Monthly Collaborative Update Meeting

What to Expect Ahead of the 2027 Legislative Session

September 29, 2026 | 1:00 – 3:00 p.m. | Gallatin Gateway Community Center (Hybrid)

Meeting Resources Blog | Recording

This document uses headings for navigation — click the outline icon (☰) in the top-left to jump between sections

Attendees

A total of **61** people attended this meeting:

Holly Hill (GWC), Lilly McLane (GWC), Katherine Berry (GWC), Jared Trilling (GWC), Ben Buescher (GWC), Karen Filipovich (Collaborative Facilitator), Toni Henneman (Montana LSD), Clayton Elliot (Basin Strategies Group), Caroline Canarios (MEIC), Shayla Utzinger (TU/BSWC), Sheree Watson (USGS), Gloria Ostrowski, Chris Scott (Gallatin County Planning), Frank Greenhill (Bozeman Stormwater), Meghan Hazer Alvarez (Gallatin County Planning), Phillip Borrego (Healthy Gallatin), Andrew Mulder (GLWQD), Harley Harris (Gallatin Water Trust), Kyle Krenik (WGM Group), Otto Stein (MSU), Connor Parrish (TU), Noah Barbery (MSU Extension Water Quality), Matt Ostrowski, Whitney Lonsdale (Montana Water Center), Kori Navarro (Bozeman Water Conservation), Jack Buban (GRTF), Elizabeth D'Imperio (County Extension), Cora Steinbach (GLWQD), Cameron Enright (GLWQD), Rebecca Kurnick (AGAI), Brittney Krahn (Gallatin Health Department), Loren Franklin, Quincey Johnson (Upper Missouri Waterkeeper), Karrie Kahle (PCEC), Danika Holmes (DNRC), Brooke Lahneman (MSU), Stephanie Ewing (Montana Water Center), Mari Eggers (MSU), Ashlie Burke (Gallatin County Planning), David Saba (DNRC), Isaac Miller, David Tucker, Clany Jandreau, Adam Sigler (MSU), Eric Hull, Florence Miller (NRCS), Kristin Gardner (GRTF), Matt E, Miranda Pardue, Natsuki Nakamura, Rob Pertzborn (Intrinsik Architecture), Riley Logan (MSU), Samanthi Wijerathna (MSU), Savanah Olson, Sawyer Reagan (Pheasants Forever), Stephanie Espinoza, Stephen Begley (FWP), Stephen McLaughlin, Walt Sales (AGAI), Sale Rhodes (GWC), "hpcdt"

Facilitator: *Karen Filipovich* | ***Notes:*** *Ben Buescher*

Events and Announcements

- **Additional events/announcements:**
  - Check the Watershed Events Calendar.
  - Share events/announcements to the listserv: *gallatin-water-collaborative@gaggle.email*. Contact Holly Hill to be added.
  - Job openings: Share via Nancy Hystad or Danika Holmes (MT AWRA) and Whitney Lonsdale (Montana Water Center).

On Our Radar

- **Bozeman Creek Vision Plan:** Nov 9 Open House; Visit Engage Bozeman
- **Bozeman IWRP:** Visit Engage Bozeman
- **Gallatin County Growth Policy:** Belgrade ETJ Transition adopted; Visit Envision Gallatin
- **Northwest Bozeman Area Plan:** Draft NBAP available for review; Final draft expected Nov 4; Check August's meeting resources and the Collaborative's public comment; Visit Engage Bozeman
- **Urban Forest Management Plan:** Draft Plan; Second draft in Oct; City Commission presentation on Dec 8; Visit Engage Bozeman for more details.
- **WPIC (Water Policy Interim Committee):** Recordings available here
- See the GWC Policy Page for comments, memos, and other resources.

Topic Session - What to Expect Ahead of the 2027 Legislative Session

Panelists: Toni Henneman, Clayon Elliott, and Caroline Canarios

The session provided an overview of how water topics get introduced into legislative sessions, which topics have come up recently, and which are likely to come up during the upcoming session.

