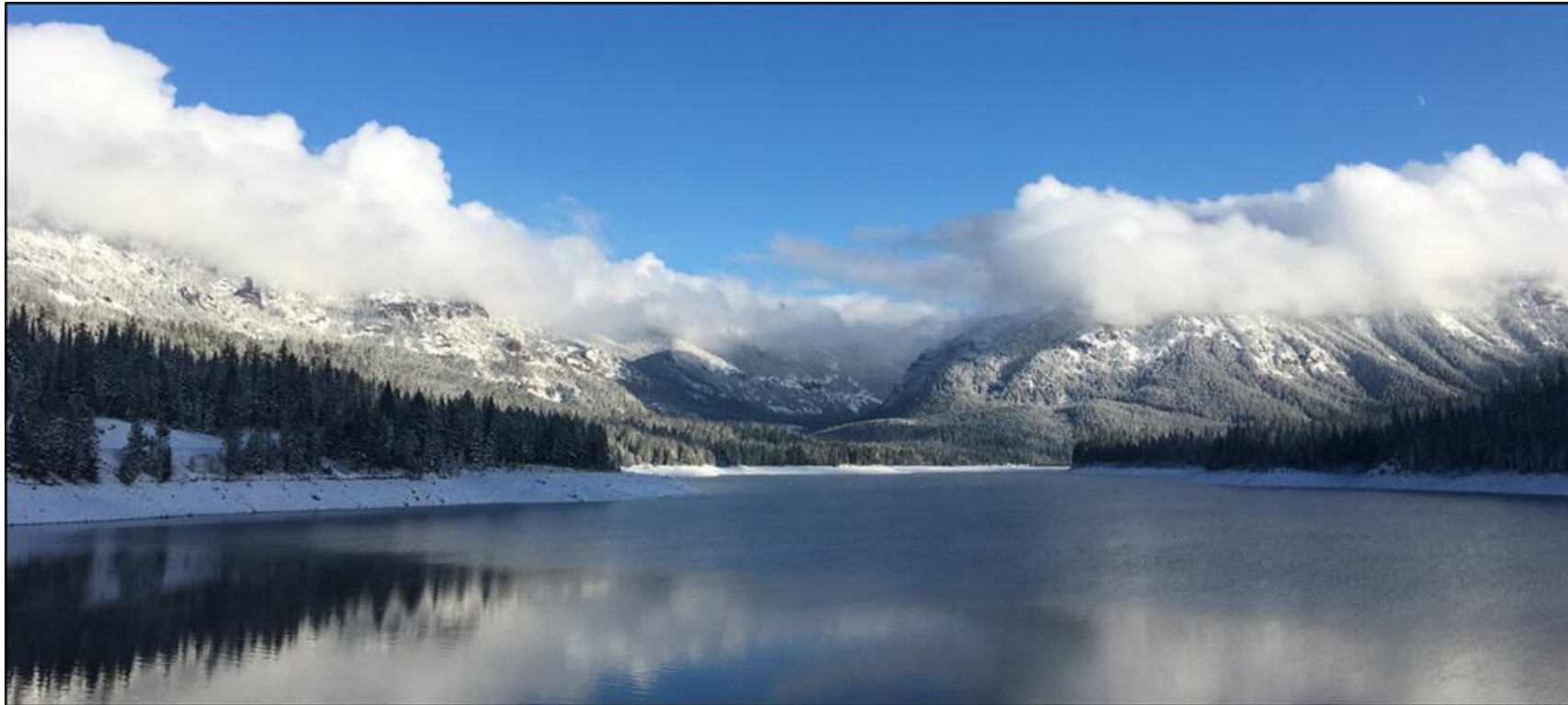
