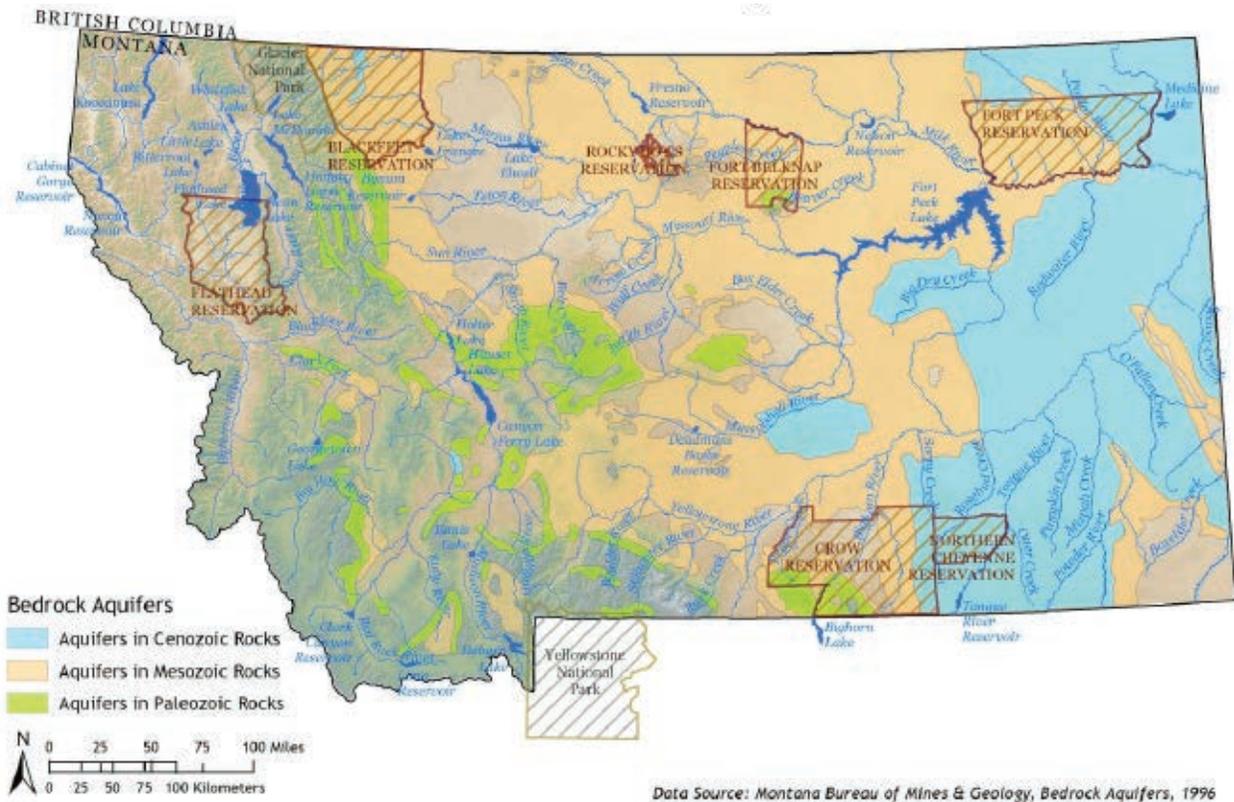


Figure 6: Bedrock aquifers in Montana

Opportunities for Research and Investment

In basins closed to new surface water appropriations, groundwater may be the only source available for new appropriations. However, surface water and groundwater are a single resource that cannot be administered separately. Information on interactions between groundwater and surface water from site-specific investigations and long-term monitoring, and strategies for mitigating impacts of groundwater use on surface water users is necessary to facilitate new appropriations.

The Montana Bureau of Mines and Geology and the U.S. Geological Survey collect data and conduct studies of groundwater resources and interactions with surface water. These studies are critical to the support of decisions by water users as well as county governments and DNRC. Groundwater studies provide the data and/or modeling tools necessary to evaluate the impacts of new groundwater uses on water levels in other wells and surface water flows. Collection of groundwater data and additional studies need to be prioritized to ensure adequate information on aquifer properties and groundwater connection to surface water are available to support informed decisions and policy development.

STATEWIDE BASEFLOW INDEX BY 8 DIGIT HYDROLOGIC UNIT

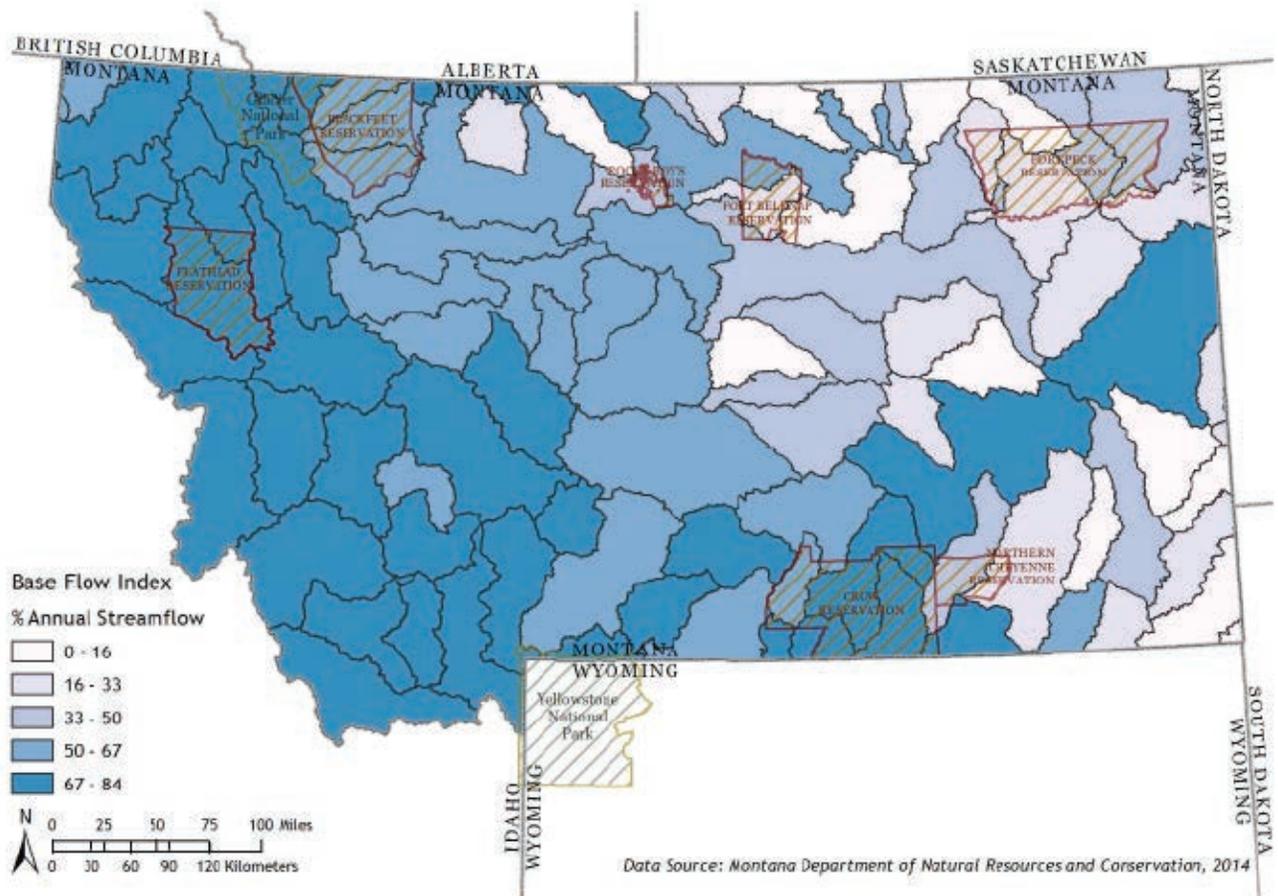


Figure 7: Groundwater contribution to stream flows in Montana

VI WATER USE IN MONTANA

This section summarizes water use in Montana. A more detailed inventory of water use in each of the MWSI Planning Basins is found in the individual basin reports.

Water use can be broadly divided into two categories of use: consumptive and non-consumptive. Consumptive use of water causes a reduction in a source of water supply. Irrigation is an example of consumptive use: water is diverted from a stream and applied to crop land where a portion of the water is consumed by plants and a portion is evaporated from the system, thus reducing the original source of supply. Water that is not consumed returns to the system through surface or groundwater flow paths, to be used by other water users.

Non-consumptive use occurs when a beneficial water use does not reduce the source of supply, or is not diverted from the source. Examples include instream flows for fisheries habitat and hydropower generation that do not depend on a storage reservoir (run-of-the-river). Neither of these beneficial uses causes reduction to a source of supply.

Water use in Montana totals 84,000,000 acre-feet annually (Figure 8). The great majority of this amount is used for electric hydropower generation. The large water rights associated with hydropower facilities may limit additional consumptive use in their respective basins. In Montana, hydropower generation during 2010 used 72,000,000 acre-feet of water annually; about 86 percent of all water used in the state.

WATER USE IN MONTANA
ANNUAL ACRE FEET

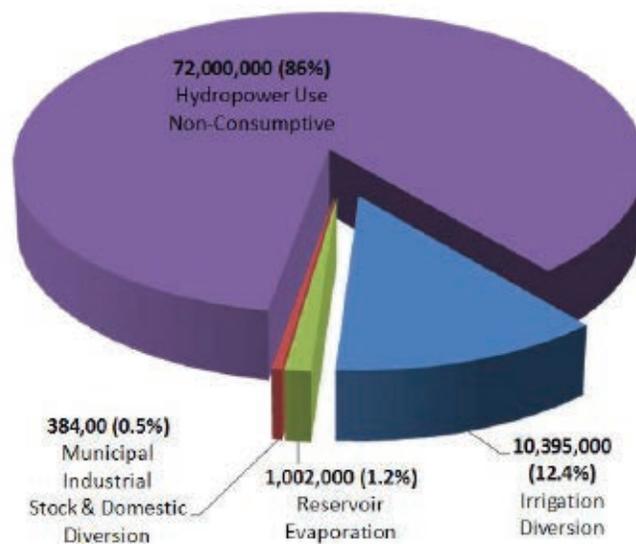


Figure 8: Water Use in Montana by purpose

Of the remaining 12,000,000 acre-feet, 3,600,000 acre-feet are actually consumed. Of this amount, reservoir evaporation totals approximately 1,000,000 acre feet (28 percent) statewide. Agricultural irrigation consumes about 2,400,000 acre feet, or about 68 percent of the water consumed in Montana. The remaining 200,000 acre feet are consumed by all other uses including municipal, industrial, domestic, and livestock watering.

The most recent state-wide assessment of water use in Montana was conducted in 2000 by the USGS in cooperation with DNRC. The results of this assessment are published in the report *Estimated Water Use in Montana in 2000* (USGS, 2004). Since that time, DNRC has developed procedures for estimating water use on smaller, source by source scale to fulfill its role in permitting new uses of water and change applications.

In areas of Montana, the ability to put water to a beneficial use is limited as much by water quality as physical availability. Water quantity and water quality are closely intertwined and the Montana Water Use Act recognizes this relationship (§85-2-311 MCA). However, DNRC’s authority to consider water quality is limited to the permitting process if a valid objection is received.

Decision making and policy development both in the legislature and DNRC would benefit from information generated by an updated assessment of statewide water use. Conducting a state-wide assessment will require Montana to make investments in monitoring infrastructure, computer information technology and staff resources.

Summary and Comparison of Water Use by Planning Basin

Type and volume of water use varies between Montana basins (Figures 9a, 9b, 9c, 9d). Return flow, water that is diverted but returns to the source, is a critical factor in basin water use. Each water user relies to some extent on return flow from water uses further upstream. As a result, the net volume of water withdrawn in a basin is less than the volume of all the individual diversions. Figures 9a, 9b, 9c, and 9d depict water uses at a planning basin scale and do not include water uses that are important at sub-basin scales. For example, the Figure 9a for the Clark Fork / Kootenai River planning basin does not depict the instream flow water use for recreation in the Bitterroot sub-basin.

The largest use of water in the Clark Fork Basin is for hydroelectric power generation at Avista Corporation’s Noxon Rapids Dam (and reservoir), near the Idaho border (Figure 9a). Irrigated agriculture is the second largest user of water at over 1.6 million acre feet annually. All other uses of water in the basin use approximately 307,000 acre-feet annually.

Hydroelectric power generation is also the largest use of water in the Upper Missouri River Basin (Figure 9b). Irrigated agriculture diverts over 4 million acre feet annually. The cities of Helena, Great Falls and Bozeman consume about 84,000 acre-feet annually. Canyon Ferry, Clark Canyon and other major reservoirs annually evaporate over 160,000 acre feet of water combined.

In the Lower Missouri River Basin, irrigation diverts approximately 2,000,000 acre feet annually, proportionately more water than either the Clark Fork or Upper Missouri River basins though less than in the Yellowstone basin (Figure 9c). Reservoir evaporation is substantial from the surface of Fort Peck Reservoir. The only hydroelectric facility in the lower basin, Fort Peck used just over 4 million acre feet of water to generate power in 2010. Montana Fish Wildlife and Parks (FWP) manages an instream flow rights of 5,000 cfs just (3.6 million acre feet) downstream of the

CLARK FORK/KOOTENAI RIVER BASIN WATER USE ANNUAL ACRE FEET

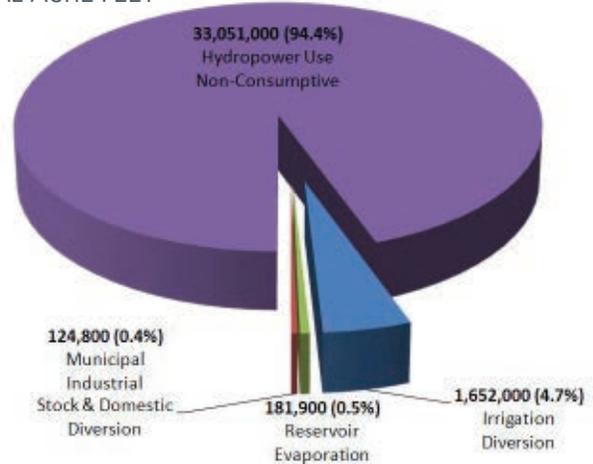


Figure 9a: Clark Fork/Kootenai River Basin Water Use

UPPER MISSOURI RIVER BASIN WATER USE ANNUAL ACRE FEET

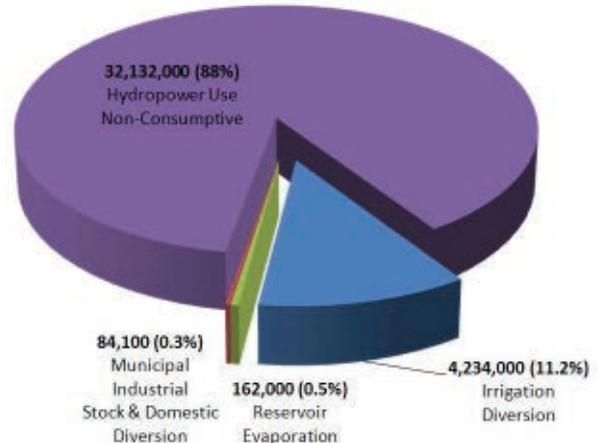


Figure 9b: Upper Missouri River Basin Water Use

LOWER MISSOURI RIVER BASIN WATER USE ANNUAL ACRE FEET

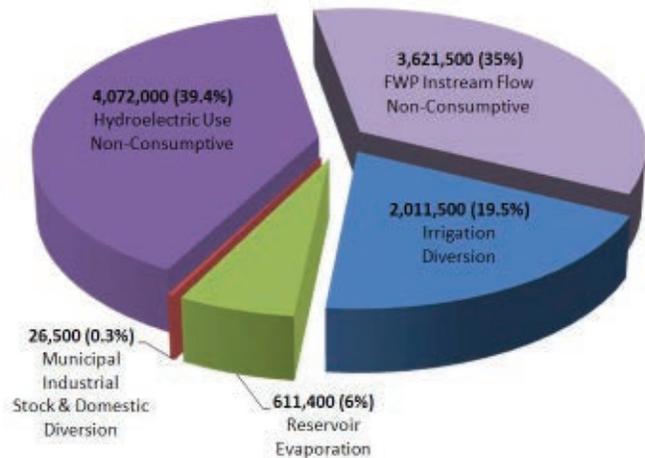


Figure 9c: Lower Missouri River Basin Water Use

dam and below the Milk River confluence with the Missouri River. Other uses in the sparsely populated area total less than 30,000 acre feet diverted annually.

With the largest city in the state Billings, Yellowstone Basin has the highest municipal and industrial water use in the four MWSI planning basins (Figure 9d). Irrigation diverts approximately 2.5 million acre feet annually to serve over 600,000 acres. Hydroelectric power generation uses almost 2.7 million acre feet at Yellowtail Dam on the Bighorn River near the Wyoming border. Montana FWP manages an instream flow right of 5.5 million acre feet for the Yellowstone River at Sidney.

YELLOWSTONE RIVER BASIN WATER USE ANNUAL ACRE FEET

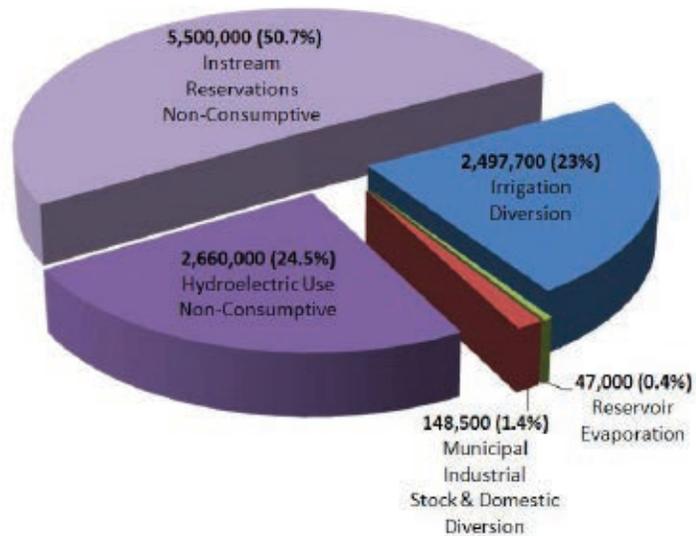


Figure 9d: Yellowstone River Basin Water Use

Inventory of Consumptive Water Use

Consumptive water use in Montana is influenced by a variety of factors including irrigated acreage, physically available water supplies, number of stock, and population. The water volume consumed by any use is less than the volume initially diverted, and the unused portion of water eventually returns to the system to be used by others. In Montana, basin-wide total consumption amounts to less than 30 percent of the diverted total, when considering all uses combined. Figures 10, 11a, 11b, 11c, and 11d below show estimates of water consumed by type of use from information presented in individual planning basin documents. These estimates are of use for 2010 (2007 for irrigation) based on methodology described in individual basin plans.