Toni Henneman (Deputy Research Director, Montana Legislative Services Division, WPIC)

Legislative Session Role

- Nonpartisan
- Helps committees execute their work plan and works with the committee chair and vice chair
- In the Water Policy Interim Committee (WPIC), works equally with all 9 members
- During session, transitions into a bill drafter and amendment drafter, working for all 150 legislators

2027 Legislative Session Insights

- The session will likely be very busy, coloring the way bills are drafted, engagement happens before introduction, and the amount of time afforded to a bill during its hearing.
- The legislative process takes a lot of staff, technology, and consideration to work correctly.
- **Who can introduce a bill** falls into 3 main buckets:
    - **Interim Committees:** For the last year and a half, ideally, committees have been meeting, hashing over and approving bill draft policy proposals; WPIC has approved four which have been assigned LC numbers before being officially introduced
    - **Agency Bills:** State government agencies can bring proposals to interim committees who can then approve their proposals for pre introduction
    - **Legislative Requests:** Holdover senators and unopposed House members can request bill drafts before November; After the November election all 150 legislators can until Dec 5; A request is not an introduced bill; last session saw about 4,950 requests with about 1,780 being introduced.
- **About 570 bill drafts** are filed for the 2027 session as of this meeting
- **Engagement (from legislators and staffers):**
    - When a legislator is looking to draft a bill, they mostly work directly with the drafter, but can ask the drafter to reach out to agencies, stakeholder groups, or others during development
    - Bill drafts are posted online (Bill Explorer) which is when most engagement happens
    - If there are changes that need to be made, it must go through the amendment process or the legislature asks for a redo and the whole process essentially has to be repeated
    - Staffers try to encourage legislators to reach out earlier in the drafting process to groups that may have a stake in the topic that they're bringing to the table
- **Engagement Opportunities for Stakeholder Groups**
    - Bill Explorer shows who the drafter and legislator are; groups can call the drafter or legislator to see what information they can or will share
        - It has become increasingly difficult to get a hold of legislators; they report full email and voicemail inboxes and an increase in spam calls
        - Calls from a saved number or 444 state number (like a staffer) are more likely to be picked up
    - Bill hearings - committees typically want a lot of testimony, but late introduced bills can have incredibly limited hearings

Water Policy Interim Committee

- WPIC Webpage - all bill drafts, final reports, meeting materials, and more are posted here
- Made up of 9 legislators who can bring up their own topics and be assigned studies
- This year, mainly focused on exempt wells, but didn't bring a bill directly related to exempt wells except for a grandfathering bill for certain limbo subdivisions (LC0378)
- Other topics included a water reuse study (HJ74)
- Other bills include streamlining the mitigation process (LC0379) and a study bill related to permitting and change processes (LC0380) asking DNRC to review and bring bills to the 29th session

Clayton Elliot (Lobbyist, Montana Trout Unlimited, Basin Strategies Group)

Legislative Session Role

- Lobbyist for Montana Trout Unlimited
- Started a consulting firm, Basin Strategies Group, working with diverse water users on solving complex problems.

2027 Legislative Session Water-Policy Specific Insights

- **Drivers:**
  - **WPIC** is a primary driver of the issues expected to see in session
  - Products from the 2021-2024 **DNRC Comprehensive Water Review** still have an influence
  - **The 2029 Biennium Governor's Budget** is a significant driver of water policy, science and technology, data management, and other issues related to the water rights information system and DNRC's decision-making capacity
  - **Legal Proceedings:** Recent and current legal challenges, like those to the exempt wells statute, limbo subdivisions, and others, affect the issues in front of the legislature
- **WPIC Topics and Legislative Outcomes:**
  - **Exempt wells** and 85-2-306, MCA - pending litigation
    - Built off the Comprehensive Water Review and Senate Bill 358 from last session to find a possible policy solution regardless of the court decision
    - An agreement was not found, and WPIC did not endorse a specific bill on the topic
    - Grandfathering (LC0378) - WPIC is recommending legislation to allow water rights to certain subdivisions and provide a pathway to secure water rights to water users who received pre-determination letters from DNRC prior to the 2024 Horse Creek Hills legal decision and were affected by the the court's decision around pre-determination letters and the use of phasing
  - **Mitigation** (LC0379)
    - Seen as foundational to the permitting change conversation and looking beyond exempt wells to continue moving forward as a state on water management
    - Mitigation is the use of water to offset the depletion or adverse effect that applying for a new permit or change to a water right would cause
    - WPIC is recommending changes to definitions of mitigation and requirements of mitigation plans in statute
      - Clarifying that mitigation can be used outside of new groundwater permits in closed basins - eligible for permits or changes, surface or groundwater applications, and in open or closed basins
  - **Permitting and change reforms**
    - Study of the water rights permitting process by DNRC (LC0380)