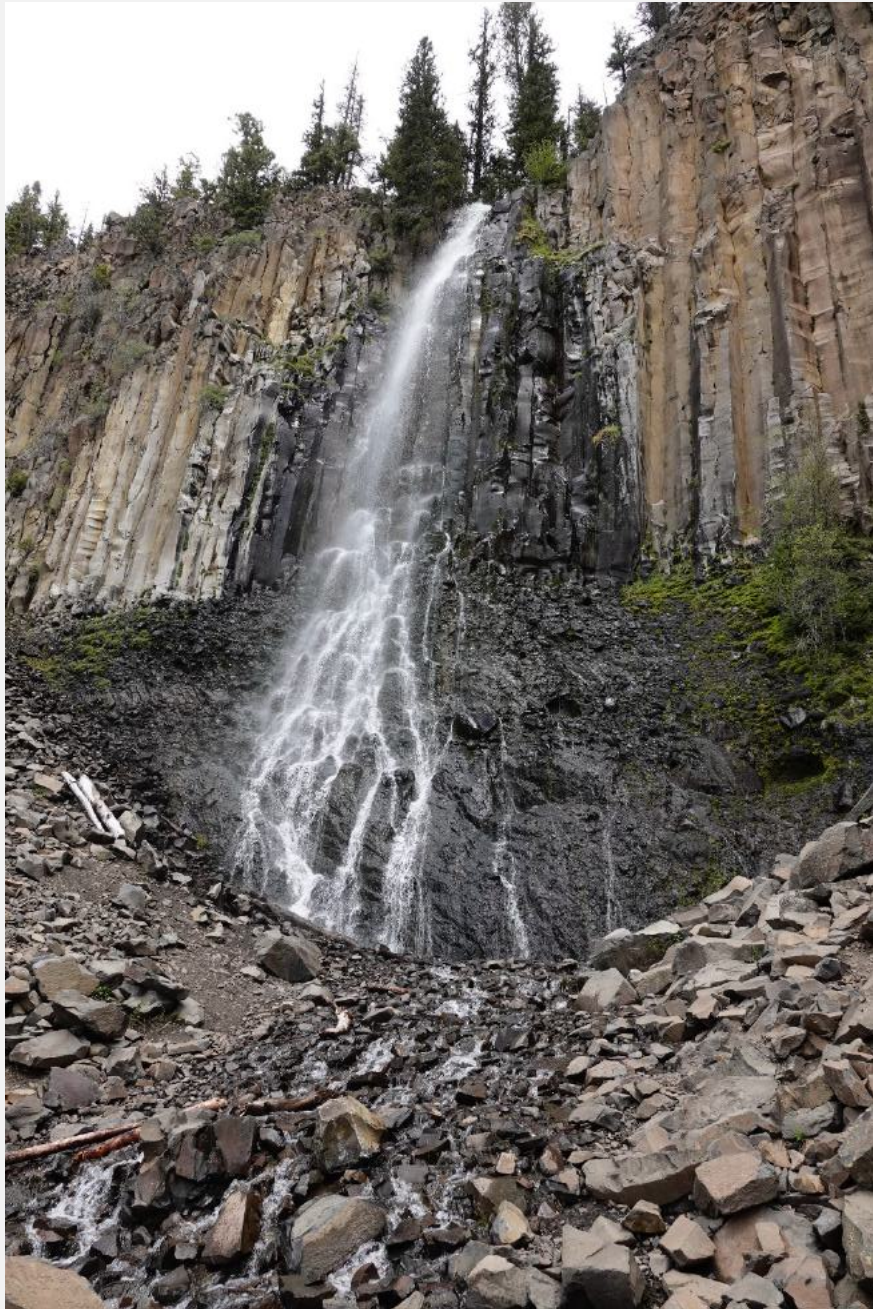