WATER CONSUMED IN MONTANA ANNUAL ACRE FEET

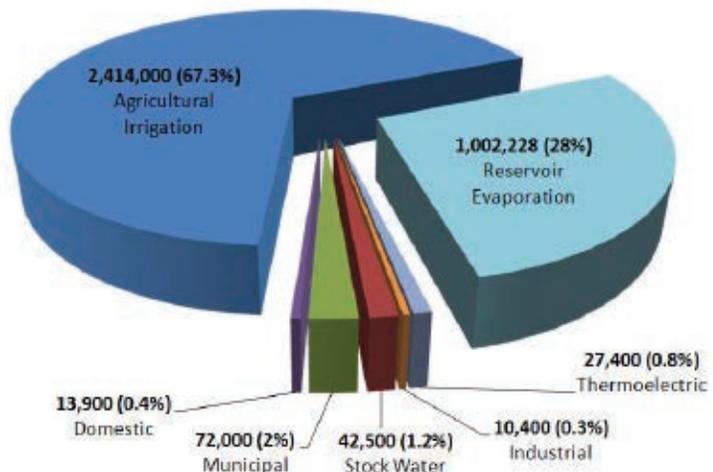


Figure 10: Water consumption in Montana by purpose

CLARK FORK/KOOTENAI RIVER BASIN
CONSUMPTIVE WATER USE
ANNUAL ACRE FEET

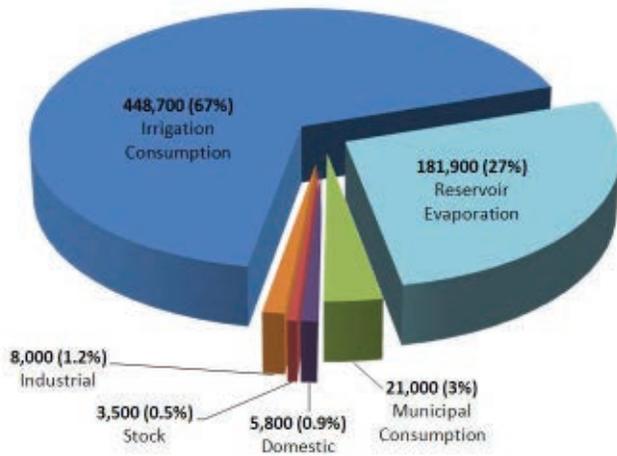


Figure 11a: Clark Fork/Kootenai River Basin Water Use

UPPER MISSOURI RIVER BASIN
CONSUMPTIVE WATER USE
ANNUAL ACRE FEET

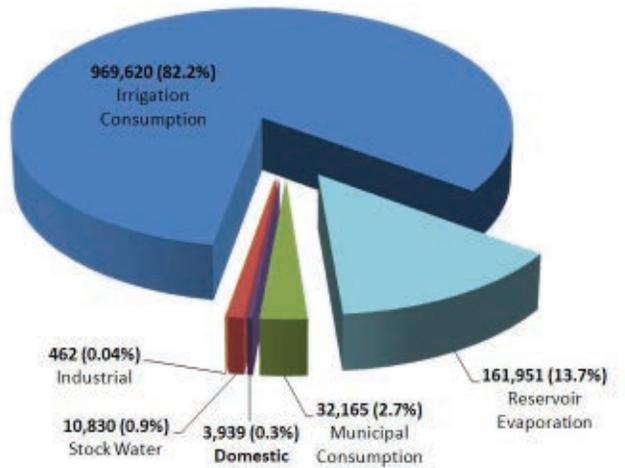


Figure 11b: Upper Missouri River Basin Water Use

LOWER MISSOURI RIVER BASIN
CONSUMPTIVE WATER USE
ANNUAL ACRE FEET

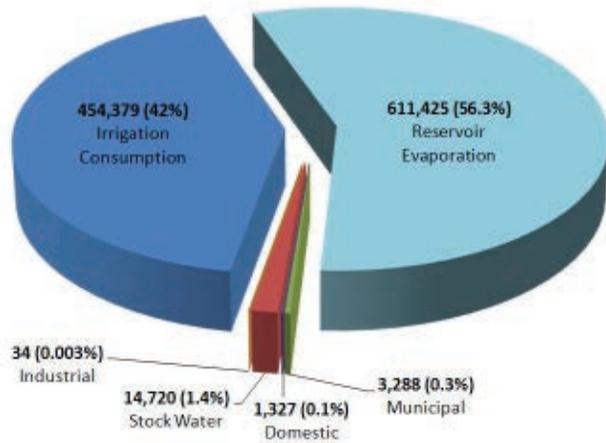


Figure 11c: Lower Missouri River Basin Water Use

YELLOWSTONE RIVER BASIN
CONSUMPTIVE WATER USE
ANNUAL ACRE FEET

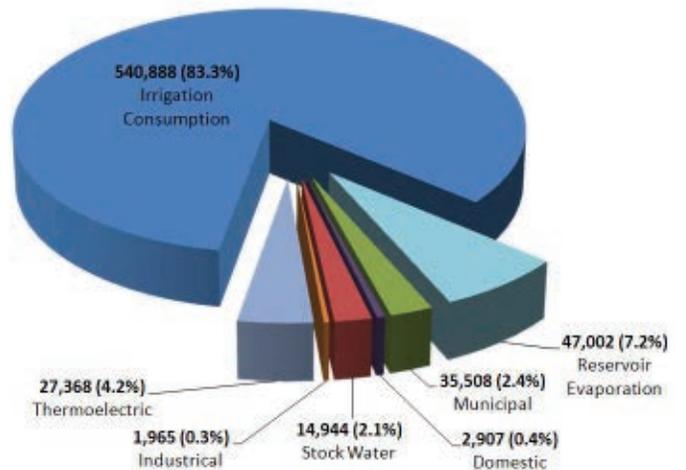


Figure 11d: Yellowstone River Basin Water Use

Irrigated Agricultural Water Use

Agricultural irrigation is the largest consumptive use of water in Montana. Estimates of water use presented in individual basin plans indicate that 10.4 million acre feet are diverted for agricultural irrigation on approximately 2.5 million acres each year, accounting for 96 percent of all surface and ground water diverted or withdrawn for any purpose statewide (Table 1). Montana’s irrigated crops include alfalfa, barley, cherries, corn, grass, oats, potatoes, sugar beets, and wheat. Agricultural water use varies across the state and is affected by climate, geology and soils, and proximity to water. DNRC estimated agricultural water use by identifying potentially irrigated acreage and estimating consumptive use and acreage actually irrigated using Landsat satellite images. Potentially irrigated acreage was identified from multiple sources including Water Resource Surveys, the Department of Commerce Final Lands Unit (FLU) data, and mapping conducted under a variety of investigations including those for reserved water right compacts. Analysis of Landsat images was used to screen out lands that did not appear to be irrigated and to provide estimates of evapotranspiration and crop water demand.

STATEWIDE IRRIGATION CONSUMPTION BY 8 DIGIT HYDROLOGIC UNIT

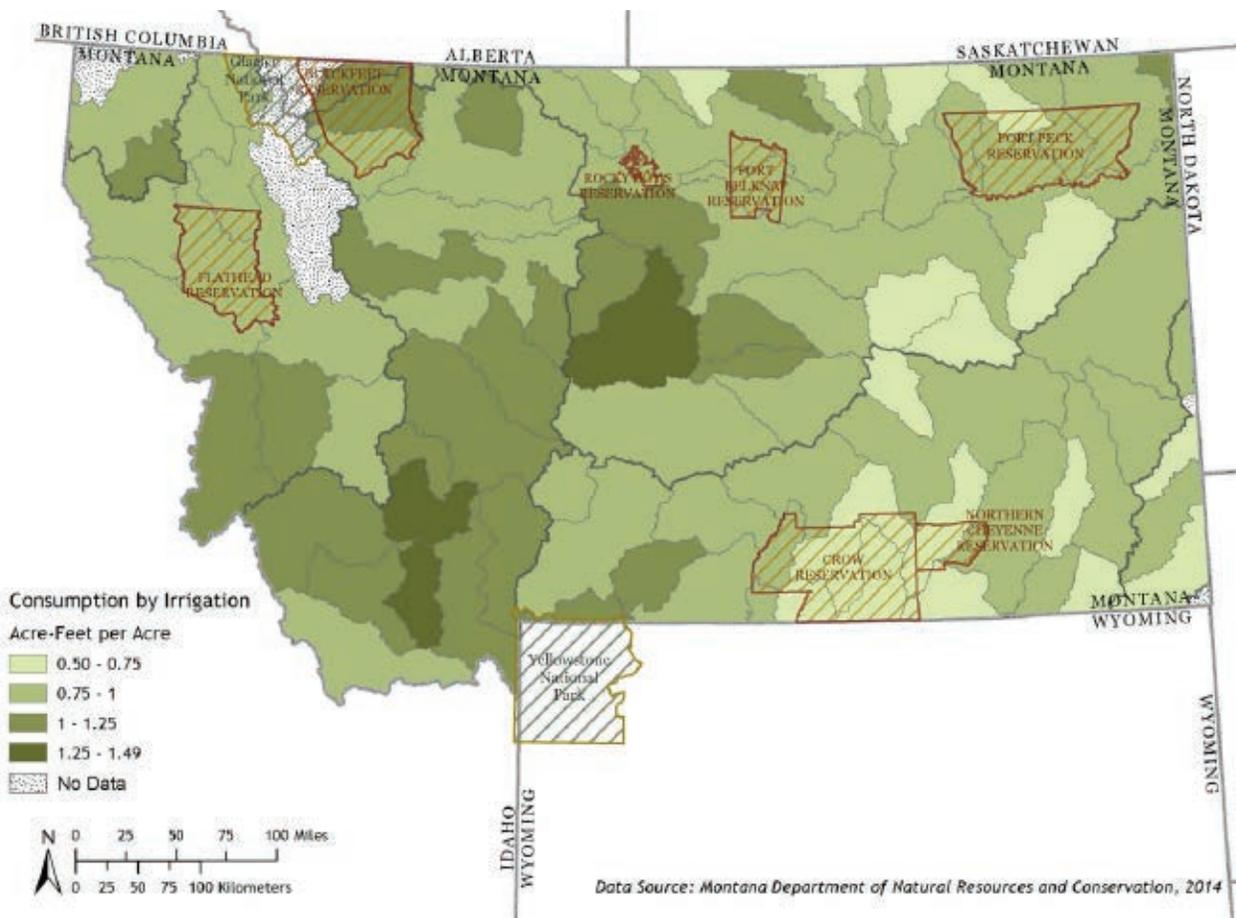


Figure 12: Water consumption for irrigated agriculture in sub-basins

Table 1: Water Use for Agricultural Irrigation in Montana, from Surface Water and Groundwater Sources.

Planning Basin	Diverted (AF)	Percent of Basin Total Diverted	Consumed (AF)	Percent of Consumed
Clark Fork River	1,652,000	95%	449,000	27%
Upper Missouri River	4,234,000	99%	969,600	23%
Lower Missouri River	2,011,000	99%	454,400	23%
Yellowstone River	2,498,000	97%	541,000	22%
Total	10,395,000	96%	2,414,000	23%

Livestock Water Use

Water for livestock is one of the larger consumptive uses of surface water in Montana, and is second to irrigation in terms of consumption volume. For example, stock watering in the Lower Missouri River Basin accounts for three percent of all surface water consumed, while public water systems account for less than one percent of total surface water consumption.

Table 2: Water Use for Stock Watering, and Public Water Supply from Surface Water and Groundwater in Montana

Planning Basin	Stock Water Consumed (AF)	Stock Water % of Total Consumed	Public Supply Consumed (AF)	Public Supply % of Total Consumed
Clark Fork River	3,500	0.7%	20,970	4.3%
Upper Missouri River	10,830	1.1%	32,165	3.2%
Lower Missouri River	14,720	3.1%	3,290	0.7%
Yellowstone River	13,470	2.2%	15,650	2.6%
Total	42,520		72,075	

Opportunities for Research and Investment

Future water resource planning and policy development will be enhanced if Montana invests the time and resources to acquire more accurate information on the extent and distribution of irrigated lands, extent and distribution of crop types, irrigation system types and consumptive water use. To achieve this, investments would be needed in the following three areas:

1. Geographic Information System (GIS) technology to analyze commercially available aerial photography and satellite imagery.
2. Computer modeling software to calculate the amount of water consumed by crops (evapotranspiration) using commercially available information generated from NASA's Landsat Program.
3. Staff resources to conduct the inventory and survey, analyze the information and ground truth the results.

Public Water Supply and Self-Supplied Domestic

Consumption through public water supply systems from surface water and groundwater totals about 72,000 acre feet statewide. More than half of the volume for public water supply systems comes from surface water sources. The exceptions are in the Clark Fork and Lower Missouri River basins. High quality surface water supplies are scarce in the Lower Missouri River Basin and many residents rely on groundwater for domestic water supplies. Both surface and groundwater supplies are used to supply a large and growing population in the Clark Fork Basin. Self-supplied domestic uses of groundwater consume an additional 14,000 acre feet of water statewide.

Industrial Water Use

More than 90 percent of water consumed for industrial purposes in Montana occurs within four counties: Flathead, Missoula, Dawson, and Yellowstone. Statewide, industrial water consumption totals less than 10,500 acre-feet annually. Approximately 8,000 acre feet are used in the Clark Fork Basin and 1,800 acre feet are used in the Yellowstone Basin. Major uses of industrial water in Montana are for oil and gas stimulation and recovery, processing of minerals, processing agricultural products, electrical power generation, and manufacturing. Water use for hydraulic fracturing to stimulate oil production in horizontal wells is locally significant in the Williston Basin near the North Dakota border and potentially other areas including central Montana and the Rocky Mountain front. Water use for fracking and refracking has been reported in the range of 10 to 25 acre feet over the life of one well; however, actual use varies depending on many variables including geologic conditions and company operating practices. The Montana Board of Oil and Gas Conservation on-line database indicates that an average of 140 horizontal wells have been completed in Montana annually over the ten years ending in 2013 corresponding to potential annual water use from 1,400 acre feet to 3,500 acre feet. Both surface water and ground water are important sources for industrial water users.

Reservoir Evaporation

Water storage in reservoirs is an important component of water management in Montana, helping to supply water during peak summer demand (Figure 13). But reservoirs lose a large amount of water to surface evaporation, a form of consumptive use. In the arid Lower Missouri River Basin, which includes Fort Peck Lake, reservoir evaporation is greater than all other consumptive uses combined, totaling more than 613,000 acre-feet a year, or about 7 percent of the basin water budget.

Evaporation from reservoirs total 162,000 acre-feet in the Upper Missouri Basin, 182,000 acre-feet in the Clark Fork and Kootenai Basins combined, and 47,000 acre-feet in the Yellowstone. Reservoirs in the Wyoming portion of the Yellowstone Basin evaporate about an additional 150,000 acre-feet.

MONTANA RESERVOIRS >5,000 ACRE-FEET

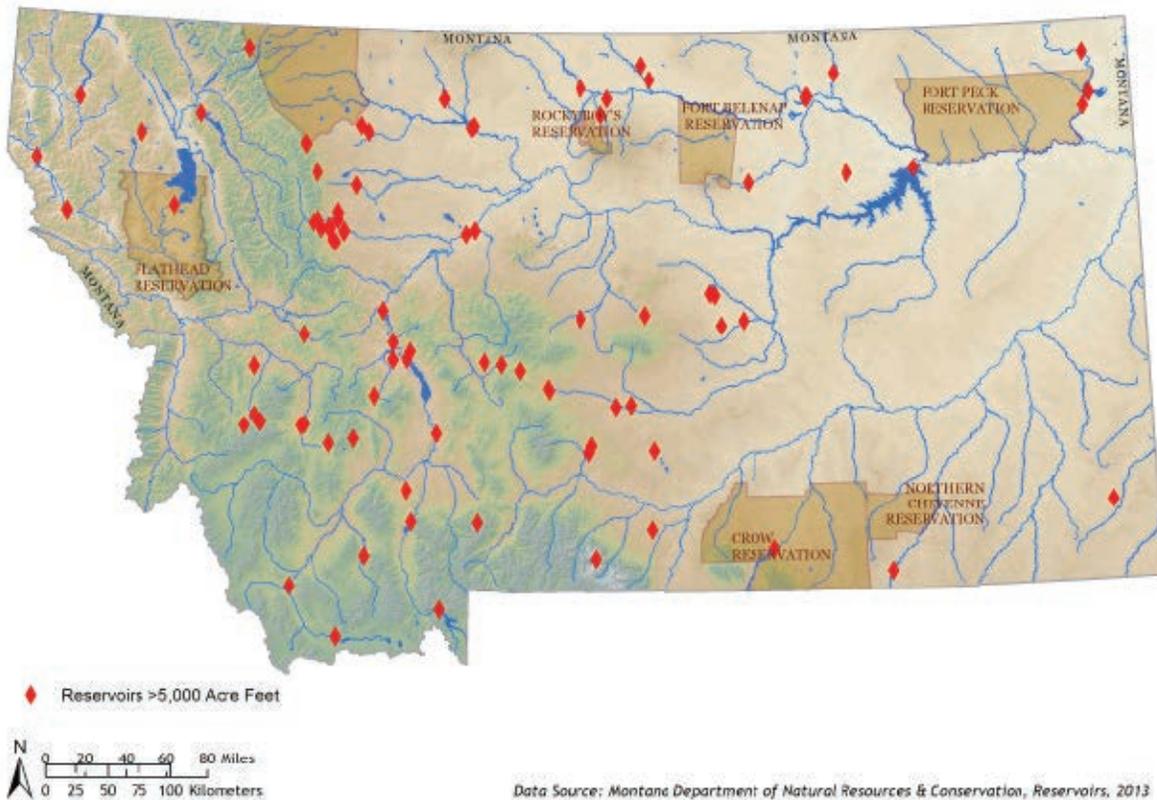


Figure 13 Reservoirs in Montana with greater than 5,000 acre-feet capacity

Inventory of Non-Consumptive Water Use in Montana

Hydroelectric Rights

Statewide, a total of 22 dams in Montana generate hydropower (Figure 14). Hydroelectric water rights are present in all four of the MWSI planning basins, but are predominant in the Clark Fork and Upper Missouri river basins. Although hydroelectric generation is a non-consumptive use, water rights for several of these dams, due to their size and priority date, limit the legal availability of water for future consumptive uses in the basins upstream from their locations.

Hydropower water rights for Avista Corporation's Noxon Rapids Dam on the Clark Fork River near the Idaho border restrict the legal availability of water available for future consumptive use in the Clark Fork Basin. Avista's water rights have priority dates of 1951, 1959, and 1974, and total 50,000 cfs, which is typically all of the water leaving the basin. Flows greater than 50,000 cfs occur only 6 to 8 percent of the time over the 90-year period of record, generally during 22 days in May and June of wetter years (Figure 15).