        - Expect conversations around
            - Repealing the exception (85-2-306, MCA) and integrating exempt uses into the full permit process (85-2-301, MCA)
            - Small scale storage and the ability for water users to integrate "bulges in the system", incentivizing and allowing water users to temporarily slow down water within their place of use and period of diversion
            - Hurdles and implementation challenges of HB681 (2025) which changed the exempt well notice of intent process, requiring the application for an exempt well before drilling
            - FWP's authority to lease in-stream flow rights (currently sunsets in 2029)
            - Opportunities for private individuals to do permanent changes of use for in-stream flow
            - Lessons learned from and tweaks to SB178 (2025), providing for the temporary lease of water rights
            - Data centers and water use, affirming that water use requires a water right and going through the new permit or change in use process in Montana, and if there should be additional permitting requirements or conditions imposed
    - **Extend the termination of Water Court** for water right adjudication (LC0377)
        - Continuation of the funding related to the water court, extending the current sunset from June 30, 2028 to June 30, 2038
        - May be close to final decrees by 2038
    - **Role of the Judiciary and administration of decrees**
        - Expect a full and robust discussion during the session over the future role of the water court, the need of a specialized court for water issues, and responsibilities for various water related questions post-final decree
        - Two competing vision bills, one a continuation of a specialized water division court and the other transferring administration of final decrees to the district court, both failed last session
    - **Water storage investments**
        - Building off the investments made in water storage last session
        - HB924 (2025): The Growth and Opportunity Trust created a specific water storage trust fund from which 90% of revenue goes to state water projects and 10% for a pilot program for new, diversified, small-scale storage
        - HB932 (2025): Allocated $4 million per year to DNRC for reimbursement of state water projects costs to deal with infrastructure that has a backlog of maintenance
        - Bill coming from DNRC this session to tweak the 90%/10% allocation funding model

Caroline Canarios (Land & Water Policy Advocate, Montana Environmental Information Center)

Legislative Session Role

- MEIC (founded in 1973) is dedicated to preserving our right to a clean and healthful environment under our Constitution and making sure that's implemented and upheld throughout the state
- Highly involved at the state legislative level

2027 Legislative Session Priorities

- **Exempt well loophole**

    - MEIC has joined in litigation against the State with plaintiffs including Clark Fork Coalition, National Trout Unlimited, Montana Farm Bureau Administration, Association of Gallatin Agricultural Irrigators, some Absarokee senior water rights holders, a housing developer in Helena, and Montana League of Cities and Towns
    - Constitutional challenges against the exempt well statute are related to the following:
        - Protections afforded to senior water rights holders through prior appropriation
        - Equal protection clause on the grounds that some water uses are treated differently than all the others that must go through the permitting system
        - Due process clause on the grounds of requirements for notice and opportunity to object
        - Public's right to know and participate on the grounds of the ability to know where exempt wells are and how to participate in that process
        - Right to a clean and healthful environment
    - Going into session, MEIC is looking to examine and vet legislation against the questions laid out in this handout
    - Not focusing on any single well, but on how we are accounting for the cumulative impact of hundreds of thousands of wells on our system
- **Water rights permitting and change process**
    - Interim study
    - Permitting and change bill
- **Data centers**
    - Public Concern
        - There is a permitting process in Montana for water allocation, but we don't have frameworks in place for transparency until the point of application for a water right, which leaves a lot of room for concern given the scale of proposed data centers
        - Arguably the most salient water issue on the public's mind this session; 92% of Montanans surveyed by MFP want regulation on data centers with water/energy consumption and cost as two of the most prominent concerns.
    - Water footprint of data centers
        - Goes beyond cooling, and different cooling systems use varying amounts of water
        - Some of the other main ways they use water is for their energy use and in wastewater treatment
    - How can they acquire water?
        - When a proposal comes in, we usually don't know for a long time, especially in places where there's not a mechanism for a decision to be made
            - E.g., in the Broadview Data Center case, there's no countywide zoning in Yellowstone County, so it is a private business transaction with no decision going before a body to examine water use and wastewater discharge
        - There are multiple avenues through which they can acquire water (through a municipality, acquire private water rights, recycled water supplies, and hybrid solutions) which is why statewide regulations, especially on disclosure, could be beneficial
        - DNRC factsheet on water rights and data centers
            - Exception to permitting if obtaining a new water right: geothermal wells
    - Wastewater discharge
        - Seeing concerning impacts of wastewater discharge and toxic substances in waterways