Impacts Discussion of Citizen Proposed Water Adequacy Petition

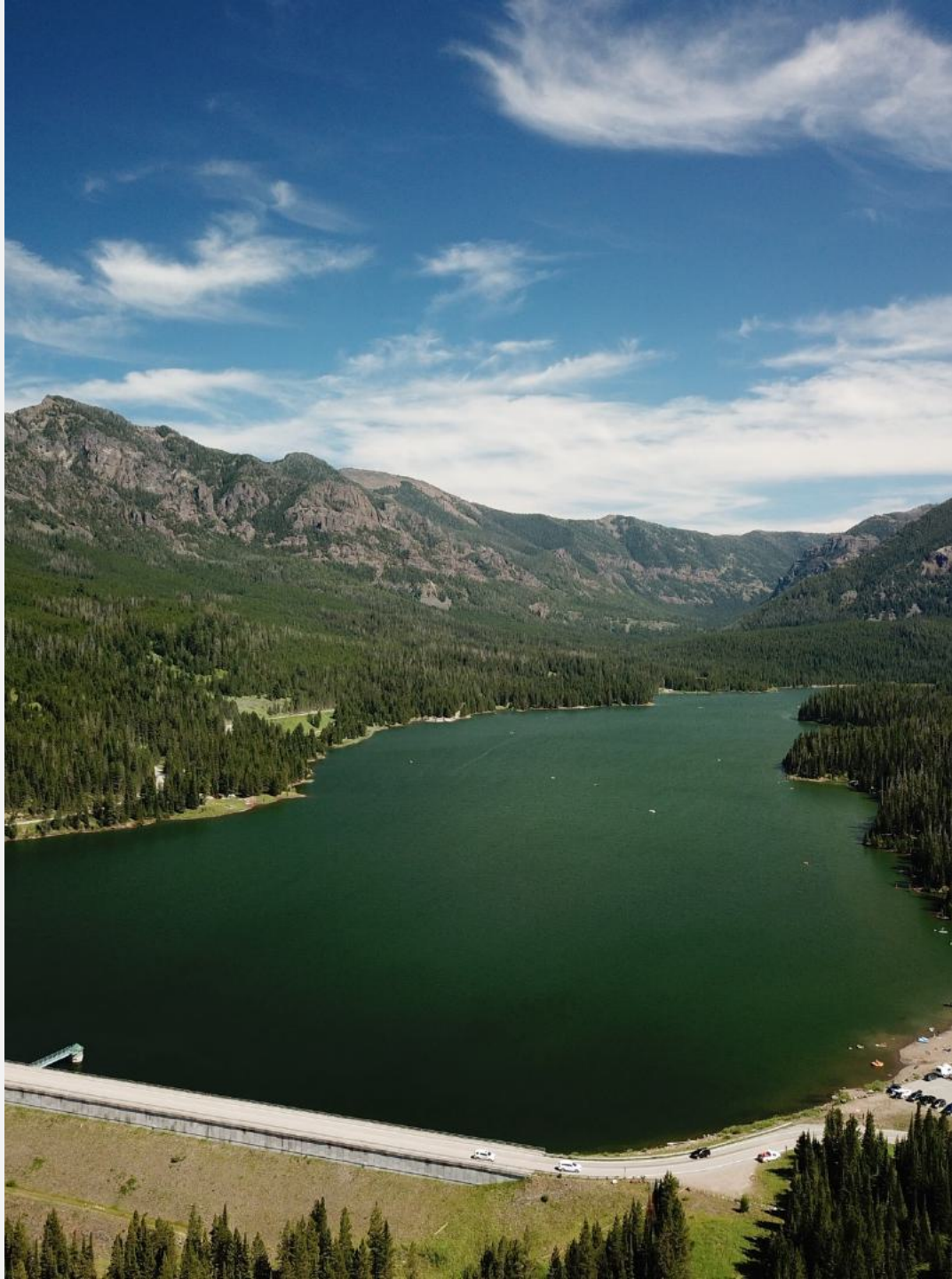


April 22, 2025



Key Topics

- 1. Current Water Adequacy Policy**
- 2. Current Water Supply Snapshot**
- 3. Realized and Projected Supply Expansion**
- 4. Citizen Proposed Water Adequacy Policy Amendment**
- 5. Impacts of Citizen Proposed Water Adequacy Amendment**



Current Water Adequacy Policy

Current Water Adequacy

- Current Policy went into effect in 1984
- Requires that projected water demand of new development be offset by one or more of these options:
 - **Reduce demand with water conservation systems and techniques**
 - **Pay cash-in-lieu of water rights and City acquires the water rights**
 - **Bring useable water rights to the City**



