

# BELGRADE NEWS



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## Fledgling water bank seeks ag's support

*By Michael Tucker, staff writer*

A private entity is looking to set up shop in the Gallatin Valley to start a local water banking service that would sell water to municipalities and development interests, but the company needs area water-rights holders to sign off on the proposal in order for it to work, representatives said Thursday.

A coalition of interests representing Salar Properties, LLC, owner Charles Kent Brodie laid out a plan before the Association of Gallatin Agricultural Irrigators to create an 80-acre reservoir on 560 acres of the Gallatin Gateway-area Gillam Farm. The farm is owned by businessman John Dunlap and is located just east of the Gourmet Gas Station north of Gateway.

If built, the reservoir would hold 3,000 acre-feet of water and would be capable of multiple fillings. Water would be held back by an 80-foot earthen dam and would be filled by two irrigation ditches that flow along the property -- West Gallatin Canal and Farmers Canal -- said Deb Stephenson, senior associate of West Water Research, a water rights consultant group with a Bozeman office.

The storage would allow senior water-rights holders to store water for a multitude of reasons, but "the key component is to supply water to municipalities," Stephenson said.

The company has been working on the project for five years and has \$16 million invested in the plan so far in research, water modeling and land acquisition, Salar spokesman George Metcalfe said. Even with millions on the table, Metcalfe said the project will be mothballed without the backing of AGAI and its water-rights holders.

"We're looking for partners; not money, but water," he said. "We're not trying to bamboozle anybody. The project stops if AGAI isn't on board."

By itself, Gillam Farm has rights to 420 acre-feet of water in both the Farmers and West Gallatin canals, Metcalfe said. The company is also seeking to file a surface water rights application with the state for spring floodwater on the West Gallatin River to help fill the reservoir.

But for the plan to work, the company needs more water, Stephenson said. The company has mapped the water rights of both Farmers and

West Gallatin canals and determined that 20 percent of the Farmers Canal service area is now non-irrigated land. The West Gallatin Canal lost 6 percent to urban areas.

The loss of irrigated land around the valley, coupled with technological irrigation changes, means that "paper water rights" do not always match up with "wet water," and the storage facility could be a way for ag producers to show that all deeded water is being put to beneficial use, company representatives said.

To use the process, though, would require senior rights holders to go through a state process, both Stephenson and Metcalfe said. A change application through the Montana Department of Natural Resources and Conservation generally results in a loss of water, and that is a big reason folks don't like to go through the process.

"There's going to be haircuts and water will be taken off the top," Stephenson said. "It's not without risk. No water transaction is without risk."

Company representatives said the cities of Belgrade and Bozeman are potential buyers of water from the water bank. State law requires cities to mitigate the effects their water use have on the overall water resource. In other words, they have to replace what they pump, and the water bank could be a source for the replacement water.

AGAI board members voted unanimously to "keep a dialogue open," but the group didn't formally sign off on the idea.

According to some water users, a lot of questions remain about the proposal, AGAI lawyer Dave Weaver said.

"It's premature, but we should keep the opportunity to participate in the discussion," he said.

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