        - There is a discharge permit structure in place through DEQ, but some of the contaminants being measured have never been seen, or are only recently being understood as common contaminants, and may not be currently regulated
        - DEQ factsheet on data center regulation
    - Legislative opportunities
        - Going to be a huge topic of conversation this session and currently seeing a lot of bipartisan agreement
        - Transparency on the front end, honoring existing water rights and senior water uses, and making sure they pay their fair share
- **Nutrients and water quality**
    - There have been many changes to our phosphorus and nitrogen regulation in Montana.
    - What MEIC sees is a rollback to our water quality standards
    - Will be on the lookout for any changes to septic or industrial discharge regulations
- **Per- and polyfluoroalkyl substances (PFAS) regulations**
    - MEIC works to limit and prohibit PFAS substances in Montana, and has seen a lot of agreement across the aisles
    - Regulation made it to the governor's desk last session where it was vetoed

Next Steps

- **Stay Informed:**
    - Bill Explorer
    - Water Policy Interim Committee (WPIC)
    - Sign up for alerts from MEIC
    - Collaborative meeting resources
- **Public Input:**
    - Contact and Engage legislators, staffers, and candidates
    - Provide testimony during bill hearings
    - Attend conservation lobby days
    - Basic Tools for Lobbying the Montana Legislature - MEIC
- **Timeline:**
    - September 15: WPIC wrapped
    - November 1: Deadline for agency bill drafts to Legislative Services Division
    - November 3: Election day, after which all 150 legislators can request bill drafts
    - December 5: Deadline for legislator bill draft requests
    - December 15: Deadline for agency/committee bill pre introduction
    - December 30: Deadline for legislator pre introduction
    - January 4: Beginning of legislative session
    - May 3: End of legislative session

Discussion / Q&A Summary

Measurement and Reporting Bill

- As a part of the exempt well discussion, WPIC did consider a measurement and reporting of water use bill (PD3) which required measurement devices on new exemptions and new permits going forward and put in penalties for overuse of exempt well volume

- There was a lot of discussion and the committee ultimately did not move it forward due to questions around who should pay for the metering device, the burden on the homeowner to install it, surveillance, and other concerns
- Measurement has always been a part of the conversation around a comprehensive solution to exempt well policy and was broken off into a standalone bill because members of the negotiation, primarily from the development and well driller side of the table, had concerns about it being part of a comprehensive exempt well bill
- It will likely be a topic that comes up during the session
- Measurement and how subdivisions are treated under the exemption were the two major sticking points keeping a comprehensive path forward on exempt wells from fully materializing

Exempt Well Policy Reform Strategies

- There is no bill coming out of WPIC, but there will likely be member-introduced bills
- There will also be conversations around how to integrate the exemption in the full permit and change process
- Follow what is being introduced into the legislative process with legislative updates from and conversations with organizations like MTU or MEIC
- Reach out to legislators if you have concerns or a position on bills that impact you directly
- Clayton shared that energy may be better spent not on exempt wells, but on making mitigation more available and the permits/changes work better when trying to find a durable solution to a changing and limited supply of water with an increased demand for new water use.
- What can local communities do?
    - To reform 85-2-306, MCA will always necessitate some sort of state policy change from the legislative or judicial branch
    - Highlighting Bozeman's Integrated Water Resources Plan (IWRP), there are tools available to communities to make different decisions than the rest of the state about water supply planning and the regulation of subdivision development and growth
        - Incentivising connection to local systems; Use MLUPA-driven future land use maps as a reference for where we're likely to see more growth/annexation
        - 85-2-506, MCA: Controlled Ground Water Areas - local governments or ⅓ of a proposed area's water rights holders can petition; sets up control provisions, including no more exemptions within the boundaries of the CGWA
        - Be on the lookout for any legislative changes to controlled groundwater areas that would make their creation more difficult or that raise the threshold for closure of water allocations within them; some comprehensive drafts have included raising that threshold from "a preponderance of evidence" to a "clear and convincing evidentiary threshold"