Water Supply Tracking Tool

- Bozeman has a Water Supply & Optimization Tool that allows the City to proactively forecast and manage its water supplies. This tool tracks:
 - Current water demands
 - Projected water demands for new projects, including projected savings from water conservation systems and techniques associated with projects
 - Current water supply





Current Water Supply Snapshot

Development within Bozeman is most Water Sustainable

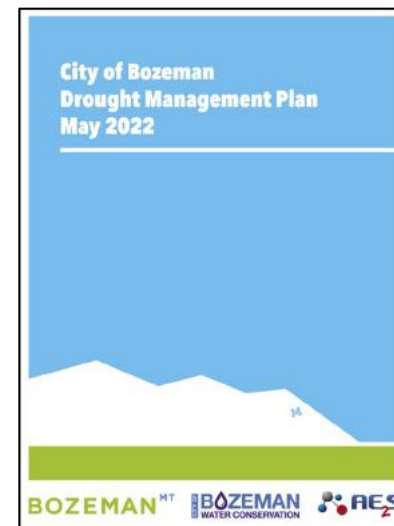
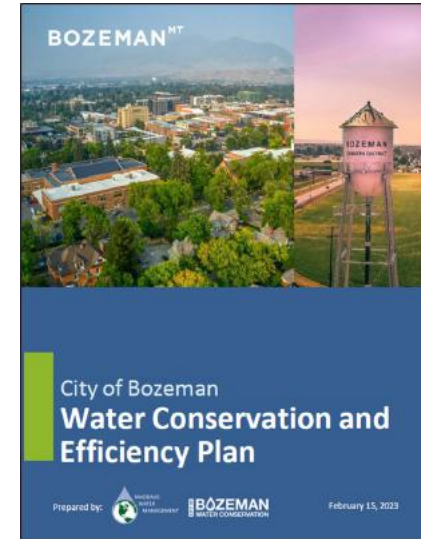
Gallons per Capita Day Water Use

- Bozeman = 114 GPCD
- Others in Montana = 163 GPCD (average)
- Comparable Cities =
 - Boulder, CO: 133 GPCD
 - Denver, CO: 140 GPCD
 - Bend, OR: 157 GPCD

Gallons per Household Day Water Use

- Bozeman: 188 GPHD
- National average: 254 GPHD
- Arid Western states: 314 GPHD

- City has the experts to efficiently develop water supply, water rights, and conservation to stay in front of development demands