MONTANA HYDROELECTRIC DAMS

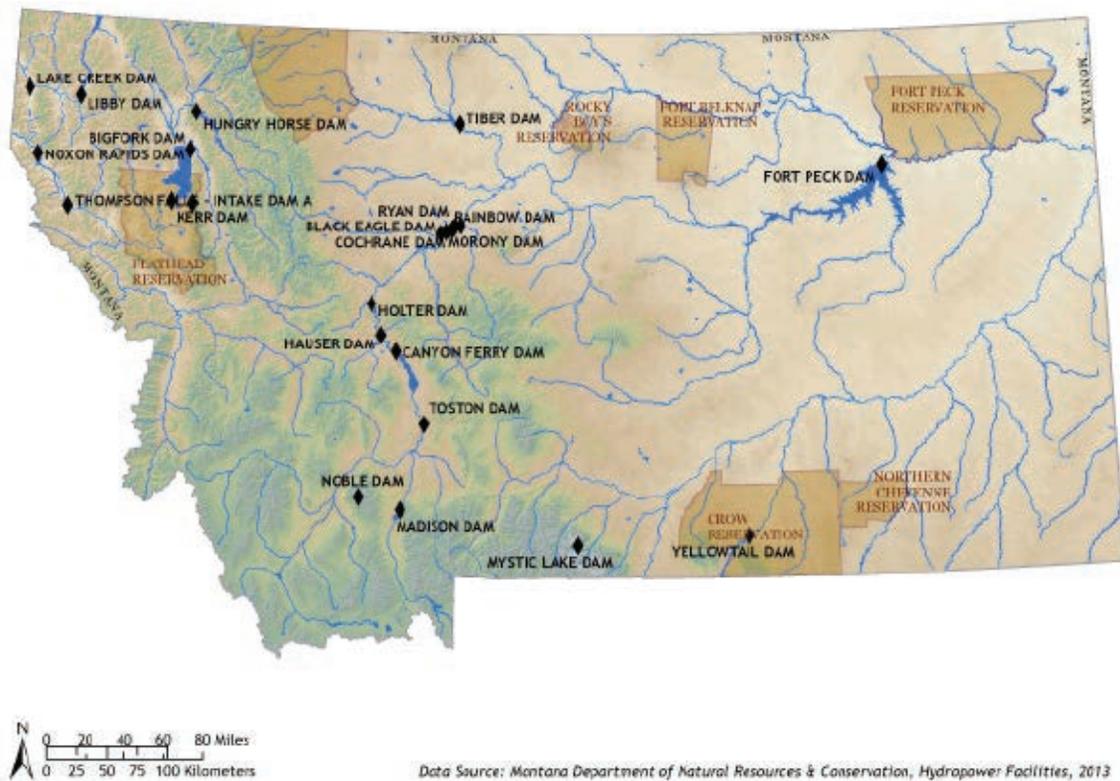


Figure 14: Hydroelectric projects in Montana

The Upper Missouri Planning Basin contains 10 hydroelectric facilities (Table 3). The water rights associated with these facilities serve as a constraint on the legal availability of water to meet future consumptive uses in the basin upstream of Morony Dam near Great Falls. Development of new water rights above these facilities was effectively precluded after 1954 when the Bureau of Reclamation constructed Canyon Ferry Dam. Montana Power (now PPL) and Reclamation entered into an agreement that provided for PPL's water rights to be met from regulated releases from Canyon Ferry storage. This allowed for additional water development in the Missouri Basin including the construction of Clark Canyon Dam and the development of the East Bench Irrigation district. According to Reclamation staff, additional water remains in Canyon Ferry Reservoir that could be marketed for a multitude of purposes, provided that Federal and State environmental laws are followed.

CLARK FORK RIVER AT NOXON HYDROGRAPH

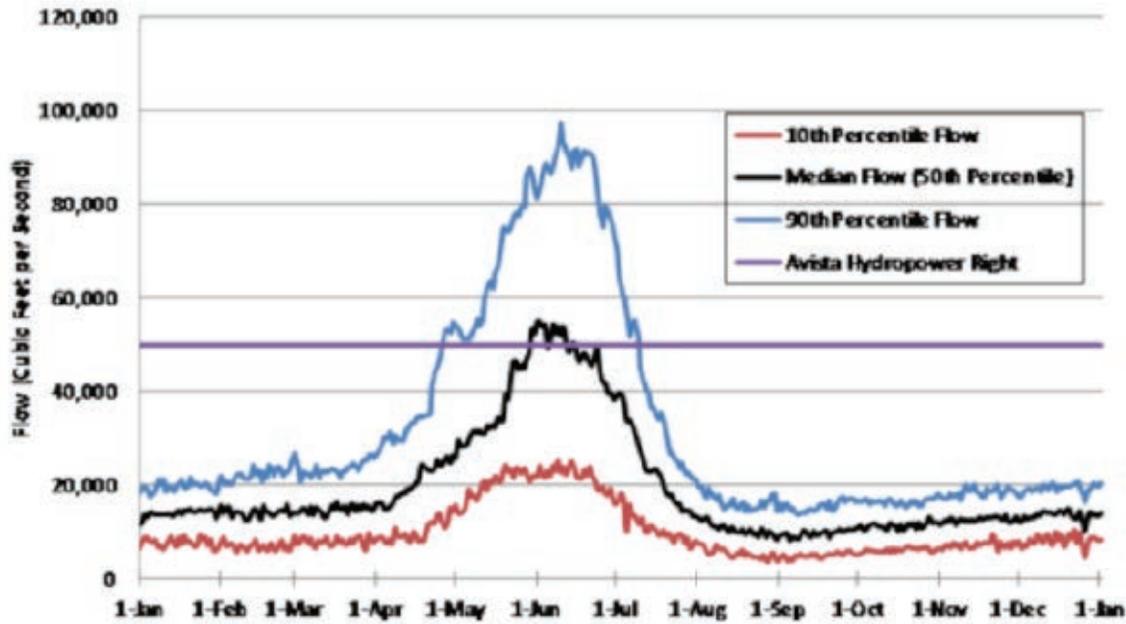


Figure 15: Hydrograph of Clark Fork River at Noxon with Avista hydroelectric water right

Table 3: Hydroelectric generation facilities in the Upper Missouri planning basin above Morony Dam

Owner/Operator	Facility	Water Right (cfs)	Generation Capacity (MW)
PPL Montana	Morony Dam	8,280	48
PPL Montana	Ryan Dam	5,900	60
PPL Montana	Cochrane Dam	10,000	64
PPL Montana	Rainbow Dam	8,000	60
PPL Montana	Black Eagle Dam	5,040	21
PPL Montana	Holter Dam	7,100	48
PPL Montana	Hauser Dam	4,740	19
PPL Montana	Madison Dam	1,650	9
U.S. Bureau of Reclamation	Canyon Ferry Dam	6,390	58
State of Montana/DNRC	Toston Dam	7,200	10

Additional hydroelectric facilities in the Upper Missouri Planning Basin include Turnbull Project which generates 13 MW of electricity from irrigation canals in the Greenfield Irrigation District, and a 7.5 MW generating facility at Tiber Reservoir.

The Yellowstone Planning Basin’s contains two hydroelectric facilities of significant size. The U.S. Bureau of Reclamation’s Yellowtail Dam on the Big Horn River has a storage capacity of 1,381,189 acre-feet with a generation capacity of 250 megawatts. PPL Montana operates Mystic Lake Dam a two-unit hydroelectric plant on the West Rosebud Creek in the Beartooth Mountains with a generating capacity of 12 megawatts. The reservoir behind the dam has a storage capacity of 21,000 acre feet.

Hydroelectric generation in the Lower Missouri Planning Basin is dominated by the U.S. Army Corps of Engineers Fort Peck Dam. The facility’s five generators have a combined generation capacity of 185.25 megawatts. Ft Peck Reservoir has a storage capacity of 18,463, 000 acre-feet making it the fifth largest man-made lake in the U.S.

Instream Flow Rights

Montana's rivers are well known for their outdoor recreational opportunities and for world-class fisheries. As a result, non-consumptive water rights, which keep water instream to protect fisheries, are fairly widespread. FWP also holds a number of pre-1973 instream flow rights for recreation.

Murphy Rights

In 1969, Murphy rights were approved by the Legislature for 12 of Montana's Blue Ribbon trout streams. These rights have a December 1970 priority date and provide instream flow protection to the following rivers against additional consumptive water use: Madison, Gallatin, Missouri, Smith, Big Spring Creek, Blackfoot, Flathead, West Gallatin, Rock Creek, Yellowstone, Middle Fork Flathead, and South Fork Flathead. Murphy Rights are named after Representative Jim Murphy of Kalispell who sponsored the legislation.

Recreational Water Rights

Recreational water rights are held by FWP to maintain instream flows necessary for public recreational uses. In the Clark Fork and Kootenai Basins, these rights are limited to the Bitterroot River and several lakes in the Clearwater and Blackfoot drainages.

In the Upper Missouri River Basin, FWP holds a public recreation claim for 200 cfs in the Beaverhead River from Grasshopper Creek to Clark Canyon Dam, as well as a fish and wildlife claim for 25 cfs from Clark Canyon downstream to the confluence with the Big Hole River. These claims are relatively junior, with priority dates of August 29, 1964, and February 31, 1961, respectively. FWP also holds a year-round public recreation claim for 1,946,624 acre feet in Canyon Ferry Reservoir with a priority date of May 24, 1949.

Water Reservations

In 1992, FWP was granted water reservations for minimum instream flows for 245 streams or stream reaches in the Upper Missouri River Basin. The reservations are intended to provide some protection to fisheries values, and they have a priority date of July 1, 1985. FWP was granted similar flows for 13 streams in the Lower Missouri River Basin. A complete summary of all FWP instream flow reservations in the Upper and Lower Missouri River Basins is presented in the individual Basin Reports.

The Bureau of Land Management (BLM) has instream flow reservations for 31 smaller streams on BLM lands in the Missouri River headwaters. A summary of BLM reservations is presented in the Basin Reports. These reservations, which include year-round minimum flows and peak discharges for stream channel maintenance, also have a July 1, 1985, priority date.

In 1979, the Yellowstone River Reservations process reserved FWP instream flow rights for a large number of streams in the Yellowstone Basin. These reservations vary by month, generally following seasonal flow patterns.

DEQ Water Reservations

The Montana Department of Environmental Quality (DEQ) reserved instream flows to maintain water quality on the upper Missouri and Yellowstone Rivers. For the upper Missouri River, the purpose of the reservation is to dilute naturally occurring arsenic, which primarily originates from geothermal springs in Yellowstone National Park. The reservations are for one-half the average annual flow of the Missouri River at four locations as summarized in the Basin Reports, and have a July 1, 1985, priority. For the Yellowstone River, the DEQ reservations are for the 80th percentile of monthly flows less depletions from other reservations evaluated at Livingston, Billings, Miles City, and Sidney. The DEQ reservations run concurrently with the FWP instream flow reservations

Federal Water Rights Compacts

U.S. Department of the Interior, Bureau of Land Management (BLM)

An agreement between Montana and the BLM quantifies instream flow rights for the Bear Trap Canyon Public Recreation area, the Upper Missouri National Wild and Scenic River (UMNWSR) and the Upper Missouri River Breaks National Monument. For Bear Trap Canyon below Madison Dam, BLM has a priority date of June 9, 1971, for a flow of

1,100 cfs year-round. The UMNWSR water right is for the amount of river flow remaining instream after satisfying all appropriations earlier than December 31, 1987. Additional depletions are specified by month, and small domestic and stock wells, lawn and garden, and instream stock uses are also allowed without counting against the totals. The Upper Missouri River Breaks National Monument compact subordinates the United States' 2001 priority date to June 1, 2012, quantifies an instream flow right of 160 cfs and 5 cfs in the Judith River and Arrow Creek respectively, institutes an on-stream impoundment limitation, and requires ramping of large new diversions.

U.S. Department of Agriculture Forest Service

This compact between Montana and the Forest Service was approved by the Montana Legislature and approved by the Governor in 2007. The compact recognizes federal reserved water rights for the Forest Service for administrative and emergency firefighting, and for instream flows for the South Fork Flathead Wild and Scenic River. The compact also provides a mechanism for the Forest Service to apply for new state based instream flow reservations on Forest Service land.

U.S. Department of the Interior Fish and Wildlife Service

A compact between the US Fish and Wildlife Service (FWS) and the state settles rights for the Charles M. Russell, Black Coulee, Benton Lake, and Bowdoin national wildlife refuges. The Charles M. Russell refuge almost entirely surrounds Fort Peck Reservoir and includes many small tributaries. The compact recognizes instream base flow rights of ½ cfs or 1 cfs in 68 named streams draining into the refuge to benefit stock, wildlife, and wildlife habitat. The compact also reserves an instream right of 70 cfs for the Musselshell River where the river enters the refuge. These rights run concurrently with the FWP rights of the same magnitude, and have a priority date of 2013.

United States National Park Service

A compact between Montana and the National Park Service executed on January 31, 1994 established instream flow rights associated with Yellowstone and Glacier National Parks, Big Hole Battlefield, Little Bighorn Battlefield National Monument, and Bighorn Canyon National Recreation Area. These instream flow rights are tailored to the unique character of these areas, but typically include instream flows on streams where they flow within or form the boundary to Park Service lands. The compact allows for a certain level of consumptive use to which the United States agrees to subordinate its reserved instream flow water right.





EFFECT OF FREQUENT DROUGHT ON THE AVAILABILITY OF FUTURE WATER SUPPLIES

Effects of drought on future water supplies

The effect of drought on future surface water supplies depends on duration, geographic extent, and the mitigating effects of reservoir and groundwater storage. Droughts vary in duration from one to several years and may be continuous or interrupted by normal or high water years. They may be localized or may affect broad areas. Water supplies in basins with reservoir storage are buffered from the effects of drought, yet even in basins with significant reservoir storage capacity prolonged drought can disrupt water deliveries.

Drought also reduces the quantity of water available to recharge groundwater. This effect lowers the groundwater levels that support base flows in streams and rivers during dry years. Once depleted during an extended drought, groundwater may take years to recover to normal levels. Intact floodplains and healthy riparian areas slow runoff, promote groundwater recharge, and hasten recovery of groundwater storage following drought.

Records from droughts in the 1930s, 1980s, and 2000s provide points of reference of the potential effects of drought on water supplies. For example, streamflow data from the gaging station on the Madison River near West Yellowstone in Figure 16 illustrates the differences between average monthly flows during the 1930s and 2000s droughts. Overall, the river produced about 15 percent less water, with greater impacts to base flows, during the 1930s than it did during the more recent drought.

MADISON RIVER NEAR WEST YELLOWSTONE
COMPARISON OF FLOW DURING 1930s DROUGHT TO RECENT DROUGHT

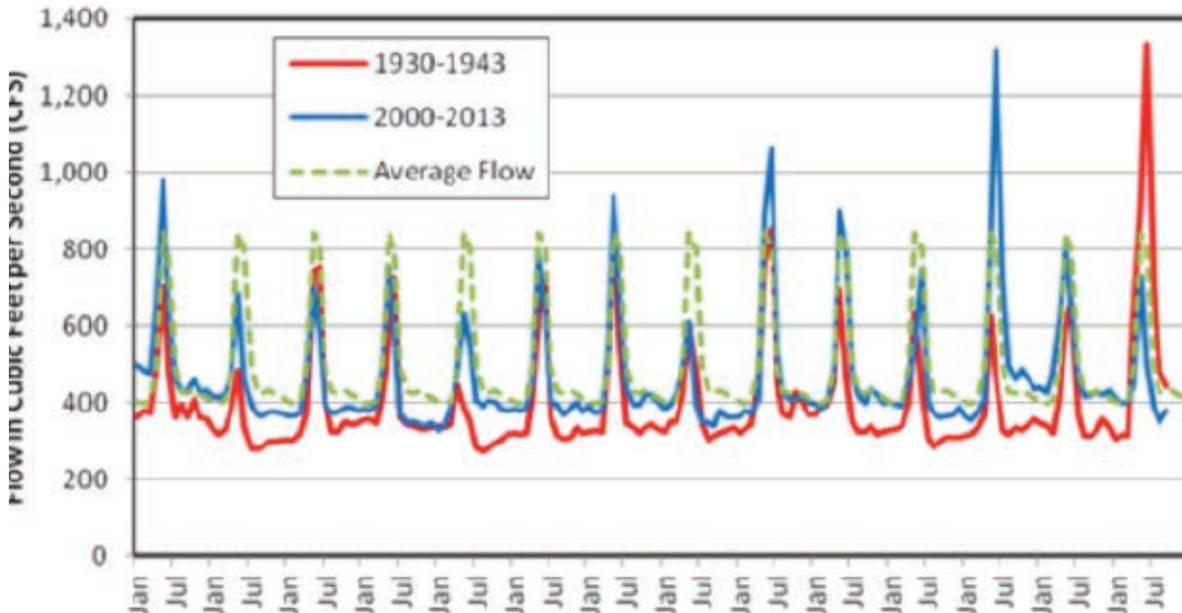


Figure 16: Comparison of monthly flows for the Madison River near West Yellowstone: Average flow versus droughts of the 1930s and 2000s

MODELED CANYON FERRY RESERVOIR CONTENTS

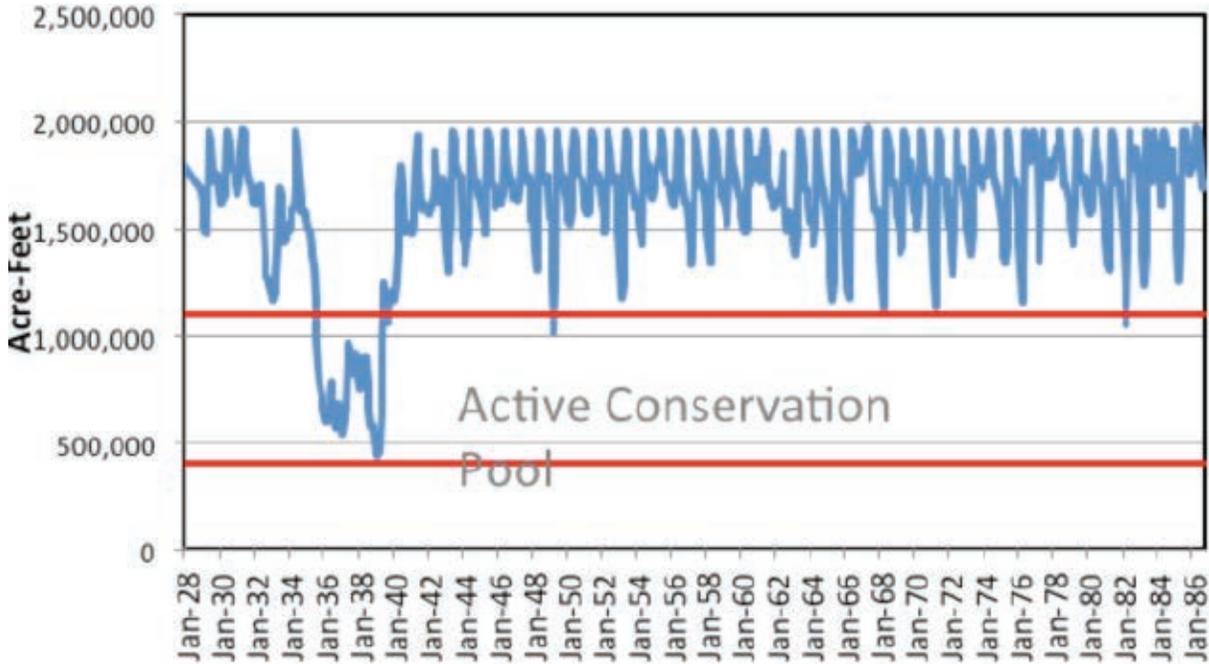


Figure 17: Modeled Canyon Ferry Reservoir Contents from Dolan and Deluca (1993)