Grandfathering Bill Discussion

- Early on when looking at the exempt well topic, the most common public comments were from homeowners and people concerned about loophole subdivisions
- WPIC's task was how to get the people who were affected in without getting more exemptions approved that probably were not meant to be approved
- Ended in trying to tie having received a predetermination letter from DNRC in the timeframe of the litigation, and if required, having a certificate of subdivision approval to go with it, and filing a notice of completion within 5 years, with being eligible for certification of that exempt water right
- There may be other versions of a bill to resolve this issue brought to the legislature, but understanding is that representative Russ Miner will be carrying the WPIC bill forward

PFAS Regulation in Montana

- MEIC brought a bill last session to regulate PFAS which was passed by the legislature but vetoed by the governor, and MEIC would like to bring that back

Benefits to Collaborative Processes for Developing Bills

- The Comprehensive Water Review (CWR) and Bozeman Integrated Water Resources Plan (IWRP) can both be seen as successful collaborative processes/negotiations that have incentivized big picture and outside-of-the-box, avoided entrenchment, and led to many substantive policy changes
    - The CWR brought diverse stakeholders together, facilitated by a neutral third party, to participate and advocate for their constituencies outside the constraints of the legislative process and without having to try to facilitate and negotiate at the same time
    - Last 6 years in Montana have seen the largest swath of water policy changes since the 70s
- Stakeholder groups continuing to work with WPIC and contributing data/analysis for study bills are other important avenues for collaboration, especially when approached strategically
    - The stakeholder group did do a good job of engaging with WPIC and keeping them informed, and WPIC did a good job of reporting out
- Challenges to all of the above:
    - There are a lot of legislators who are not very well educated on the topics because they're not in the rooms for those discussions
    - There's not many legislators currently that have a deep knowledge of water policy in general
    - Legislative rules/procedures struggle to foster collaborative dialogue and creative thinking
    - On interim committees, every word a legislator speaks is recorded, publicized, and searchable and can show up in court cases
    - You eventually run up against session in which the legislators, many of whom may or may not know what they're voting on, are the ones casting the votes

Increasing Legislator Knowledge Base

- Invite and engage them to have more convenings and conversations like this one outside of the legislative process; WPIC meetings and a 90-day legislative session are not enough
- Present shared knowledge about complex issues in a way that is distilled, digestible, and impactful
- Tell first-hand stories and emphasize local impacts
- Work with and seek support from lobbyist and advocate groups

Continued Engagement and Resources

Next Steps

Stay Informed:

- Bill Explorer
- Water Policy Interim Committee (WPIC)
- Sign up for alerts from MEIC
- Collaborative meeting resources

Public Input:

- Talk to your legislators, staffers, and candidates and invite them to talk about water issues in-person
- Provide testimony during bill hearings
- Attend conservation lobby days
- Basic Tools for Lobbying the Montana Legislature - MEIC

Timeline:

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2027 Legislative Session-Relevant Resources

- Water Policy Interim Committee (WPIC)
- Montana 2027 Legislative Bill Explorer
- WPIC final report summary on HJ 74: Study Analyzing Water Reuse in Montana
- Draft Bills
    - LC0377 - Extend the termination of Water Court for water right adjudication
    - LC0378 - Allow water rights to certain subdivisions (grandfathering bill)
    - LC0379 - Revise water mitigation laws
    - LC0380 - Study of the water rights permitting process by DNRC
- Water Rights and Data Centers - DNRC
- Data Center Regulation - DEQ
- Basic Tools for Lobbying the Montana Legislature - MEIC
- Exempt Wells: Constitutional challenges and questions - MEIC
- Meeting Slides - Clayton Elliot, Basin Strategies Group
- Meeting Slides - Caroline Cararios, Montana Environmental Information Center (MEIC)

Collaborative Resources

- Gallatin Water Collaborative Website - Meeting Resources
- 2026 Monthly Update notes, recordings, and files - Google Drive
- Full Collaborative Google Drive
- Event Calendar

Next Meetings:

October 27 | 1:00 - 2:30 p.m. | Virtual | Drought Plan Implementation

December 10 | 12:00 - 4:00 p.m. | In-Person/Hybrid | Annual Meeting