Percentage of Total Basin Surface Water Rights in Bozeman Municipal Use



Total Surface Water Rights in Gallatin Valley Basin

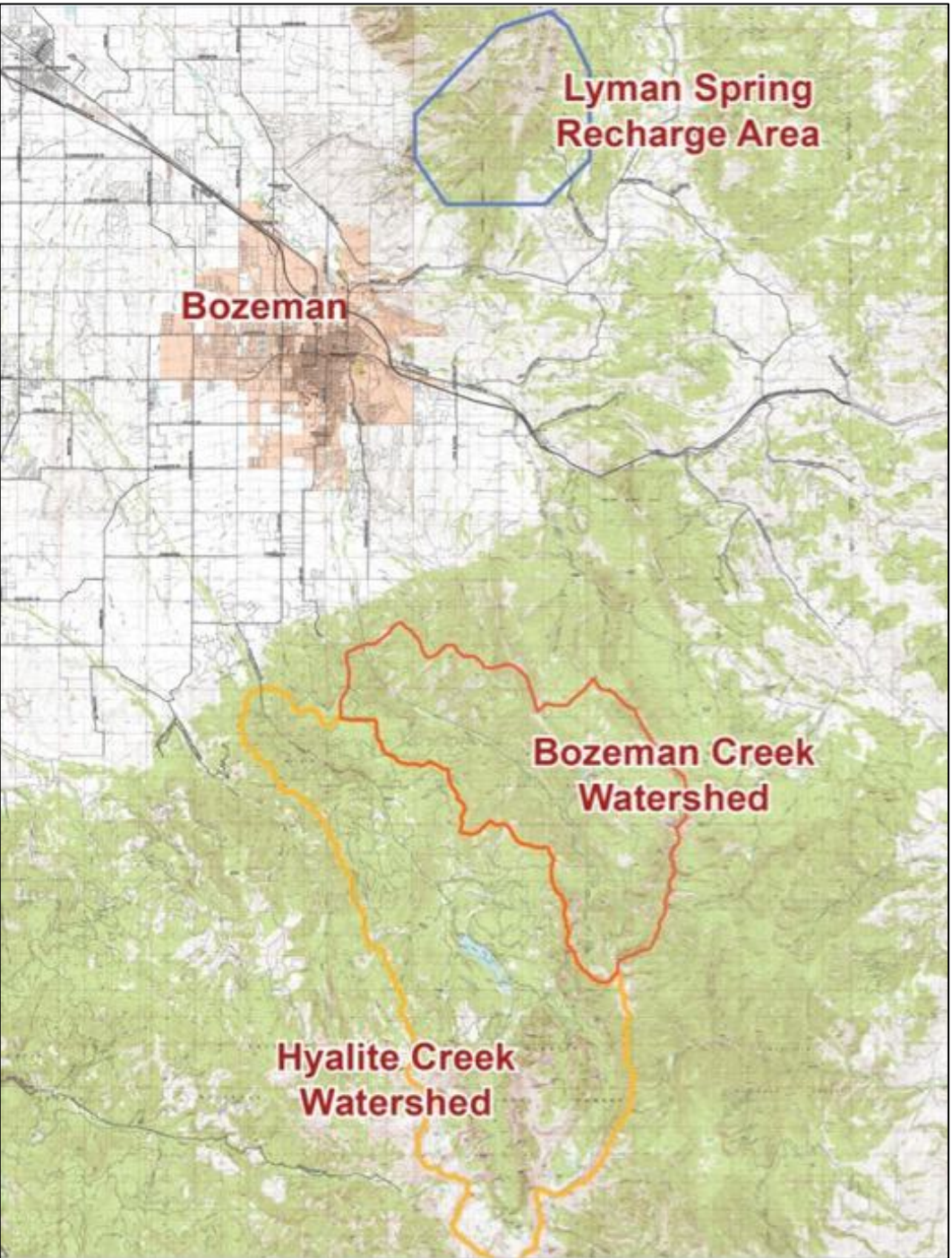
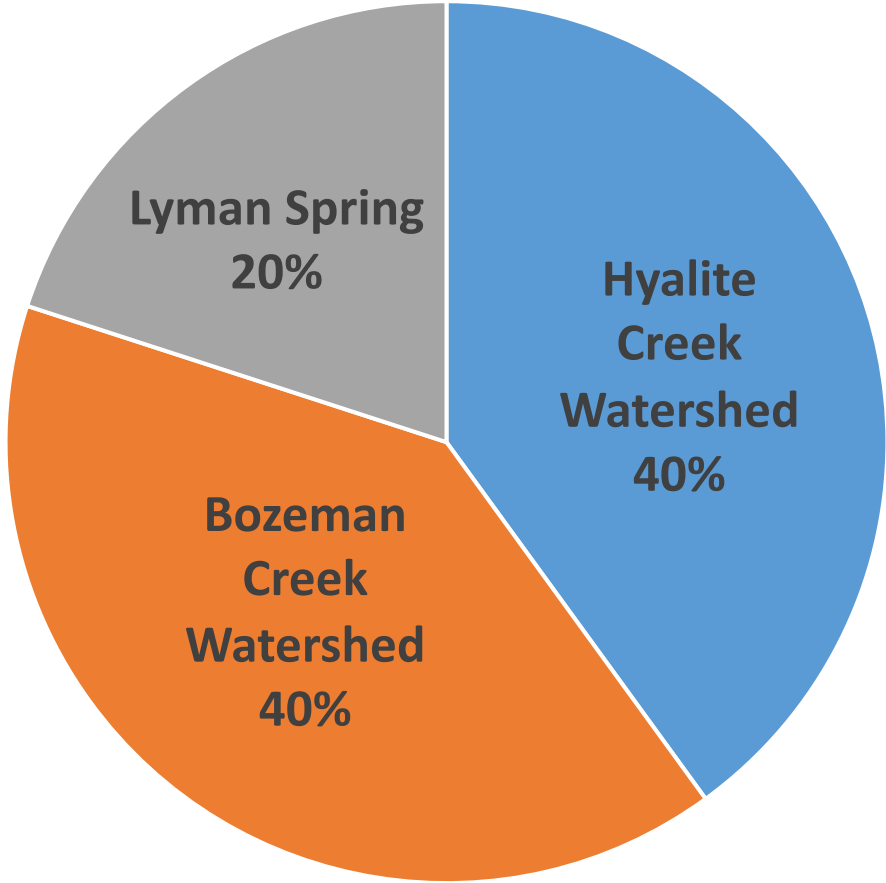
15,000 cfs (cubic-feet-per-second)