Reservoir storage can mitigate the effects of drought, but even large reservoirs cannot fully compensate for a prolonged, severe drought. As an example, consider Canyon Ferry Reservoir, which was not completed until 1954. Computer modeling can simulate how the reservoir might have performed had it been in place during the 1930s drought. Figure 17 is a graph of simulated Canyon Ferry Reservoir contents for the 1928-1985 period based on the DNRC Missouri Basin Model developed in 1993 (Dolan and Deluca, 1993). The simulation shows reservoir contents dropping to near the bottom of the active reservoir conservation pool during the drought. Under this simulation, the reservoir was modeled to attempt to maintain current levels of downstream hydroelectric production. It is possible, or perhaps even

FRESNO RESERVOIR STORAGE CONTENTS 1980-1989

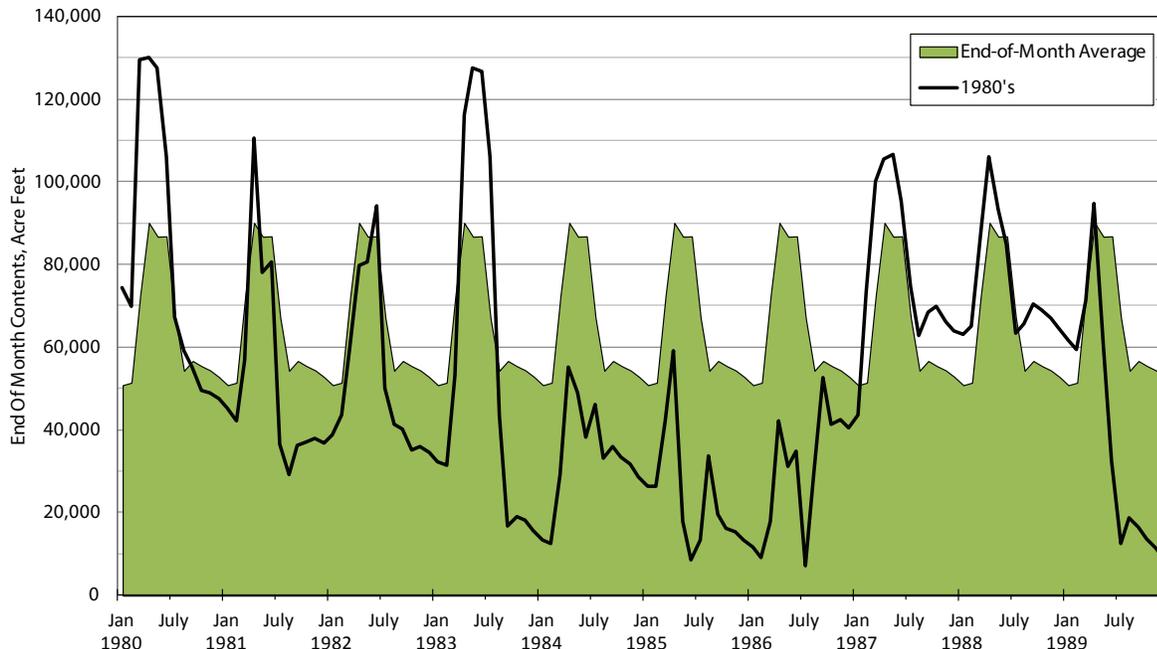


Figure 18: Fresno Reservoir stored contents, 1980 through 1989

HYDROGRAPH FOR WELL (GWIC# 1575) PRECIPITATION DEPARTURE FROM ROUNDUP

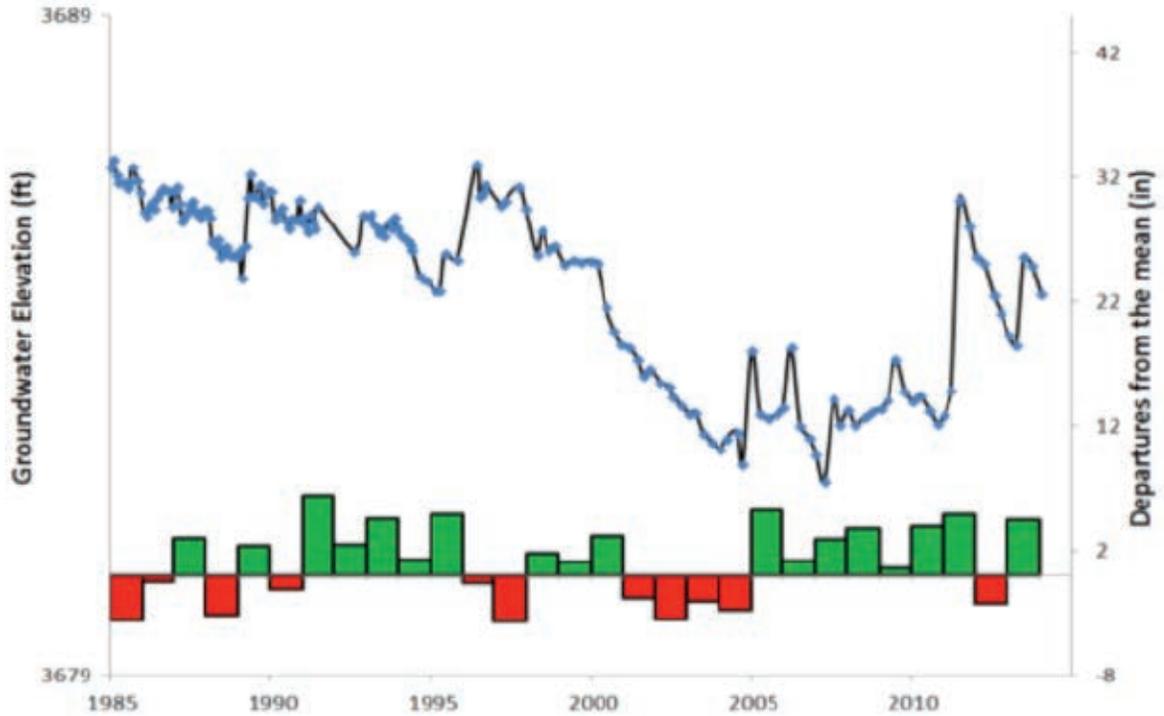


Figure 19: Groundwater levels in a well near Roundup showing the effect of the 2000s drought

probable, that U.S. Bureau of Reclamation would modify its operations of the reservoir under these extreme circumstances to avoid such a low reservoir drawdown. Still, the simulation demonstrates that a prolonged drought of this magnitude would stretch the limits of the carry-over storage of even the largest reservoirs in the state.

The ability of the smaller reservoirs to meet demands likely would be even more constrained than Canyon Ferry. Figure 18 shows the monthly storage record for Fresno Reservoir for the 1980's compared to the historic average storage pattern. Storage deficits can be seen in the early 1980's mainly during August through February and worsening in the mid 1980's as the drought progressed.

Groundwater sensitivity to drought varies with the ability of an aquifer to transmit and store water, proximity to recharge sources such as surface water, and depth. A graph of groundwater levels in a monitoring well (GWIC#1575) in the Fort Union Formation near Roundup shows water levels falling approximately 6 feet from 1981 to 2006 and rising 4 feet following the 2000s drought. The Fort Union formation is an important source of springs that ranchers depend on for watering stock. Declining groundwater levels can reduce flows from these springs and force ranchers to find other sources of stock water. Declining groundwater levels also result in reduced base flow to rivers and streams which will further reduce the amount of water available to meet competing demands.

Extended periods of drought have the potential to impact every sector of Montana's economy. Given today's higher demands for water, a prolonged drought like the one that Montana experienced in the 1930's and 1980's will likely create a hardship for every water use sector in the state. Agricultural production will likely decline as there is less water available to support a larger irrigation base. Dry land farmers will also suffer from reduced rainfall. Lower river flows will reduce the output from Montana's hydroelectric dams. Low flows and higher water temperatures will stress our aquatic environment impacting Montana's ability to enjoy fishing and recreating on the state's rivers and lakes.

Effects of Climate Trends on Future Water Supplies

To forecast the effect of climate trends on future water supplies in Montana, DNRC modeled a range of climate scenarios following general procedures similar to those described in the U.S. Bureau of Reclamation (2011) West-Wide Climate Risk Assessments. Virtually all model simulations project warmer temperatures and most project modest precipitation increases. As a result of these trends, annual stream flow volumes are expected to stay the same or increase depending on the basin and model scenario, with shifts in streamflow timing (Figures 20 through 23). The timing shifts would be due to an earlier snowmelt and an increase in the rain fraction of the precipitation during the later winter and early spring. Earlier runoff is projected with December through March showing an increasing trend while late season runoff (June through November) shows a decreasing trend. The earlier shift in runoff timing is more predominant for the warmer scenario groupings. Changes in timing may have lesser effects on water use in basins with reservoirs that store spring snowmelt, which can then be released for summer irrigation. Yet reservoirs may take longer to fill, and the timing of releases may need to change to reflect reduced snowmelt and an increase in the portion of precipitation that occurs as rain.

UPPER MISSOURI RIVER BASIN MODELED MEDIAN MONTHLY FLOW

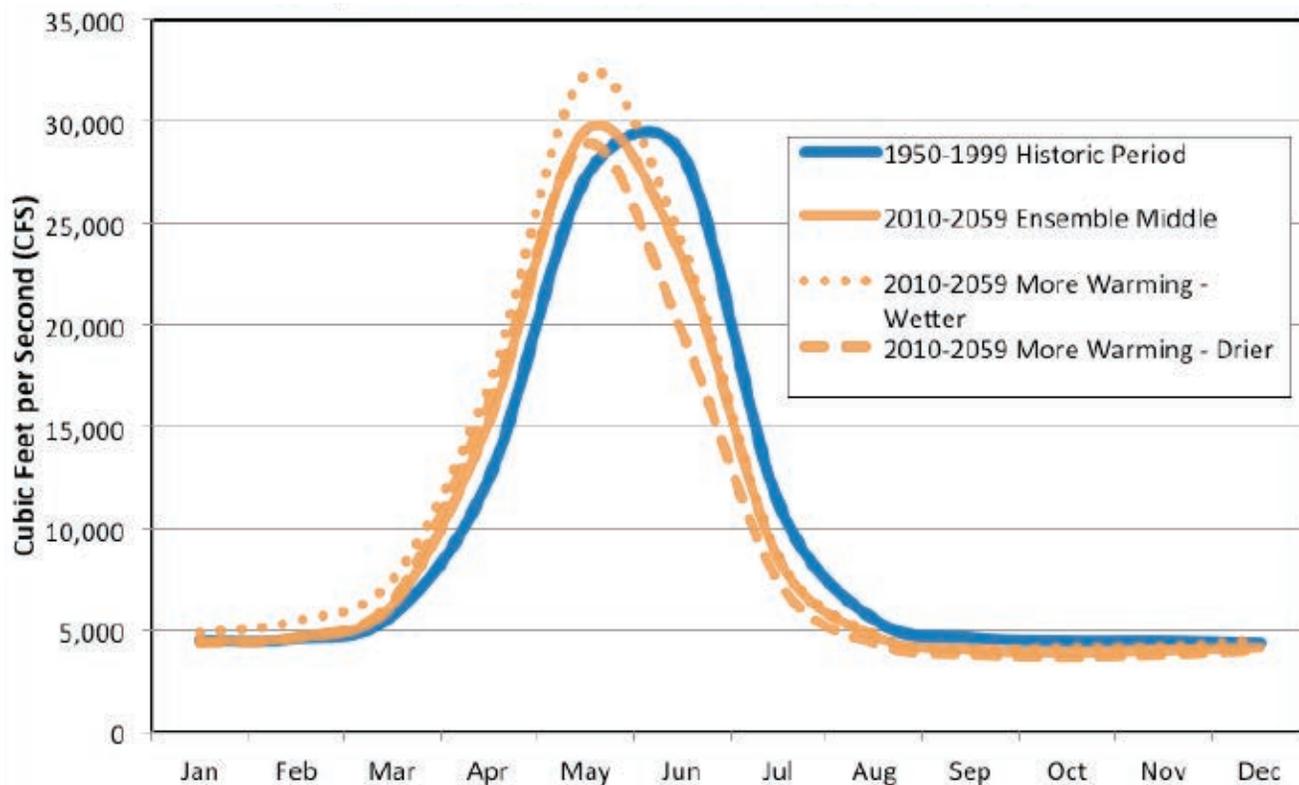


Figure 20: Modeled median monthly flow for the Missouri Headwaters under historic conditions and future climate scenarios

CLARK FORK RIVER BASIN MODELED MEDIAN MONTHLY FLOW

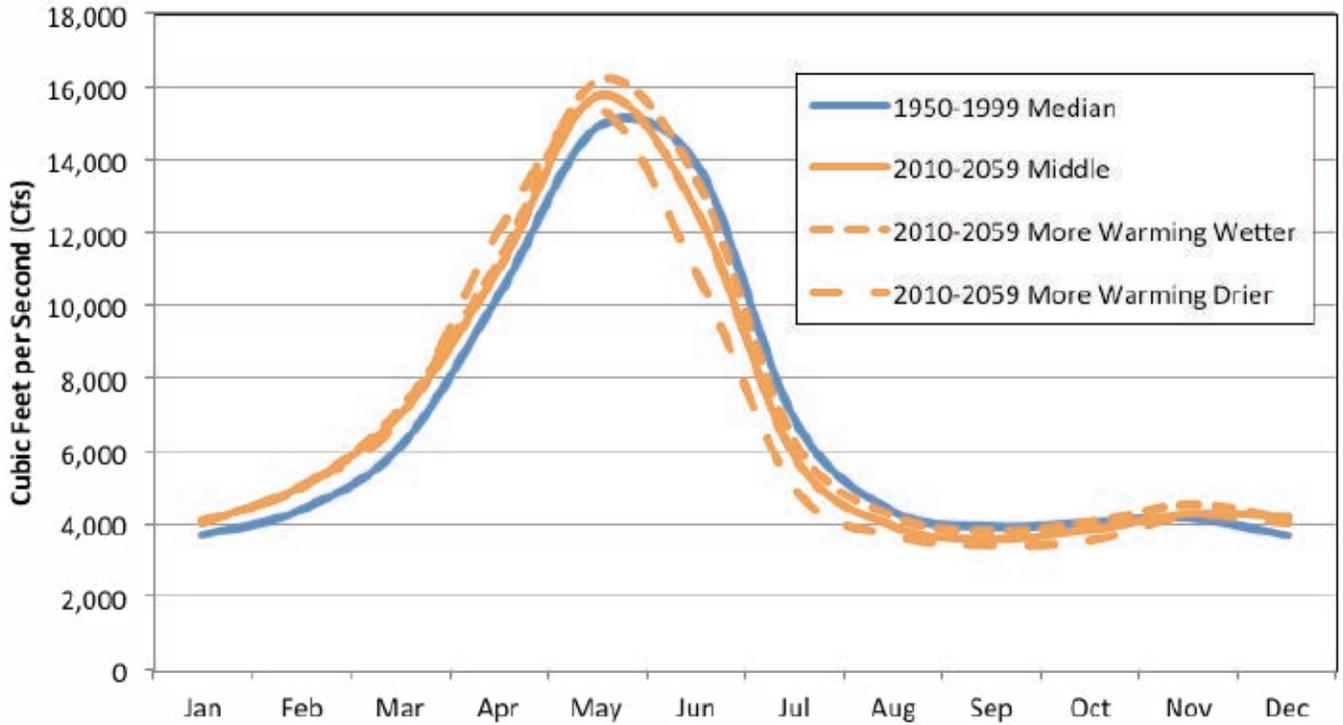


Figure 21: Modeled median monthly flow for the Clark Fork River below Missoula under historic conditions and future climate scenarios

MUSSELSHELL RIVER AT FORT PECK RESERVOIR MODELED MEDIAN FLOW

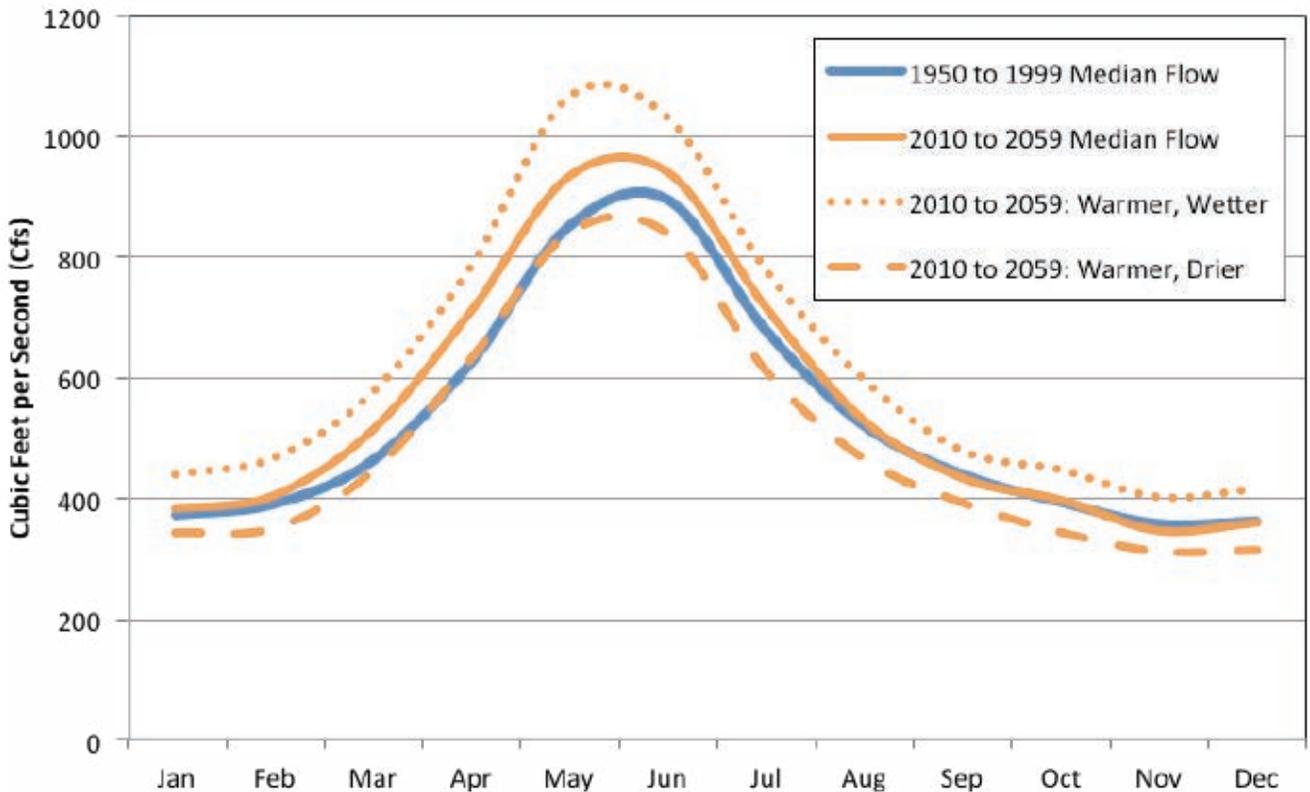


Figure 22: Modeled median monthly flow for the Musselshell River at Fort Peck Reservoir under historic conditions and future climate scenarios