Approx Bozeman use of Surface Water Rights in Gallatin Valley Basin

19 cfs or 0.1% of Total

Current Water Supply Snapshot



How much water does Bozeman have today?

	Legal Water Rights af/yr	Reliable Supply af/yr
Today's Total Supply	16,517	11,920
2024 Actual Use	7,100 (43%)	7,100 (60%)

- *af/yr = acre-feet/year*
- *1 acre-foot of water is approximately 1-foot of water over an entire football field.*
- *1 acre-foot of water supplies approx 4 single family homes or 8 condo/apartment units per year.*
- Reliable Supply is the amount available via the City's existing rights reduced by the impact of a 1 in 50 year drought (similar to what occurred in 2021)

How much water does Bozeman have after accounting for currently approved, but not yet built development?

	Legal Water Rights (af/yr)	Reliable Supply af/yr
Total Supply	16,517	11,920
2024 Actual Use	7,110 (43%)	60%
2024 Actual Use, including Approved Dev of 993 af/yr	8,103 (49%)	68%
2025 Unused Water Rights	8,423 (51%)	3,814 (32%)

- These projections are conservative and do not account for additional water supply development included in Conservation and the Capital Improvement Plan over next 5 years.



Realized and Projected Supply Expansion



Realized and Projected Supply Expansion



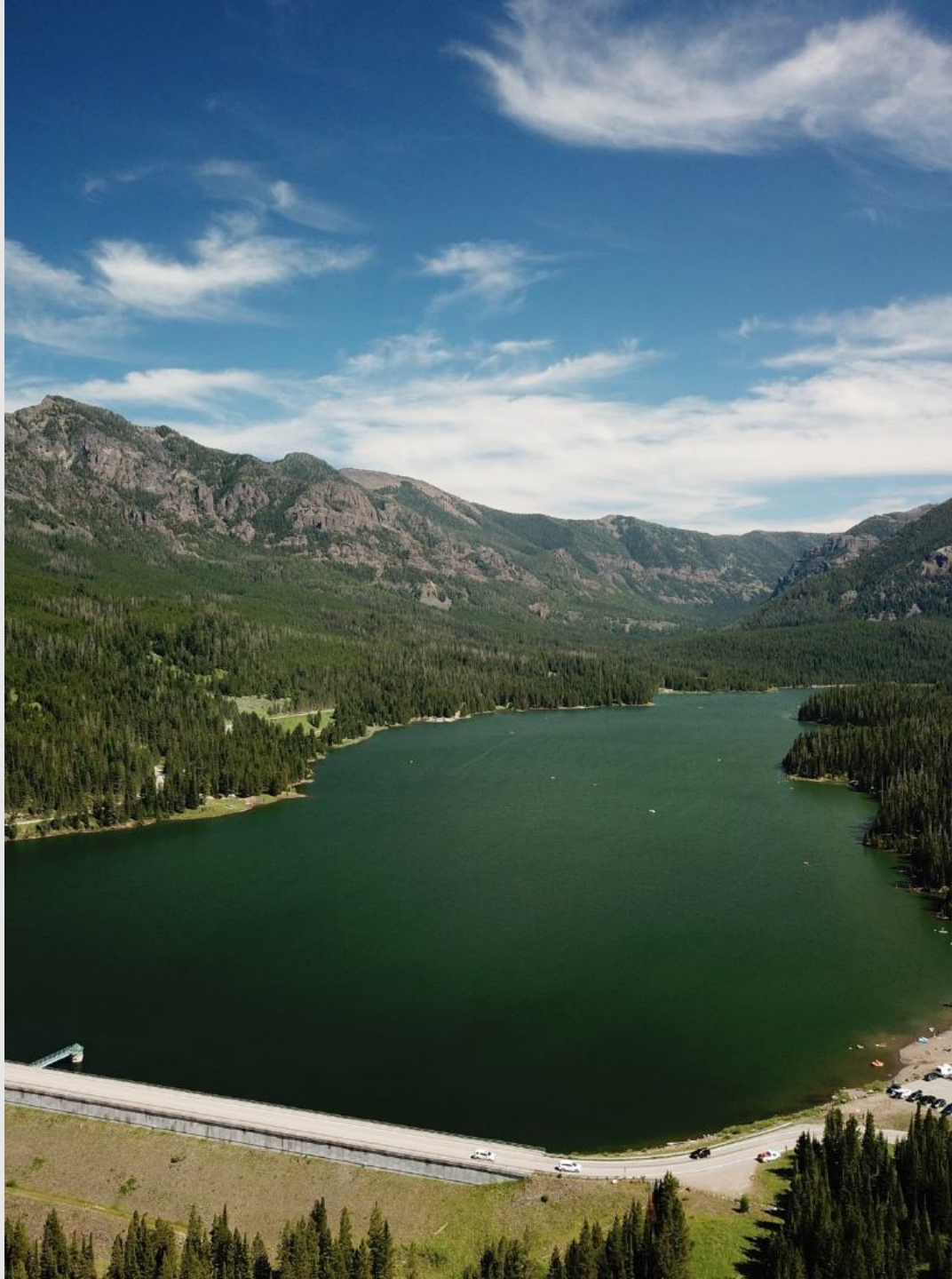
Realized Supply Expansion

Through supply development projects, the City has realized 1,334 AF of water since 2013.



Projected Supply Expansion

The projected additional volume of water that will be realized through supply projects outlined in the next 5-year CIP is 1,575 AF.



Citizen Proposed Water Adequacy Policy Amendment

BOZEMAN^{MT}
Utilities

Citizen Proposed Water Adequacy Policy Amendment Language – 1st part

RECEIVED

MAR 04 2025

Clerk & Recorder
Gallatin County, Mont.

PETITION TO PLACE BOZEMAN WATER ADEQUACY INITIATIVE ON THE ELECTION BALLOT

If 15% of the registered voters in the City of Bozeman (City) sign this petition and the total number of voters signing this petition is 5,356, the vote to modify use of payment to the City of cash-in-lieu of water rights under Bozeman Municipal Code (BMC), Chapter 38, Article 4, Sec. 38.410.130.D will appear on the November 2025 ballot. If a majority of voters vote for this initiative at that election, it will become law. Then use of payment of cash-in-lieu of water rights under BMC Chapter 38, Article 4, Sec. 38.410.130.D will be restricted to require all residential development of three dwelling units or more to contain 33% or more of affordable dwelling units restricted by deed for 99 years or as long as the law allows at 120% or less of area median income (AMI) for sale or at 60% or less of AMI for rent.