YELLOWSTONE RIVER AT BILLINGS MODELED MONTHLY MEDIAN FLOW

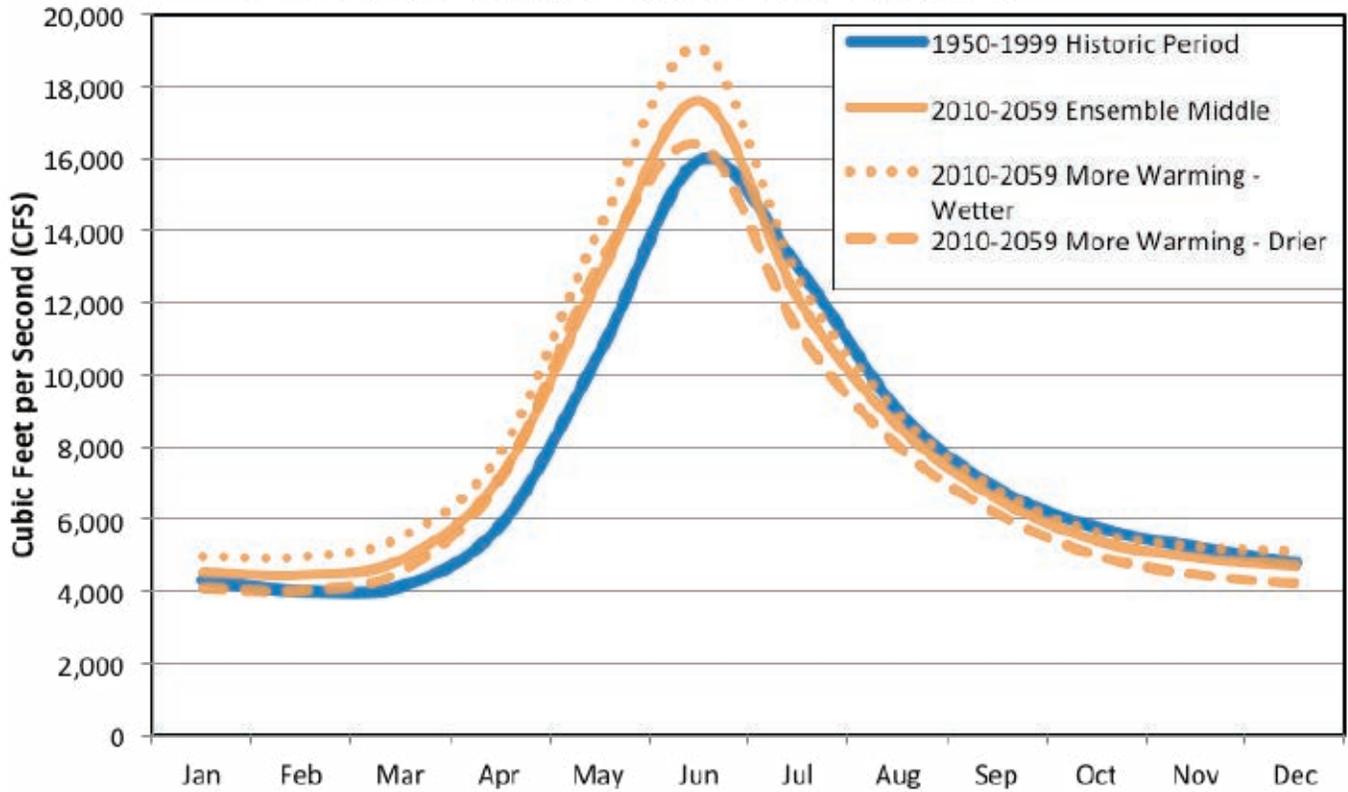


Figure 23: Modeled median monthly flow for the Yellowstone River at Billings under historic conditions and future climate scenarios





POTENTIAL FUTURE DEMANDS FOR WATER IN MONTANA

The primary purpose of water resource planning is to examine the variables that may affect future supply and demand, and to develop strategies and tools for meeting demands while protecting existing beneficial uses. Demand for water is a function of many factors that are inherently uncertain. Population may grow or decline and agriculture and industry may demand more water or make do with less through greater efficiency. Changing and variable climatic conditions compound this uncertainty. DNRC considered these and other variables in developing the following projections, but bear in mind that they are just that: projections. They do not account for large shifts in population or agricultural water use, or the emergence of a water-intensive industry.

Agricultural Demand Projections

Agricultural irrigation is the largest consumer of water in Montana; consequently, any change in irrigation demand has the largest potential to impact water supplies. Changes in the demand for irrigation water over the next two decades are most likely to arise from acreage being added or removed from irrigation service. While the feasibility of developing irrigation on previously non-irrigated acreage may be low, the potential for expanded irrigation is possible. On the other hand, agricultural land in some parts of the state may convert to residential and municipal use, possibly shifting demand for water and affecting return flows and aquifer recharge.

DNRC considered two scenarios for irrigation development on lands identified through the water reservation process conducted in the late 1970' and early 1990's in the Missouri and Yellowstone basins. One scenario is based on the projection of historical development trends and the other scenario is based on full development of the reservations.

The water reservation processes in the Missouri and Yellowstone basins included substantial efforts to identify potential irrigation projects that were vetted based on project feasibility and were considered to be the most likely lands for future expansion of irrigation. Volumes of water granted through reservations totaled: 548,186 acre-feet with priority dates of 1979 in the Yellowstone Basin; 256,994 acre-feet for the Lower Missouri Basin with priority dates of either 1992 or 1994; and 51,579 acre-feet for a conservation district in the Upper Missouri Basin with a priority date of 1992. Overall, reservations for nearly 857,000 acre-feet were granted to conservation districts in the two basins.

As of 2013, 128,000 acre-feet (15 percent of the volume) of the water reserved for irrigation in those three basins was put to use. Extrapolating the allocation trends for each conservation district through 2035 would result in an additional 106,000 acre-feet diverted to serve 57,000 new acres under irrigation, consuming an additional 85,000 acre-feet (Table 4). Demand for irrigation water may increase in particular locations of the Clark Fork and Kootenai Basins, but recent trends suggest that appreciable expansion of irrigated acres is unlikely west of the Continental Divide.

Table 4: Projected new irrigated acreage and agricultural demand for CD water reservations (2035)

Planning Basin	Acres	Withdrawal (AF)	Consumption (AF)
Clark Fork / Kootenai*	0	0	0
Yellowstone	36,652	68,723	54,978
Lower Missouri	17,614	33,027	26,422
Upper Missouri	2,299	4,311	3,449
Total	56,565	106,061	84,849

* There are no water reservations in the Clark Fork or Kootenai basins

Full development of conservation district reservations on all lands identified through the reservation process would result in approximately an additional 653,000 acre-feet of water diverted to serve 350,000 new acres under irrigation, consuming an additional 523,000 acre-feet (Table 5). The reservation process assumed new irrigation projects would be served by center pivots and assumed the projects would have zero conveyance loss. Consequently, the estimates in Tables 4 and 5 include a much higher overall efficiency than the statewide average of less than 30 percent. The projected amount of water diverted under the full development scenario is less than the 857,000 acre-feet reserved because of acreage limitations in the reservations and the assumed high level of project efficiency.

Any hypothetical decline in irrigation demand on acreage that is displaced by municipal and residential development would be offset to some degree by the increase in demand for water for those new uses. More importantly, any water not diverted for irrigation of displaced lands would likely be diverted by other irrigators in water-short basins and would result in no decline in irrigation demand and potentially an overall increase in consumption.

Table 5: *New irrigated acreage at full build out of conservation district water reservations*

Planning Basin	Acres	Withdrawal (AF)	Consumption (AF)
Clark Fork / Kootenai*	0	0	0
Yellowstone	254,537	477,256	381,805
Lower Missouri	75,428	141,428	113,143
Upper Missouri	18,675	35,015	28,012
Total	348,640	653,999	522,960

* *There are no water reservations in the Clark Fork or Kootenai basins*

There are many potential effects of a changing climate on irrigated agriculture in Montana. Evapotranspiration, the consumption of water by plants, on current irrigated acreage is expected to increase if warmer conditions prevail in the future. The upper range of the projected increase in evapotranspiration is 2.6 inches (16 percent), and the median increase is 0.5 inch (3.1 percent). Applied to the scenarios of increased irrigated acreage, increased evapotranspiration could result in additional demands for irrigation ranging from a slight increase of 3,500 acre-feet under the base acreage scenario and median increase in evapotranspiration to an increase of 113,000 acre-feet under full development of the water reservations and the maximum modeled increase in evapotranspiration.

Municipal, Domestic, Industrial, and Instream Flow Demand Projections

Montana's population is likely to continue growing along with demand for water to meet municipal and domestic purposes. If statewide population continues to grow at the same rate as seen from 1990 to 2010 (based on census data), Montana will have 302,923 additional residents by 2035 and a total population of 2 million by 2077. (Computer modeling by the Montana Department of Commerce projects statewide population growth rates of about half those based on census data.)

More than 80 percent of the projected growth is expected to occur in the watersheds associated with Billings, Missoula, Kalispell, Bozeman, Butte-Silver Bow, Helena, and Great Falls. In roughly half the watersheds in the state, population would be stable or decline. Future demands on municipal water supplies will be concentrated in the high-growth watersheds, but water use is also expected to increase in areas not served by public water supplies.

If the population growth rates based on census data continue, DNRC estimates that by 2035 demand for public water supplies and self-supplied domestic water will increase by 73,499 acre-feet, with 28,792 acre-feet consumed statewide over current withdrawal of 198,000 acre-feet and consumption of 86,000 acre-feet (Table 6).

Table 6: Projected increases in withdrawal and consumption for domestic use in 2035

Planning Basin	Public Water Supply (AF)		Self-Supplied Domestic (AF)	
	Withdrawals	Consumption	Withdrawals	Consumption
Clark Fork / Kootenai	27,756	10,270	6,257	3,129
Yellowstone	12,323	4,559	1,749	875
Lower Missouri	368	136	69	34
Upper Missouri	20,774	7,686	4,204	2,102
Total	61,221	22,651	12,279	6,140

Municipal water suppliers may need to increase their delivery capacity and new public water supply systems may be constructed. Unless laws change regarding exempt wells, the proliferation of self-supplied domestic wells will likely continue as rural populations expand, primarily in the state's western valleys.

Water demands for construction and other urban industrial water uses generally are expected to grow in proportion to population and are reflected in projections of future water demands for public water supplies. Other industrial uses, such as fracking for oil and gas extraction, potential coal-to-liquid (CTL) fuel facilities, and mining, are not served by public water supplies and do not follow predictable trends.

Demand for instream flow and recreation takes many forms including flat water and stream fisheries, aquatic habitat including wetlands, boating and wildlife. Population growth, demographic trends, trends in hunting and fishing license sales, and the potential for endangered species listing all may affect the magnitude and regional pattern of demand for instream flows.



OPTIONS FOR MEETING FUTURE WATER DEMANDS

Opportunities, Strategies, and Tools

Unallocated Water

The following information on sources of water that may be available for new appropriations is summarized from more detailed information provided in individual basin reports. Overall, the availability of water for new appropriations varies across the state and is subject to both physical water availability and existing legal demands (Table 7). Many of the basins located in the western third of the state are generally closed to new surface water appropriations. Exceptions may be available for various consumptive and non-consumptive uses depending upon the closure. Applications for new groundwater uses are not prohibited in closed basins, but they generally require reallocating water from an existing surface water or groundwater use through a mitigation or aquifer recharge plan. Options have increased in recent years to facilitate mitigation and mitigation banking as explained below.

Opportunities for new appropriations for surface water or hydraulically connected groundwater may also be limited outside closed basins because of irrigation claims, hydroelectric rights, or instream water rights for fisheries. Exceptions include the Yellowstone River downstream of the Bighorn River, the Missouri River downstream of Morony Dam, the Kootenai River, and intermittent and ephemeral drainages in eastern Montana. Surface water is available seasonally or on limited reaches of other streams. The potential for new appropriations of groundwater from aquifers that are hydraulically connected to surface water is typically limited by the legal availability of flows in the connected surface water source.

Table 7: General availability of surface water and connected groundwater for new appropriation

Basin	Limitations on New Appropriations
Clark Fork / Kootenai	Basin closures in the Bitterroot, Upper Clark Fork, and several smaller sub-basins limit appropriations to surface water exceptions and groundwater subject to 85-2-360, MCA. Hydroelectric rights at Noxon and Kerr dams limit new appropriations; instream flow rights for fisheries and recreation limit new appropriations in the Bitterroot, Rock Creek, Blackfoot, Middle Fork and North Fork Flathead, Tobacco, and several smaller tributaries
Lower Missouri	Basin closures on the Milk and its southern tributaries, and the Musselshell limit appropriations to groundwater subject to 85-2-360, MCA and surface water for small domestic and stock uses (southern tributaries). Compact closures limit appropriations on Big Sandy Creek, Beaver Creek, Sage Creek, Cut Bank Creek, Frenchman Creek, Poplar River, Porcupine Creek, Rock Creek Whitewater Creek, Big Muddy Creek, Milk River, and tributaries to Fort Peck Reservoir. Irrigation diversions limit new appropriations on the specific reaches of the Judith River, Big Spring Creek, Warm Spring Creek, Arrow Creek, and Flatwillow Creek. New appropriations are possible on intermittent and ephemeral tributaries, the Missouri River, and Fort Peck Reservoir.
Upper Missouri	Basin closures on the Missouri and its tributaries including the Teton, Sun, Smith, Jefferson, Madison, Gallatin, Boulder, Beaverhead, Big Hole, Ruby and Red Rock rivers limit appropriations to exceptions including groundwater subject to 85-2-360, MCA. Hydroelectric rights at Great Falls and throughout the Upper Missouri limit new appropriations of all types. New appropriations are possible from the Marias during early irrigation season. Lower Marias flows are regulated by Tiber for instream flows and existing diversions.
Yellowstone	A basin closure on Rock Creek for the irrigation season limit appropriations of surface water to exceptions including groundwater subject to 85-2-360, MCA. Compact closures limit appropriations in the Bighorn, Little Bighorn, Pryor and Rosebud sub-basins. Water may be available from conservation district reservations downstream of the mouth of the Bighorn River. No permits have been issued on the Powder, Tongue, and Big Porcupine since 1995. New appropriations may be available from the Yellowstone above Billings. New appropriations may be possible at selected times including during high spring flows on the Shields River.

Changes in Use – Reallocation of Water for New Uses

The place of use, point of diversion, purpose of use, and place of storage are all elements of an existing water right that may be changed upon proof that the proposed change will not cause adverse effect to other water users. The Water Use Act also includes special provisions for changes for aquifer recharge and mitigation, temporary changes, and temporary leases. These provisions provide water marketing opportunities along with the ability to permanently or temporarily reallocate water for future needs.

Water Use Changes

Under a change authorization a water user may permanently reallocate water to a new purpose while preserving the priority date for the underlying water right. Because a change is doing something new on a source and other water rights exist on that source, a change in use is limited to the historic period of diversion, historic diverted volume, and historic consumptive use (collectively referred to as historic use). These limitations are important to ensure that a proposed change will not adversely affect other water users on the source. Increases in the amount of consumption or changes in the pattern of use from the historic use of the water right can affect other water right holders who depend on that historic pattern of use and amount in making their own use of water. One person's return flow is another's supply. Therefore, the historic use analysis also looks at the timing and location of return flows.

Over the past 40 years, the DNRC has developed an extensive set of data and rules to assist water users in identifying relevant evidence to establish the parameters of historic use. However, potential adverse effects to other water users is often a limiting factor in the ability to change a water right.

A traditional change is an effective means of permanently reallocating water to a new use. Permanent changes also provide a means for mitigating new groundwater uses that deplete surface water and potentially cause adverse effect on over appropriated surface water sources and in closed basins. Changes for mitigation require identification of the specific water right for which mitigation is being provided. The applicant is typically required to demonstrate that the water right being changed will provide sufficient water in timing, location and amount to mitigate potential adverse effect either by leaving the water instream or through use of aquifer recharge.

Mitigation and Aquifer Recharge

In 2011, the Montana Legislature adopted an innovative approach to facilitate the reallocation of existing water rights for the purpose of mitigation or aquifer recharge to allow new uses of water in water short areas. Water for mitigation or aquifer recharge is used to offset depletions to surface water sources from new groundwater wells. Unlike the traditional change process discussed above, the new approach enables a water user to prospectively change all or a portion of a water right to mitigation and have that mitigation water available for lease or sale to applicants seeking new water rights from the DNRC. This process is similar to a water bank for mitigation uses. This new statutory tool provides greater predictability for new water users who need to mitigate depletions from a proposed use and provides existing water users with the opportunity to market water while preserving their existing use.

Temporary Changes

A water user may temporarily change a water right with DNRC approval pursuant to § 85-2-407 and 408, MCA. A temporary change may be approved for up to 10 years, with an opportunity to renew for 10 more years, and there is no limit on the number of renewals. The water user must identify the proposed change and how long it will be needed, as well as meet other criteria. If granted, the temporarily changed appropriation has the same priority date as the existing water right. Unlike a permanent change, temporary changes automatically revert to the original use at the expiration of the term. Therefore, they can be an effective method for providing water for temporary or short term needs.

Temporary changes and leases pursuant to § 85-2-408 and 436, MCA, provide the only means for a private water user and FWP to maintain or enhance instream flows to benefit the fishery resource.

Temporary Leases

In 2013, the Montana Legislature adopted §85-2-427, MCA, which provides the opportunity to lease a water right for 2 years within a 10 year period. While the volume of water that may be leased is limited to 180 acre-feet per year, the statute provides a simplified and faster procedure. This new statutory tool enables water to be temporarily reallocated to serve short term needs and provides existing water users with the opportunity to market water while preserving their existing use.

Salvage Water

Pursuant to §85-2-419, MCA, a water user may retain the right to the beneficial use of water “salvaged” by implementing a water-saving method that reduces consumption. However, the right to the use of salvage water for any purpose or in any place other than that associated with the original water right requires prior authorization by the DNRC and is subject to the change provisions of §85-2-402, MCA. In practice, water users have had limited success in proving the existence of salvaged water and lack of adverse effect to other water users due to the fact that many efficiency improvements result in increased consumption or otherwise alter conditions on the source relied upon by other water users.

Opportunities for Research and Investment

The reallocation of existing water rights to new uses will require (1) improved methods for calculating historical consumptive use and (2) expanded stream gaging to measure the available supply and evaluate physical and legal availability of water for appropriation.

DNRC calculates historical consumption use associated with pre-1973 water right claims from various sources of information. Historically irrigated acres are derived from water resource survey maps, historical aerial photography, and affidavits from water users. Consumptive water use is then calculated by applying standard engineering equations on crop water demands to county level agricultural statistics. Given the site specific nature of irrigation practices and crop water needs, the use of county level agricultural data may over estimate consumption in some cases and under estimate consumption in others.