We, the undersigned City of Bozeman voters, propose the City of Bozeman place the following language on the November 2025 ballot:

Statement of Purpose:

The Bozeman Water Adequacy Initiative will amend 38.410.130.D of the Bozeman Municipal Code to allow development in the City to pay cash-in-lieu of providing water rights only if the development provides 33% or more of the dwelling units in the development as restricted by deed for 99 years or as long as the law allows and sold at 120% or less of area median income (AMI) or rented at 60% or less of AMI. This requirement applies to all residential development in the City of three dwelling units or more. In addition, the initiative repeals the ability of a residential development to satisfy its water adequacy requirements by implementing offsite water efficiency or conservation measures.

Citizen Proposed Water Adequacy Policy Amendment Language – 1st part

- a. Development of three or more residential dwelling units shall only be allowed to issue a payment to the city of cash-in-lieu of water rights if the development contains 33% or more of affordable dwelling units restricted by deed for 99 years or as long as the law allows at 120% or less of area median income (AMI) for sale or at 60% or less of AMI for rent. The affordable dwelling units must be of the same quality and size as those sold or rented at market rate. The affordable dwelling units must be evenly distributed among and within all buildings and floors in any such development as applicable. The city shall allocate the affordable dwelling units for sale and for rent by random lottery.

Citizen Proposed Water Adequacy Policy Amendment Language – 2nd Part

RECEIVED

MAR 04 2025

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Citizen Proposed Water Adequacy Policy Amendment Language – 2nd Part

2. Implementation of onsite ~~and/or offsite~~ water efficiency and conservation measures that reduce the estimated annual municipal water demand attributable to the development by one or more of the following methods:
 - ~~e. Other water efficiency and conservation methods brought forward as part of the development by the applicant that the review authority may at its discretion approve.~~



Impacts of Citizen Proposed Water Adequacy Policy Amendment

BOZEMAN^{MT}
Utilities

Impacts of Citizen Proposed Water Adequacy Policy Amendment

- Time for developers to obtain useable water rights = 3-8 years without cash-in-lieu of water rights option. Water rights must be developed in conjunction with water supply projects.
- Would developers provide a well for each project that the City would then own/maintain? This is highly inefficient. Much more efficient to develop water supplies that serve larger areas of City, not just one development.

Impacts of Citizen Proposed Water Adequacy Policy Amendment

- Pressure on Bozeman's water supply, and other infrastructure systems, will continue to increase as commuters will still come to Bozeman as MSU and other services, such as healthcare continue to expand.
- Water demand less efficient outside Bozeman. Overall water system impact in Gallatin Valley be heavier impact from residential uses.



Impacts of Citizen Proposed Water Adequacy Policy Amendment

- Eliminates water conservation incentives for new development
 - Implementing/installing any water efficient processes, systems, fixtures, or outdoor landscaping within an existing development (*'offsite offsets'*)
 - Offsite offset projects must save water in perpetuity through the installation of water efficient processes/fixtures. I.e.- fixing a leak would not qualify as an offsite offset.
 - Offsite offsets are a win-win-win because they allow for water-neutral growth.
 - 1) The applicant can meet water adequacy requirements and gain approval
 - 2) Existing property owner(s) benefit from zero-cost efficiency improvements, resulting in lower utility costs long-term and improved performance of processes/fixtures etc.
 - 3) The City can accommodate growth without impacts to its water supply

Unintended Impacts of Citizen Proposed Water Adequacy Policy Amendment

- May create an unfavorable marketplace from which to buy reasonably priced water rights
- Will affect City budgets and City ability to meet citizen water service needs cost effectively
- Developers will not be able to meet the requirements to use the cash-in-lieu program - City Economic Development will provide financial discussion

Improvements Since Last Water Supply Estimate 2022

- Development of the Water Supply & Optimization Tool provides the City with improved data to proactively manage water supplies
 - Current demands
 - Projected demands associated with approved development projects (instead of assumed growth rate)
 - Legal & reliable water supply
- Creation of the Drought Management Plan
- New demand reduction policies
 - Permanent mandatory watering restrictions
 - Water efficient landscape ordinance
- Recent supply projects
 - Additional shares acquired in Hyalite Reservoir
 - Use of non-potable water for irrigation
 - Sunset Hills Cemetery
 - Sports Park