More accurate methods of determining consumptive use are needed as competition increases for limited water supplies and the knowledge of irrigation practices used prior to 1973 fades with time. Advances in the development of computer modeling software to calculate water consumed by crops using commercially available information generated from NASA’s Landsat Program provide an opportunity for Montana to bring a higher degree of accuracy to the water right change process.

Opportunities for Storing Spring Runoff

Basins with Hydrology that Could Potentially Support New Storage

The hydrology of streams in Montana, particularly in mountainous areas, might be suitable for new traditional storage because much of the annual flow volume in Montana is produced during the relatively short spring-runoff period. Water is potentially available for storage during runoff when water supply conditions meet or exceed median conditions and where existing storage capacity is small relative to the total volumes of water produced annually in the watershed. As an illustration, Figure 24 depicts median daily flows for the Missouri River near Toston, including simplified delineations of when water might be stored and again released to ease shortages. Canyon Ferry Reservoir, downstream of Toston, regulates the flow of the Missouri River and at least partially stores, and releases water similar to this illustration.

In the Upper Missouri planning basin, existing reservoirs in the Marias, Teton, Sun, and Beaverhead basins store relatively large volumes of water when compared to the amount of water produced annually in these watersheds and, therefore may not be attractive locations for additional storage from a hydrologic standpoint. In comparison, the Gallatin and Big Hole watersheds may be more attractive from a hydrologic standpoint because the existing storage capacity is small compared to the total flow produced.

MISSOURI RIVER AT TOSTON MEDIAN DAILY FLOW

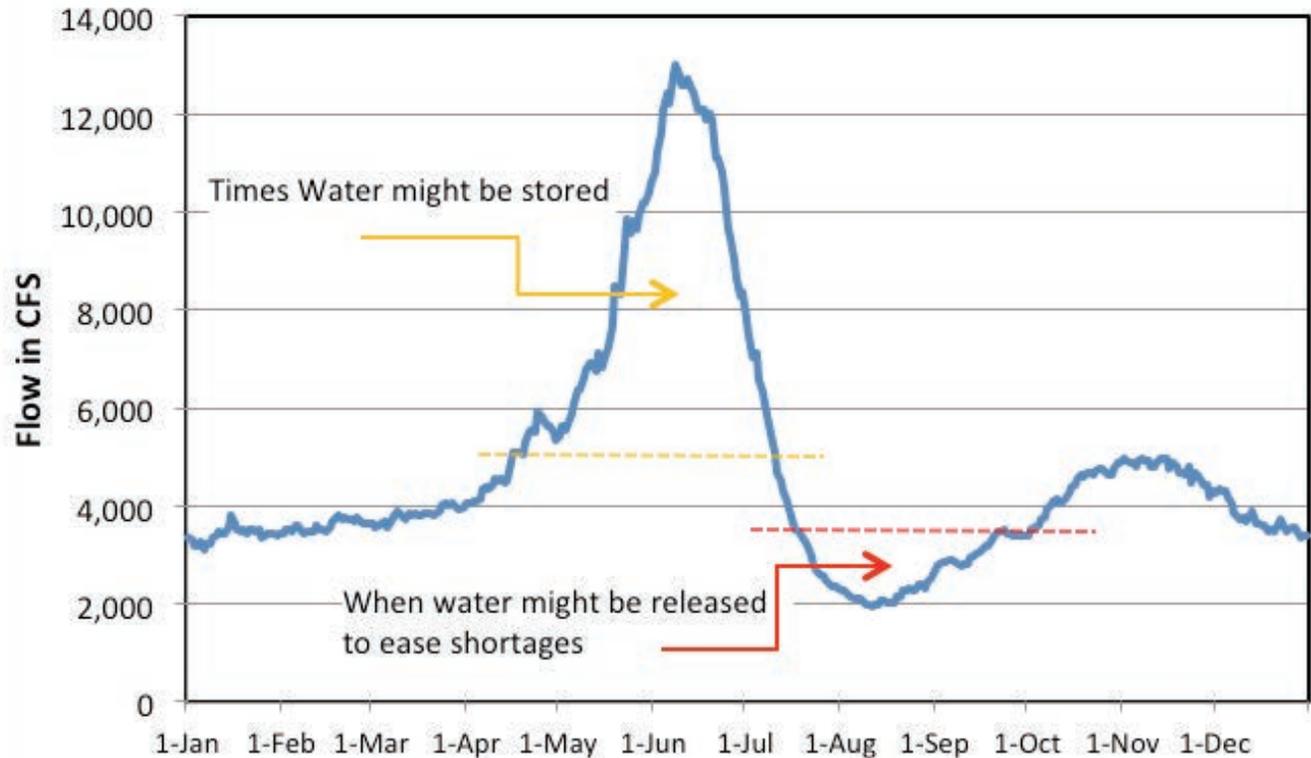


Figure 24: Median daily flow of the Missouri River at Toston depicting times of potential storage and releases

In the Clark Fork and Kootenai Basins the existing storage capacities are small compared to the total flow produced. Exceptions are the Flathead and Kootenai Rivers. The strongest demand for new or additional storage will likely be heard in the Upper Clark Fork, Bitterroot, and Blackfoot River watersheds, where demand for water is high and the water supply conditions are some of the lowest in the basin. These basins store less than 10% of the total flow. Water is potentially available for storage during runoff when water supply conditions meet or exceed median conditions.

Most eastern Montana prairie streams do not produce large water yields and are therefore not good candidates for traditional water storage. Exceptions exist, based solely upon hydrologic characteristics, on some streams draining snowpack from island mountain ranges of central Montana. Horse Creek Coulee and Flatwillow Creek are two streams in the Musselshell Basin that have been studied for potential future storage projects to provide late-season water for irrigation. These streams drain from the Big Snowy Mountains, with peak flows arriving in May.

The Judith River is another stream exhibiting flow patterns that might accommodate additional storage (Figure 25). High flows arising from the melting snowpack typically peak in late May, before the irrigation water demand. The river recedes rapidly after the peak, leaving only 5,800 acre feet of water stored in the watershed, at Ackley Lake.

Several storage alternatives were explored by the USBR on small streams arising in the Little Rocky and Bears Paw Mountains. Analysis determined that although storage projects were technically feasible on a hydrologic basis, they failed on the basis of economics.

Options for storage on the main stem of the Yellowstone River are limited by the lack of suitable dam sites and environmental concerns. The potential for storage on the Wyoming tributaries, Clarks Fork of the Yellowstone, Big Horn, Tongue and Powder River basins are limited by the lack of suitable dam sites, environmental concerns, and physical availability of water to store. The Yellowstone Water Reservations do provide water rights for three off-stream storage projects located mid-basin and north of the Yellowstone River. A 1983 U.S. Bureau of Reclamation preliminary report estimated the following firm-yields (i.e. the amount delivered every year) for the three projects: Buffalo Creek Reservoir (near Bighorn confluence with main stem) could provide 24,000 acre-feet; Starved-to-Death Creek Reservoir (north east of Forsyth) could provide 29,000 acre- feet; and Sunday Creek Reservoir (north of Miles City) 189,000 acre-feet—the latter project would involve importing water from the lower Missouri basin.

Water might be available to store in a basin during the wettest years or even moderately wet years; however, a new reservoir might not be viable if it is not able to store water during a sequence of dry years. Furthermore, storage water rights for existing reservoirs may impose a potentially significant constraint on the feasibility of new traditional storage. Streams where high spring flow could be considered available based on stream flow and local water rights, might affect the ability of downstream reservoirs to store water. For example, new storage development upstream of Canyon Ferry could encroach on Reclamations senior storage rights unless Reclamation is able to accommodate new storage, through contractual arrangements for Canyon Ferry exchange water.

Another alternative might be to enlarge an existing storage facility to accommodate a greater volume of water. Many facilities may have been potentially undersized when constructed, and based on the hydrology of their basins could store additional water if structural capacity was increased. Fresno Dam on the Milk River has been investigated for storage capacity enlargement.

JUDITH RIVER NEAR MOUTH MEDIAN DAILY FLOW

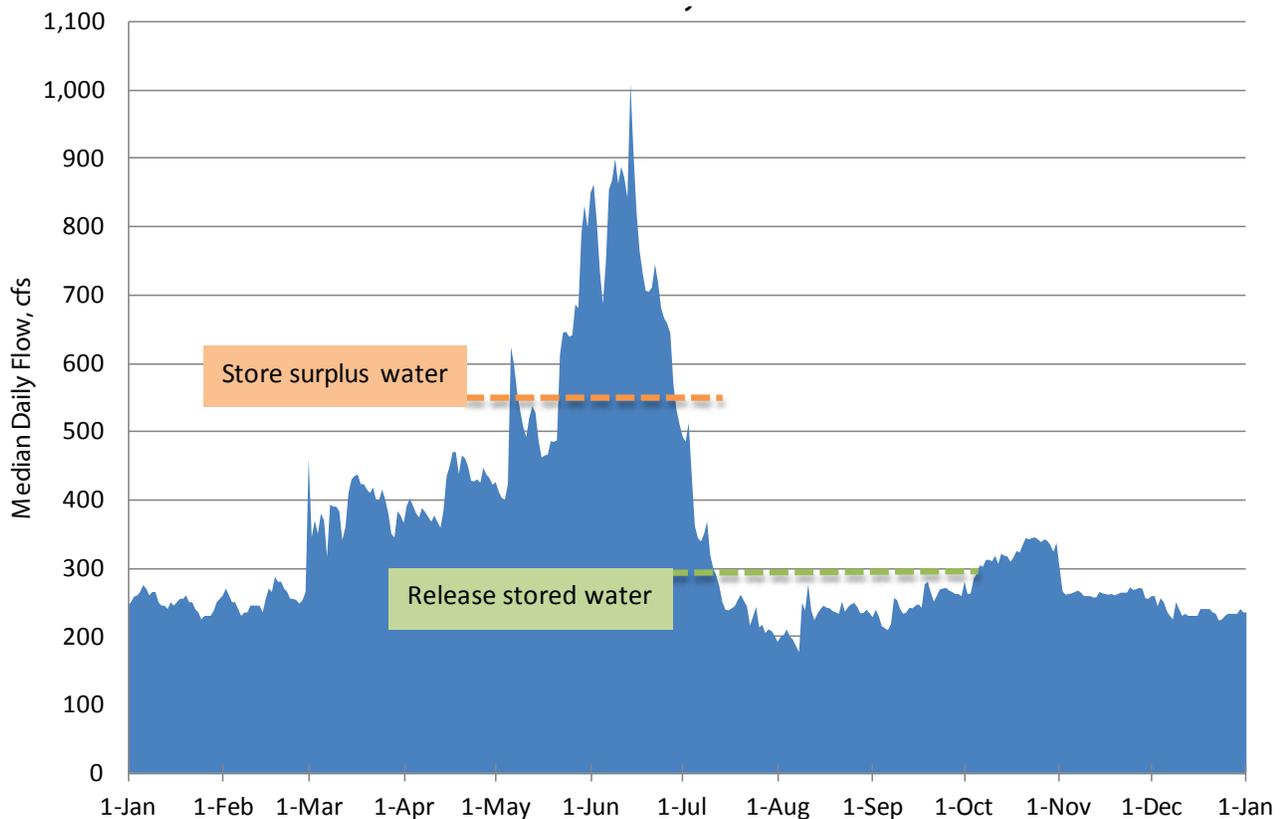


Figure 25: Median daily flow near the mouth of the Judith River depicting times of potential storage and releases

Feasibility and Constraints on Natural Storage & Retention

Floodplains with healthy riparian areas act to slow runoff and promote groundwater recharge; effectively storing water and releasing it slowly back to the surface water system. In this way, these natural systems fill a role similar to traditional reservoirs. The natural storage and retention benefits of these systems can be maintained and potentially enhanced by limiting the encroachment of urban development and impervious surfaces, controlling storm water discharge, protecting vegetation from overgrazing, minimizing stream incision and channelization, and preventing erosion through good forest and range management practices.

Artificial recharge of alluvial aquifers and floodplains may provide additional opportunities to store water when the physical supply exceeds legal demands. The groundwater flow systems in nearly all of the watersheds of western Montana and the large watersheds of eastern Montana have been substantially altered by recharge from irrigation canals and the practice of flood irrigation. Significant volumes of water from irrigation conveyance and application practices are stored in alluvial aquifers and naturally released to support late season streamflows. Water users in these watersheds have grown dependent on these late season flows. However, aquifer recharge is a consequence of the primary beneficial use of the water.

Existing irrigation infrastructure provides ready means for augmenting the recharge of shallow groundwater systems. In some areas it may be feasible to run water through these systems outside of the normal irrigation season for the purpose of recharging shallow groundwater aquifers. This activity would require a change authorization from DNRC to ensure other water users are not adversely affected.

There may also be opportunities to take advantage of the natural storage potential of shallow aquifers by diverting unallocated flows into constructed wetlands or retention basins. The feasibility of an artificial recharge project will depend on a number of factors including, but not limited to, site specific geologic conditions, and the physical and legal availability of surface water to store.





MAJOR FINDINGS AND KEY RECOMMENDATIONS

The complete recommendations for the Montana State Water Plan are set forth below. These recommendations were developed from input provided by four regional watershed basin councils, private individuals, and local, state, and federal resource managers. These recommendations are intended to guide Montana water policy and management over the near, intermediate, and long term basis.

All recommendations contained in the State Water Plan are subject to the existing institutional and legal framework for water use in Montana as provided for by the Montana Constitution, prior appropriation doctrine, and Montana Water Use Act. Full implementation of some recommendations may require the Legislature to amend the Montana Water Use Act.

WATER SUPPLY AND DEMAND

Water supply across Montana is controlled by the variability in seasonal temperature and precipitation. While the demand for water continues to grow, water availability varies from year to year and often changes dramatically within a given year. As a result, coping with supply and demand imbalances is a constant feature of water management in Montana. Ensuring an adequate supply of water to meet current beneficial uses and future demands is a theme echoed by the four Basin Advisory Councils throughout the planning process.

Steps to address these issues include:

Support Water Use Efficiency and Water Conservation

As the demand for water increases, water conservation and water use efficiency to reduce the consumption of water will play a larger role in meeting the state's future needs. Looking ahead, we must focus on innovative strategies to stretch supplies and promote water conservation while protecting against adverse effects to existing water users.

There is a general misunderstanding that when irrigators, municipalities, or other water users improve the efficiency of their water systems so that they divert or discharge less water that they are actually "saving" or conserving water. In reality, irrigation upgrades, for example, may actually increase water consumption through higher crop yields and reduced return flows relied on by other water users. Additional adverse effects may include decreased recharge of shallow groundwater. The Montana Water Use Act prohibits changes in water use that result in adverse effects to other water users on the source. Site-specific investigations, long-term monitoring and development of tools and strategies for mitigating the adverse effects from increasing efficiencies are needed to facilitate decisions on new permitting and water right change authorizations.

Free flowing wells are found throughout Montana and are a valuable asset, especially for stock water in remote areas, but left uncontrolled they can waste water and contribute to the decline of groundwater levels. Records from the Montana Ground Water Information Center (GWIC) indicate that there are more than 4,400 wells reported as "flowing" at the time of construction. With an average flow rate (of measured stock wells) of 20 gallons per minute, equipping a single well with a flow control valve can save approximately 32 acre feet per year. Monitoring by Montana Bureau of Mines and Geology indicate that water levels in the Lower Hell Creek – Fox Hills aquifer along the Yellowstone River corridor from Miles City to North Dakota have declined as much as 100 feet over the past 30 to 40 years.

Short Term Recommendations – (0-2 years)

- Support both site-specific investigations and long-term monitoring studies to quantify the effects associated with changes in irrigation methodologies and improvements to water distribution systems. These investigations will help to inform the development of water efficiency and conservation strategies that consume less water.
- Support state and federal programs that assist landowners with controlling discharge from uncontrolled flowing wells.

Intermediate Term Recommendations – (4 – 8 years)

- Support the efforts of State agencies, universities and others to identify and pursue research on innovative water management and conservation strategies that are tailored to local needs and conditions.
- DNRC will analyze the water right implications and lessons learned from the land application of treated municipal wastewater.

Long Term Recommendations (6 – 10 years)

- Support the implementation of water conservation incentives and measures that are adaptable to the needs of local conditions, individual watersheds and municipalities.
- The State of Montana should offer incentives that encourage the development of community wells as an alternative to individual wells for domestic water supplies.

Improve and Expand Efforts to Quantify Surface Water Supplies and Availability

The importance of ensuring an adequate supply of water to meet current beneficial uses and future demands is a theme echoed by the four Basin Advisory Councils throughout the planning process. Water supply across Montana is controlled by variability in seasonal temperature and precipitation as well as long-term climatic trends. While the demand for water continues to grow, physical water availability varies from year-to-year and can often change dramatically between seasons in any given year. As a result, coping with supply and demand imbalances is a constant feature of water management in Montana. While we cannot eliminate all supply and demand imbalances, Montana can improve and expand efforts to gather the best scientific information available to quantify water supplies and availability.

Short Term Recommendation (0 – 2 years)

- DNRC will work with local water users and other government agencies to conduct a basin-wide physical water availability and water management assessment in the Upper Missouri Basin. The study will assess and analyze how the basin's existing water and power operations and infrastructure will perform under different water supply scenarios. The study will also analyze the effectiveness of adaptation and mitigation strategies for meeting the challenges of supplying adequate water in the future.

Intermediate Term Recommendations (2 – 6 years)

- Build upon the lessons learned from the Upper Missouri Basin water availability and water management assessment to conduct similar studies in other basins.
- Invest in the capacity to identify and evaluate the opportunities and challenges posed by large scale forces that will influence water supply and demand over the next twenty years. Examples of large scale forces include but are not limited to: energy development, demographic shifts, the operation of federal dams and reservoirs within Montana and downstream states, treaties and compacts with neighboring states and Canada, and federal actions related to threatened and endangered species. Review and revise the assessment every 5 years.

Increase Flexibility to Manage Available Water Supplies Through Storage and Rehabilitation of Existing Infrastructure

Water storage is an important part of any integrated water resource management strategy. Water storage creates greater flexibility in managing available supplies to meet the multiple demands of agriculture, municipalities, industry, hydropower, fisheries, recreation and water quality.

The Basin Advisory Councils and the public indicated continued support for Montana's policy to actively pursue water storage projects if water storage is found to be the best solution for meeting growing needs and resolving water management challenges (85-1-703, MCA). However, traditional large-scale storage projects are expensive to plan, construct, operate and maintain. The prospect of constructing new large storage projects in Montana is severely limited by the availability of suitable locations, cost, public support, the need to mitigate environmental impacts, as well as the limited legal and physical availability of water. Smaller storage projects can improve water availability within the year,

but lacking significant carry-over storage, may not be effective tools for mitigating water-supply shortages during an extended drought. Other options to explore include retrofitting current storage infrastructure to increase the amount of water stored and modernizing outlet works to enable more efficient operation.

Another important tool for stored water management is the modification of policies and purposes governing project operations that define how and when water is stored or released, and for what purpose (e.g. irrigation, hydropower, instream flow, recreation).

Intermediate Term Recommendations (2 – 6 years)

- Work with state and federal reservoir operators to evaluate policies and purposes that consider multiple benefits and provide additional water to meet other beneficial uses if water is legally available and without jeopardizing the original authorized use of the reservoir.
- Explore opportunities to increase the storage capacity of existing state and federal reservoirs where feasible and modify infrastructure to enable more efficient operations.
- Explore the opportunities and challenges of securing contract water from federal projects such as Hungry Horse, Canyon Ferry, Tiber, Clark Canyon and Yellowtail Reservoirs to provide water for mitigating the effects of new appropriations.
- Work with the Legislature to make funding available to share in the cost of upgrading and rehabilitating existing water conveyance infrastructure. The state will work with willing stakeholders to develop public-private partnerships and innovative funding strategies for projects that cannot be completed within the state's current funding programs.
- Work with willing stakeholders to identify basins where high spring flows are physically and legally available for storage.

Long Term Recommendation (6 – 10 years)

- Work with the Legislature to make funding available to share in the cost of developing additional water storage infrastructure. The state will work with willing stakeholders to develop public-private partnerships and innovative funding strategies for projects that cannot be completed within the state's current funding programs.

Integrate Natural Storage to Benefit Water Supplies and Ecosystems

Existing natural systems, such as riparian areas, floodplains and wetlands act to slow runoff and promote groundwater recharge; effectively storing water and releasing it slowly back to the surface water system. In this way, these natural systems fill a role similar to traditional reservoirs. Artificial recharge of alluvial aquifers and floodplains may also provide additional opportunities to store water when the physical supply exceeds downstream legal demands. Integrating existing natural systems into Montana's water management practices will support late season flows, help to mitigate the impact of drought cycles, and provide environmental benefits.

Short Term Recommendations (0 – 2 years)

- DNRC will explore the water right implications of integrating natural storage and artificial aquifer recharge into Montana's water use administration.
- DNRC will work with stakeholders to identify and develop at least one pilot project to quantify the capacity and explore the water right implications of using natural storage to enhance water supplies in smaller watersheds.

Intermediate Term Recommendations (2 – 6 years)

- DNRC will work with stakeholders to investigate the feasibility, cost effectiveness, and water right implications of using the natural storage capacity of wetlands, riparian areas, or floodplains to enhance water management in a smaller watershed.
- DNRC will work with stakeholders and the Montana Bureau of Mines and Geology to investigate the feasibility and potential for using aquifer storage and recovery tools to meet local water needs. The investigation will include the geologic conditions required for aquifer storage and recovery, potential adverse effects to surface water flows, financial feasibility, and water right implications.

Support and Expand Existing Drought Preparedness and Planning Efforts

Drought is part of Montana’s natural hydrologic regime. Almost any part of the state can experience drought conditions in any given year. Climatologists can now forecast climate anomalies, such as El Nino, six to nine months in advance of onset. El Nino events have a consistent record of bringing warmer temperatures and below normal precipitation to Montana over the winter months resulting in below average water content of the mountain snowpack, an early spring runoff, and surface water shortages. Accurate forecasting of El Nino and other weather related events can provide up to a year of lead time to assist planning and to develop mitigation strategies.

Drought preparedness requires a collaborative approach within small- to medium-sized watersheds. Working together, water users and water management agencies can develop adaptive management strategies that can yield benefits to water supply, fisheries, and water quality. Adaptive management also requires effective coordination between state and federal agencies responsible for managing water supply, water quality, fisheries, and drought and water supply forecasting. Successful adaptive management is facilitated by ready access to information about stream flow, water rights, water quality and aquatic habitat.

Short Term Recommendations (0 – 2 years)

- Support the development of drought management plans in small to medium size watersheds.
- Assess potential threats to the state’s water supply and economy resulting from extended periods of drought and increased climate variability by partnering with appropriate state and federal agencies to conduct one climate risk assessment pilot study in one of the four planning basins.

Intermediate Term Recommendations (2 – 6 years)

- Support Montana University and college programs, including the Montana Climate Office, involvement in drought monitoring and forecasting in order to increase the lead-time for Montana water users and managers to prepare for times of water scarcity.
- Build upon the lessons learned from the climate risk assessment pilot identified above and conduct similar studies in the remaining basins.

WATER USE ADMINISTRATION

Historic beneficial use is the basis, measure and limit of a water right. An accurate understanding of water use is critical to Montana’s ability to protect existing water rights while meeting new demands through the water right change process or new appropriations of surface water and groundwater.

The existence of unused and overstated claims in the DNRC water rights database may hinder new development in some basins by making water legally unavailable for use. In some cases a water right may remain unused for a period of time due to economic forces. In other cases an appropriator may have filed a water right, but later abandoned their plans to put the water to a beneficial use. Water right administration needs to reflect actual demands and supply on specific sources.

The role of exempt wells in water allocation has created a level of uncertainty for senior water right holders, the development community and DNRC. Exempt wells are exempt for the water right permitting process and allow for the beneficial use of water without an analysis of adverse effect. DNRC has had two very different definitions of “combined appropriation” related to exempt wells and is currently in Montana District Court over its existing definition. The role of exempt wells in meeting Montana’s water needs will remain unclear until the courts or the legislature provide guidance on the intent of the term “combined appropriation”. Enforcement against water use without a water right or permit, water use that exceeds the limits of a water right or permit, or water use outside of priority date is also critical to the orderly management of Montana’s water resources.

Steps to address these issues include:

Complete an Accurate and Enforceable Water Rights Adjudication

Adjudication of pre-1973 water rights is critical to Montana's ability to develop strategies for meeting future demands while protecting existing water rights. The water rights adjudication process must be completed as accurately as possible to establish the priority of pre-1973 water rights.

Short Term Recommendation (0 – 2 years)

- Continue funding of both the Water Court and the DNRC efforts to complete the current adjudication process at the necessary level of staffing to meet legislatively established benchmarks.

Intermediate Term Recommendation – (2 – 6 years)

- The DNRC and the Water Court should work with stakeholders to evaluate and develop processes to ensure water rights are accurately and consistently defined across Montana.

Long Term Recommendation (6 – 10 years)

- Create a plan for transitioning the state, including the DNRC, the Water Court, and the District Courts, to post adjudication water distribution, management and enforcement roles.

Enforce Against Illegal Water Use

Montana Water users want a more efficient, less expensive, and more administrative approach to water right enforcement. There is growing public sentiment in support of DNRC playing a more active enforcement role against illegal water use.

Intermediate Term Recommendations (2 – 6 years)

- Examine and recommend changes to improve the current administrative process for bringing enforcement action against illegal water use.
- DNRC and the Water Court should create and the Legislature should actively fund a water rights dispute mediation unit to provide an administrative alternative to traditional water rights litigation. Training in dispute resolution and mediation should be available to all water commissioners.
- Review the procedures for establishing water distribution projects based upon Water Court decrees to improve the efficiency of that process.
- Promote consistent legal and professional measurement and distribution of water under decree by requiring water commissioners to complete the DNRC training (MCA 85-5-111) and create a certification process with annual renewals.

Long Term Recommendation (6-10 years)

- Clarify how decrees within subbasins of major adjudicated basins will be administered when a water rights disputes arises between water users in adjacent subbasins.

Provide Sufficient Information, and Legal and Administrative Capacity to Minimize Adverse Effects during Times of Water Scarcity

Climate variation and shifting weather patterns affect average temperatures, the amount, and distribution of precipitation, and whether that precipitation occurs as rain or snow. As a result, seasonal streamflows are likely to change both in volume and timing. Climate variation may lead to an extended growing season and/or higher water use by crops and vegetation. Looking ahead, our water management strategies must adapt to address the highly variable water supply.

Intermediate Term Recommendations (2 – 6 years)

- Drought planning efforts must include legal and administrative mechanisms that enable water users to reduce water use without the risk of abandonment and allow for the water savings to be protected.
- Assess the water right implications and potential adverse effects of allowing a water right holder to change their period of use to adapt to changing runoff and growing seasons.

Analyze Additional Opportunities and Challenges for Using Water Marketing, Mitigation, and Banking as Tools for Meeting New Demands

Compared to many western states, Montana appears to have relatively abundant water supplies, however most of this water may already be appropriated, and many parts of the state are fully allocated and closed to new appropriations. Meeting new water demands requires innovative approaches to address local water deficits within individual sub-basins. Understanding the potential positive and negative impacts of these measures is the first step towards taking advantage of new approaches. The potential for water marketing (the sale of water or the water right by the owner) is high in Montana, especially in closed basins where the value of water increases with new water demands. Mitigation for new uses will require the reallocation of surface water or groundwater through a water right change. There are questions about the scope of water banking and its role in facilitating the reallocation of water, and the potential adverse effects of change authorizations. These issues and opportunities for mitigation, water marketing and water banking require more research, innovation, and application in the next decade.

Intermediate Term Recommendations (2 – 6 years)

- Assess the opportunities, challenges, water right implications, and potential adverse effects of using water marketing, mitigation, and banking as tools for meeting new demands
- Create well-managed systems that offer economic development opportunities to market, transfer and lease water and build public awareness of water marketing opportunities.

Complete all Outstanding Tribal and Federal Compacts and Work Closely with Federal Partners to Better Manage Federal Water Projects

In contrast to many states that resorted to litigation as their method to quantify federal reserved water rights, in 1979, the Montana Legislature chose to establish the Montana Reserved Water Rights Compact Commission. To date the Commission has successfully negotiated, and the Montana Legislature has approved, seventeen compacts: eleven Federal (non-tribal) compacts and six Tribal compacts. A negotiated compact with the Confederated Salish and Kootenai Tribes (CSKT) is awaiting approval by the Montana Legislature.

Montana's water rights adjudication process will not be complete until all Federal and Tribal compacts have been decreed by the Water Court. To reach a final decree, all compacts must be ratified by the Montana Legislature, approved by appropriate federal authorities, and in the case of Tribal compacts approved by Tribes.

All four Basin Advisory Councils agreed that it is in the interest of the state, federal government, and the tribes to complete this important work.

Short Term Recommendations (0 – 2 years)

- Continue to support and implement all adopted compacts. The state and the state's Congressional delegation must continue working with the tribes and the Departments of Justice and Interior to complete all the federal and tribal water compacts still in process.
- Montana must remain actively engaged in an ongoing dialogue with adjacent states and Canada to protect Montana's interest through the implementation of treaties and compacts that affect Montana's water resources.

WATER INFORMATION

Water resource issues are multi-faceted and often highly localized. Understanding and resolving them requires ready access to up-to-date information. Multiple local, state and federal agencies generate and use water information in carrying out their responsibilities related to the protection or allocation of Montana's water resources. Better integration of this information will support planning, policy development and decision making at local, state and federal levels. Integration of information will also support planning and decision making by individual water users. Better access to hydrologic and climatic information at the appropriate geographic scale will result in more accurate assessments of water availability. Improved measurement and monitoring of water use will support the state's ability to determine when water is physically and legally available to meet new demands, while protecting existing water rights. Improved access to integrated water information will also support the work of water managers to distribute water by priority.

Steps for increasing access to information on Montana's water resources include:

Support Improvements to the Montana Water Information System

The Montana State Library's Water Information System (WIS) is the starting point for finding water resource information in Montana. The WIS makes high quality data on surface water, groundwater, water quality, riparian areas, water rights, climate data and more available to the public from one common starting place. Improving the WIS through the development of new data sets, interactive applications, and maps will support informed decision-making and integrated water resource management.

Short Term Recommendations (0 – 2 years)

- Provide the State Library with additional staff resources dedicated to the development of new water resource related data sets, interactive applications, and maps.
- DNRC will work with the State Library to develop a systematic workflow for revising the Montana Spatial Data Infrastructure (MSDI) Hydrography Framework based on the US Geological Survey National Hydrography Dataset (NHD).
- Develop a process for transmitting water data generated by local, state and federal agencies, and watershed groups to the State Library for inclusion in the WIS in a consistent and timely fashion.
- Continue working with the U.S. Geological Survey on the development of StreamStats—an interactive Web-based map application for providing streamflow statistics on streams and rivers with limited hydrologic information.

Intermediate Term Recommendation (2 – 6 years)

- Improve the spatial representation of points of diversion (PODs) and places of use (POUs) associated with water rights, and make this improved representation available through the WIS.

Inventory of Consumptive and Non-Consumptive Uses

An accurate inventory of Montana's water use, both consumptive and non-consumptive, is critical to the state's ability to quantify current use and determine the amount of water legally available to meet new demands. Accurate information on historic water use is required to evaluate potential adverse effects of changes in use.

Intermediate Term Recommendations (2 – 6 years)

- Invest in the resources necessary to acquire the best information available on current consumptive and non-consumptive water use in Montana. This includes accurate information on the extent and distribution of irrigated lands, crop types, and irrigation system types.
- Develop the capability to use Geographic Information System (GIS) technology and specialized agricultural engineering software to calculate the amount of water consumed by plants (evapotranspiration) using available information generated from NASA's Landsat Program.
- Explore the development of standard practices for evaluating consumptive use from analysis of Landsat imagery.
- Provide technical assistance and incentives to water users to measure water at or near the point of diversion from a ditch, stream, or wellhead.

Monitor Water Supply and Distribution

Effective water management and distribution depend on accurate real-time measurements of streamflow, snowpack and soil moisture. Improving Montana's water supply and distribution monitoring network will improve the ability of water managers and water users to adjust to seasonal supply and demand imbalances as well as plan for longer term imbalances associated with climate variability.

DNRC currently provides funds to operate and maintain forty-four (44) real-time stream gages in Montana through the U.S. Geological Survey's (USGS) Cooperative Water Program (Co-Op Program). These gages provide real-time flow information on the state's main rivers and larger tributaries. Other critical water supply monitoring systems include both SNOTEL (SNOW TELemetry), a system operated by the Natural Resource Conservation Service (NRCS) that measures mountain precipitation and other atmospheric conditions, and SCAN (Soil Climate Analysis Network), a system operated by NRCS that measures soil moisture. All of this information is available to water users via the Montana Drought and Water Supply website (drought.mt.gov). Montana must work to ensure the continued operation of these water supply monitoring networks.

Short Term Recommendations (0 – 2 years)

- Expand the funding base for the USGS Co-Op Program beyond traditional state and federal agency partners by educating local organizations and private entities on the purpose and need for stream gages.
- Begin to develop a network of 100 state operated permanent, year-round stream gages to gather and distribute real-time streamflow information on smaller streams and tributaries not monitored through the USGS Co-Op Program.
- Encourage support of all existing sites and further expansion of the NRCS's SNOTEL and SCAN systems to provide actionable and long term water supply and soil moisture condition data.

Improve and Expand Efforts to Quantify Groundwater Supplies and Availability

Montanans are increasingly looking to the state's groundwater to meet future needs due to limits on the appropriation of surface water in many basins. Groundwater information including aquifer characteristics and water monitoring data collected under the Montana Bureau of Mines and Geology Groundwater Water Assessment Program is needed statewide to identify sources of groundwater potentially available for development.

Short Term Recommendation (0 – 2 years)

- The Montana Bureau of Mines and Geology's (MBMG's) Ground Water Steering Committee should re-assess the criteria used in selecting studies conducted under both the Groundwater Assessment and Groundwater Investigation Programs to better reflect critical needs and statewide priorities.

Intermediate Term Recommendation (2 – 6 years)

- Provide additional funding to MBMG's Groundwater Characterization Program (GWCP) for the purpose of completing reconnaissance level inventories of groundwater resources in the remaining GWCP characterization areas.
- Provide necessary funding to expand MBMG's Ground Water Monitoring Program for the purpose of adding dedicated monitoring wells to characterize trends in groundwater levels.

Improve Conjunctive Management of Surface Water and Groundwater

Montana recognizes the link between surface water and groundwater and manages them as a single resource. Additional site-specific investigations to determine aquifer properties are necessary: to evaluate interactions between groundwater and surface water, develop strategies for mitigating impacts of groundwater use on surface water users, and to facilitate decisions on new permitting and water right change authorizations.

Intermediate Term Recommendations (2 – 6 years)

- Support continued funding for the MBMG's Ground Water Investigation Program to ensure that aquifer information and modeling tools necessary to implement conjunctive management are available.
- Identify options for mitigation or aquifer recharge plans to offset impacts of groundwater use on surface water.
- Investigate the availability and the potential for the diversion of high spring surface water flows for aquifer recharge.
- Investigate the design of aquifer storage and recovery projects to optimize water use while protecting existing water users.

ECOLOGICAL HEALTH AND ENVIRONMENT

Montana's aquatic systems, lakes and rivers, and associated biological resources, support our quality of life and Montana's recreation and tourism economy. The availability of water in the appropriate quantity, quality, timing and duration is necessary to ensure the health of our water-dependent ecosystems. The state should pursue proactive policies and management practices to meet the needs of aquatic ecosystems within the prior appropriation system in order to sustain the health of these valuable natural systems as Montana's economy grows.

Steps to address these issues include:

Provide Sufficient Protection for Instream Flows Within the Prior Appropriation Framework to Maintain Aquatic and Riparian Systems

Coordinated efforts are needed to develop and implement strategies and tools for providing minimum instream flows within the prior appropriation framework.

Intermediate Term Recommendations (2 – 6 years)

- Ensure that the change of use process for instream flow/fishery water rights is consistent with the change process for all other beneficial uses. Steps would include a requirement that the applicant show they will not adversely affect other water right holders, the allowance of both temporary and permanent changes, and a broader recognition that instream flow rights should be enforced in priority.
- Recognize and document the importance of connectivity within stream and riparian systems. Efforts should be made to restore connectivity and habitat where needed within the prior appropriation doctrine.
- Support research to determine the frequency, magnitude, timing and duration of high flows and low flows needed to maintain the natural ecological functions of rivers, streams and habitats across the state.

Support Proactive, Coordinated Efforts to Reduce Invasive Species and Protect Endangered Species in Montana

Both aquatic and terrestrial invasive species can impact water supplies and distribution. Zebra mussels, Eurasian watermilfoil and Tamarisk (saltcedar), colonize quickly, out-compete native species, wreak havoc on water delivery infrastructure, threaten native aquatic ecosystems and/or consume large amounts of water. The presence of threatened and endangered species requires careful management decisions and cross agency coordination to minimize negative impacts to critical habitat and to water users. Coordinated efforts are needed to implement actions that protect Montana's land and water resources.

Short Term Recommendations (0 – 2 years)

- Promote the use of voluntary programs that preserve the flexibility of landowners to manage their operations as the preferred method for handling Endangered Species Act protection and recovery programs.
- Support local and agency coordination efforts to implement invasive species protection programs.

COLLABORATIVE WATER PLANNING AND COORDINATION

Water management in Montana occurs at a variety of scales: watershed, sub-basin, basin, statewide and regional. Many local, state and federal agencies or organizations are involved in the distribution, protection, and/or measurement of Montana's water. Coordination increases communication, improves efficiencies, and leverages technical and financial resources. Effective collaboration helps to inform, engage, and connect stakeholders and supports efforts to improve water management across all watersheds. It is important to coordinate efforts and involve water managers, users, and stakeholders at the watershed, basin, and statewide scale to develop sustainable management solutions.

Expand Support for Basin and Community Based Watershed Planning

Community-based watershed groups, conservation districts, and other organizations provide the structure and a forum to bring together stakeholders, build partnerships, and work collaboratively to develop local water management plans. It will be increasingly important to provide such groups with planning support, technical assistance, and access to information to develop, implement, and monitor water use plans as demand for water grows and the administration of Montana's water becomes more complex.

Short Term Recommendation (0 – 2 years)

- Provide funding to periodically convene the Basin Advisory Councils to evaluate, update and implement the recommendations adopted in the State Water Plan.

Intermediate Term Recommendations (2 – 6 years)

- Create a dedicated and sustainable source of funds to support technical, organizational and operational capacity of local watersheds to assist in water management and drought planning, education and outreach, and the coordination of local efforts to implement state and basin plan recommendations.
- Build on the work of the statewide organizations such as the Montana Association of Conservation Districts and the Montana Watershed Coordination Council to provide financial, technical and educational assistance to increase the organizational capacities of community based watershed groups and Conservation Districts.

Encourage Collaboration, Coordination and Communication across State and Federal Agencies

Many state and federal agencies share responsibilities for land and water management. The policies and actions of one often directly impact another. Close coordination between state and federal water managers is critical for achieving outcomes that serve both economic and environmental interests. Local, state and federal agencies in Montana must work closely to:

Short Term Recommendation (0 – 2 years)

- Address watershed, sub-basin and basin wide water management issues through increased interaction and communication between water users, watershed groups, technical specialists, and policy makers at all levels of government.

Intermediate Term Recommendation (2 – 6 years)

- Encourage land management agencies to include potential impacts to water supplies in their management decisions. This could include forest vegetation management and the restoration of natural features such as riparian areas and wetlands that act to slow runoff and promote groundwater recharge.

Develop a Plan to Deliver Water Related Training, Education and Outreach

Water management is complicated, not only because of water's finite and variable nature, but also because of the complicated nature of the water right laws and rules used to administer it. Water education and outreach activities are necessary to provide a foundation for the informed management of Montana's water resources now and into the future.

Short Term Recommendation (0 – 2 years)

- DNRC will expand on current efforts to create and deliver public awareness and training programs, working through the Montana Watercourse, Conservation Districts, Water Quality Districts, municipalities and community-based watershed groups that provide information on
 - Water efficiency and hydrology related topics:
 - Benefits and consequences of sprinkler and flood irrigation system conversions,
 - Municipal water conservation measures,
 - Consumptive and non-consumptive use,
 - Groundwater/ surface water interactions.
 - Water Rights Administration:
 - Water right basics,
 - The process to obtain water for new or expanded uses,
 - DNRC’s improved/simplified change process,
 - The process for filing an objection to an application for a new, expanded, or changed use of water,
 - Water reservations, legal status and availability for development as a beneficial use.
 - Adjudication and Tribal and Federal Compacts progress and outcomes
 - How to access water data through the Water Information System
 - Technical trainings, assistance and incentives to support voluntary water measurement programs
 - Educate local organizations and private entities on the value, purpose, and need for stream gages, as well as how and where to access the data.

Intermediate Term Recommendation (2 – 6 years)

- Develop an easily navigable webpage or portal that provides public information on water contracting/leasing opportunities and for identifying all the elements of a water right including: ownership, beneficial use, point of diversion, place and period of use.





LISTS OF FIGURES & TABLES

List Figures

- Figure 1** *2015 Montana Water Supply Initiative planning basins*
- Figure 2** *Statewide General Stream Adjudication of pre-July 1, 1973 Water Rights as of August 2014*
- Figure 3** *Statewide average inflows and outflows in Montana*
- Figure 4** *Mean annual precipitation in Montana*
- Figure 5** *Surficial aquifers in Montana*
- Figure 6** *Bedrock aquifers in Montana*
- Figure 7** *Groundwater contribution to stream flows in Montana*
- Figure 8** *Water use in Montana by purpose*
- Figure 9** *Water use in major planning basins by purpose*
- a) *Clark Fork and Kootenai Basins*
 - b) *Upper Missouri Basin*
 - c) *Yellowstone Basin*
 - d) *Lower Missouri Basin*
- Figure 10** *Water consumption in Montana by purpose*
- Figure 11** *Water consumption in major planning basins by purpose*
- a) *Clark Fork and Kootenai River Basins*
 - b) *Upper Missouri River Basin*
 - c) *Lower Missouri River Basin*
 - d) *Yellowstone River Basin*
- Figure 12** *Water consumption for irrigated agriculture in sub-basins*
- Figure 13** *Reservoirs in Montana with greater than 5,000 acre-feet capacity*
- Figure 14** *Hydroelectric projects in Montana*
- Figure 15** *Hydrograph of Clark Fork River at Noxon with Avista hydroelectric water right*
- Figure 16** *Comparison of Monthly flows of the Madison River near West Yellowstone: Average flow versus droughts of 1930s and 2000s*
- Figure 17** *Modeled Canyon Ferry Reservoir stored contents, 1928 thru 1985.*
- Figure 18** *Fresno Reservoir stored contents, 1980 thru 1989.*
- Figure 19** *Fort Union Formation groundwater levels near Roundup showing multi-year trends and responses to above average years of precipitation, 1985 through 2014 (GWIC # 1575)*
- Figure 20** *Modeled median monthly flow for the Missouri Headwaters under historic conditions and future climate scenarios*
- Figure 21** *Modeled median monthly flow for the Clark Fork River below Missoula under historic conditions and future climate scenarios*
- Figure 22** *Modeled median monthly flow for the Musselshell River at Fort Peck Reservoir under historic conditions and future climate scenarios*

Figure 23 *Modeled median monthly flow for the Yellowstone River at Billings under historic conditions and future climate scenarios*

Figure 24 *Median daily flow of the Missouri River at Toston depicting times when water may be available to store and when water might be released to offset shortages*

Figure 25 *Median daily flow near the mouth of the Judith River depicting times when water may be available to store and when water might be released to offset shortages.*

List of Tables

Table 1 *Water use for agricultural irrigation in Montana, from Surface Water and Groundwater*

Table 2 *Water use for stock watering and public water supply systems from Surface and Groundwater*

Table 3 *Hydroelectric generation facilities in the Upper Missouri planning basin, flow rates based on turbine capacity*

Table 4 *Projected new irrigated acreage and agricultural water demand for CD water reservations (2010–2035) by MWSI planning basin*

Table 5 *New irrigated acreage and water demand for CD water reservations by planning basin at full build out*

Table 6 *Projected new water demand for public water supply systems and self-supplied domestic by planning basins, 2010 – 2035*

Table 7 *General availability of surface water and connected ground water for new appropriation by MWSI planning basin*





APPENDIX A

GLOSSARY OF TERMS

Abandonment – The intentional, prolonged, non-use of a perfected water right. ¹

Acre-feet – A unit of volume, mostly used in the United States, to describe large-scale water volumes. It is the volume of one acre of surface area to the depth of one foot which is equal to 43,560 cubic feet.

Adjudication of Water Rights – In the context of Montana water law this refers to the statewide judicial proceeding to determine the type and extent of all water rights claimed to exist before July 1, 1973. ²

Adverse Effect – Interference with a water right owner’s ability to reasonably exercise their water right. In the context of new water use permits and change applications, the applicant must prove lack of adverse affect prior to appropriating water for a beneficial use pursuant to §85-2-311, MCA, or changing a water right pursuant to §85-2-402, MCA. ³

Appropriate – To divert, impound, or withdraw, including by stock for stock water, a quantity of water for a beneficial use. ¹

Appropriation Right/Water Right – Any right to the beneficial use of water which would be protected under the law as it existed prior to July 1, 1973, and any right to the beneficial use of water obtained in compliance with the provisions and requirements the Title 85, Chapter 2. ¹

Aquatic Ecology – The relationships among aquatic living organisms and between those organisms and their water environment.

Aquatic Invasive Species – Non-native plants, animals or pathogens that cause environmental or economic harm.

Beneficial Use – Use of water for the benefit of the appropriator, other persons, or the public, including but not limited to agricultural (including stock water), domestic, fish and wildlife, industrial, irrigation, mining, municipal, power, and recreational uses; use of water to maintain and enhance streamflows to benefit fisheries pursuant to conversion or lease of a consumptive use right. ¹

Call – The request by an appropriator for water which the person is entitled to under his/her water right; such a call will force those users with junior water rights to cease or diminish their diversions and pass the requested amount of water to the downstream senior water right holder making the call.

Claim/Statement of Claim – The assertion that a water right exists under the laws of Montana or that a reserved water right exists under the laws of the United States in Montana’s general adjudication. ²

Climate – The average weather over a period of time, typically taken as a 30-year period from a human perspective. Geologists and paleoclimatologists refer to the earth’s climate over thousands to millions of years.

Climate Variability – The fluctuation of temperature, precipitation, wind, and other climate descriptors, over a period of time. This variation may be due to natural processes or human-induced factors.

Compact – a negotiated agreement for the equitable division and apportionment of waters between the State and its people and: 1) the several Indian Tribes claiming reserved water rights within the state (MCA 85-2-701); or, 2) between the State and its people and the federal government claiming non-Indian reserved waters within the state.

Conjunctive Management – Management of ground and surface water as a single resource.

Conjunctive Use – The deliberate combined use of groundwater and surface water.

Conservation District – A political subdivision of state government, possessing both public and private attributes, that primarily distributes irrigation water in a given region and that may also administer electric power generation, water supply, drainage, or flood control.

Consumptive Use – Use of water that reduces supply, such as irrigation or household use. ¹

Decree – Is a final product of adjudication and is a legal document issued by a district court or the Montana Water Court defining the priority, amount, use, and location of a water right or set of water rights. The Montana Water Court adjudicates and prepares decrees for entire basins as part of the adjudication process.²

Dewatering of Streams, Chronic and Periodic – Dewatering is a reduction in stream flow below the point where stream habitat is adequate to support healthy fish populations. Chronic dewatering is a significant problem in all years while periodic dewatering is a significant problem only in drought years.

Means of Diversion/Diversion – Structures, facilities, or methods used to appropriate, impound, or collect water including but not limited to a dike, dam, ditch, headgate, infiltration gallery, pipeline, pump, pit or well.¹

Evapotranspiration (ET) – means the loss of water from the soil both by evaporation and by transpiration from living plants. Evaporation accounts for the movement of water to the air from sources such as the soil, canopy interception, and water bodies. Transpiration accounts for the movement of water within a plant and the subsequent loss of water as vapor through stomata in its leaves.¹

Exempt Wells – Under Montana water law, wells that divert 35 gallons per minute or less, and do not exceed 10 acre-feet per year in the total volume of water diverted are considered exempt from the permitting process. Appropriators of water under these conditions are, however, required to file a notice of completion with DNRC.⁴

Existing Water Right – “Existing right” or “existing water right” means a right to the use of water that would be protected under the law as it existed prior to July 1, 1973. The term includes federal non-Indian and Indian reserved water rights created under federal law and water rights created under state law.¹

Federal or Tribal Reserved Water Rights – Established by an act of Congress, a treaty, or an executive order. Gives a right to use water; the amount of water reserved depends on the purpose for which the land was reserved.

Flowing Well – An oil or water well from which the product flows without pumping due to natural or artificially supplied subterranean pressure.

Flow Rate – A measurement of the rate at which water flows or is diverted, impounded, or withdrawn from the source of supply for beneficial use, and commonly measured in cubic feet per second (cfs) or gallons per minute (gpm).¹

Geographic Information System (GIS) – A computer system designed to capture, store, manipulate, analyze, manage, and present geographical data.

Ground Water – Any water beneath the land surface.¹

Ground Water Recharge or Aquifer Recharge – Can refer both to the natural process of ground water recharge (achieved by infiltration of precipitation or discharge from surface water), OR can refer to human efforts to enhance more groundwater storage. Artificial aquifer recharge (AR) is the enhancement of natural ground water supplies using man-made conveyances such as infiltration basins or injection wells. Aquifer storage and recovery (ASR) is a specific type of AR practiced with the purpose of both augmenting ground water resources and recovering the water in the future for various uses.¹

Hydrologic Regime – The relationship between precipitation inputs and streamflow outputs in a basin or watershed. The amount and timing of water moving through a watershed often characterized by the average annual hydrograph.

Hydrograph – A chart showing the relationship between flow rate and time at given point (gage) in a watershed flow network. Time is usually on the horizontal axis and flow rate is usually on the vertical axis.

Instream Flow – Water left in a stream for non-consumptive uses such as aquatic habitat, recreation, navigation, or hydropower.

Interstate Compact – A legal agreement between two states that divides (or apportions) water crossing the states’ boundaries.

Junior Appropriator/Junior Water Right – A general term referring to a water right or the owner of a water right with a priority date that is later in time than another water right.

Channel Migration – Natural movement of river channels through the processes of erosion and deposition.

Legal Water Availability – Typically determined based upon comparison of physical water availability to the legal demands on a source or reach of a source by subtracting the legal demands from physical water availability.³

METRIC (Mapping Evapotranspiration at high Resolution and with Internalized Calibration) – An image-processing tool for computing evapotranspiration (ET) using Landsat Thematic Mapper data.

Montana Code Annotated (MCA) – Laws of Montana classified by subject. Title 85 contains laws pertaining to water use.

Murphy Rights – Instream flow rights on 12 Blue Ribbon trout streams for the preservation of fish and wildlife. Named for the legislative author, Jim Murphy of Kalispell. Murphy Rights exist for specific reaches of the following rivers: Big Spring Creek, Blackfoot River, Flathead River, Middle Fork Flathead River, South Fork Flathead River, Gallatin River, West Gallatin River, Madison River, Missouri River, Rock Creek, Smith River, and Yellowstone River. The priority dates are 1970 and 1971 and only protect flows when senior water rights have been satisfied.

Natural Storage of Water – See storage of water, natural.

Non-Consumptive Use – Use of water that does not consume water.

Overstated Water Rights – Water rights in excess of what was perfected through beneficial use.

Permit – An authorization to use water, issued by DNRC, specifying conditions such as type, quantity, time, and location of use.³

Physical Water Availability – the amount of water physically available at a specific point on a source typically measured in flow rate and volume.³

Priority Date – The clock time, day, month, and year assigned to a water right application or notice upon DNRC acceptance of the application or notice. The priority date determines the ranking among water rights.¹

Federal Reserved Water Right – A special water right accompanying federal lands or Indian reservations, holding a priority date originating with the creation of the land.

Resource Indemnity Trust – Article IX of the Montana Constitution provides for the protection and improvement of the Montana environment and requires the existence of a resource indemnity trust (RIT) fund for that purpose, to be funded by taxes on the extraction of natural resources.

Return flow – Part of a diverted flow that is applied to irrigated land or other beneficial use and is not consumed and returns underground to its original source or another source of water. Other water users may be entitled to this water as part of their water right.¹

Riparian – Riparian means related to or situated on the banks of a river. A riparian zone or riparian area is the interface between land and a river or stream.

Riverine Processes – The processes of erosion, transport and deposition of sediment that shape a river's channel(s) and floodplain.

Senior Appropriator/Senior Water Right – A general term referring to a water right or the owner of a water right with a priority date that is earlier in time than another water right.¹

Storage of Water, Artificial or Constructed – Storing water in reservoirs or other human made impoundments.

Storage of Water, Natural – Storage of water in natural landscape features such as groundwater aquifers, ponds (including beaver ponds, floodplain ponds), wetlands and swales.

Stream Depletion Zone – An area where hydrogeologic modeling concludes that as a result of a ground water withdrawal, the surface water would be depleted by a rate equal to a rate of at least 30% of the ground water withdrawn within 30 days after the first day a well or developed spring is pumped at a rate of 35 gallons a minute.¹

Stream Gage – A stream gage measures the flow of water at a point along a stream. The U.S. Geological Survey defines a stream gage as, “an active, continuously functioning measuring device in the field for which a mean daily streamflow is computed or estimated and quality assured for at least 355 days of a water year or a complete set of unit values are computed or estimated and quality assured for at least 355 days of a water year”.

Sub-basin – A structural topographic feature where a basin forms within a larger basin. For example, the Bitterroot River basin is sometimes referred to as a sub-basin of the Clark Fork River basin.

Surface water – All water of the state at the surface of the ground, including but not limited to any river, stream, creek, ravine, coulee, undeveloped spring, lake, and other natural surface source of water regardless of its character or manner of occurrence.¹

Telemetered (real-time) Stream Gage – A telemetered gage has the capability to transmit water elevation and streamflow data to a central location where it may be viewed (for example, via the Internet) as the data is collected.

Waste – Unreasonable loss of water through the design or negligent operation of an appropriation or water distribution facility or the application of water to anything but a beneficial use.¹

Water Bank – An institutional mechanism used to facilitate the legal transfer and market exchange of various types of surface water, groundwater, and storage entitlements. Water banks use the market to make water available for new uses.

Waterway and Water Body – Usually refers to surface water features like rivers, streams, lakes, or ponds.

Waterway Health – Waterways are considered to be healthy when surface & groundwater flows & levels are of a timing and duration that provides habitat capable of supporting self-sustaining populations of native fish species and water dependent wildlife. In addition, waterway health refers to flows that help meet water quality standards, support beneficial uses, and support stream renewal functions.

Water Commissioner – Local water users can petition for a water commissioner after the water rights in a basin have been verified by the Montana Water Court. The commissioner ensures that daily water allocations in the basin occur in accordance with the users' rights. The local district court appoints the commissioner, and oversees his or her work.⁵

Water Court – Located in Bozeman, the Montana Water Court's primary function is to carry out the state-wide adjudication. Disputes between water right holders are still handled in local district court, and the local district courts oversee water commissioners in their area.

Water Lease – An agreement with a water user to allow a person or organization, for a fee, to lease water from the user. Water leases are often used in Montana to maintain instream flow.⁶

Water Quality – Chemical, physical, and biological characteristics of water that determine its suitability for a particular use.

Water Right Change – A change in the place of diversion, the place of use, the purpose of use, or the place of storage of a water right. These changes need the approval of DNRC to assure that the change will cause no adverse affect to other water users.³

Watershed – All the land that drains to a river or lake, with boundaries defined by topography (and includes wetlands, floodplains, riparian areas and uplands). For the purpose of this planning document, the term "watershed" is referring to a subunit of a sub-basin (smaller area).

Watershed Health – A watershed is considered healthy if it can continue to perform without depletion or degradation of watershed services such as: water collection, storage & delivery, flood and drought moderation; water purification, wildlife habitat and support of waterway health (see Waterway Health).

Water Reservation – A water right created under state law after July 1, 1973, that reserves water for existing or future beneficial uses or that maintains a minimum flow, level, or quality of water throughout the year or at periods or for defined lengths of time.⁷

¹ See §85-2-102, *Mont. Code Ann.*, and Rule 36.12.101, *Admin. Rules Mont.*

² See Title 85, Chapter 2, Part 2, *Mont. Code Ann.*

³ See §85-2-311, and 402, *Mont. Code Ann.*, and Title 36, Chapter 12, Subchapters 17 through 19. *Admin. Rules Mont.*

⁴ See §85-2-306, *Mont. Code Ann.*

⁵ See Title 85, Chapter 5, *Mont. Code Ann.*

⁶ See Title 85, Chapter 2, Part 4, *Mont. Code Ann.*

⁷ See §85-2-316, *Mont. Code Ann.*