

Montana Department of Natural Resources and Conservation
Water Resources Division
Water Rights Bureau

ENVIRONMENTAL ASSESSMENT
For Routine Actions with Limited Environmental Impact

Part I. Proposed Action Description

1. Applicant/Contact name and address:

Applicant:

MT Moonlight Basin Water & Sewer LLC
66 Mountain Loop Road
Big Sky, MT 59716

2. Type of action: Application to Change an Existing Water Right No. 41F 30122400
3. Water source name: Groundwater
4. Location affected by project:
Sections 1, 2, 3, 9, 10, 11, 12, 13, 14, 15, 16, 22, 23, 24, 26, T06 S, R02 E, Madison
County. See Figure 1, on the next page, for an overview map.

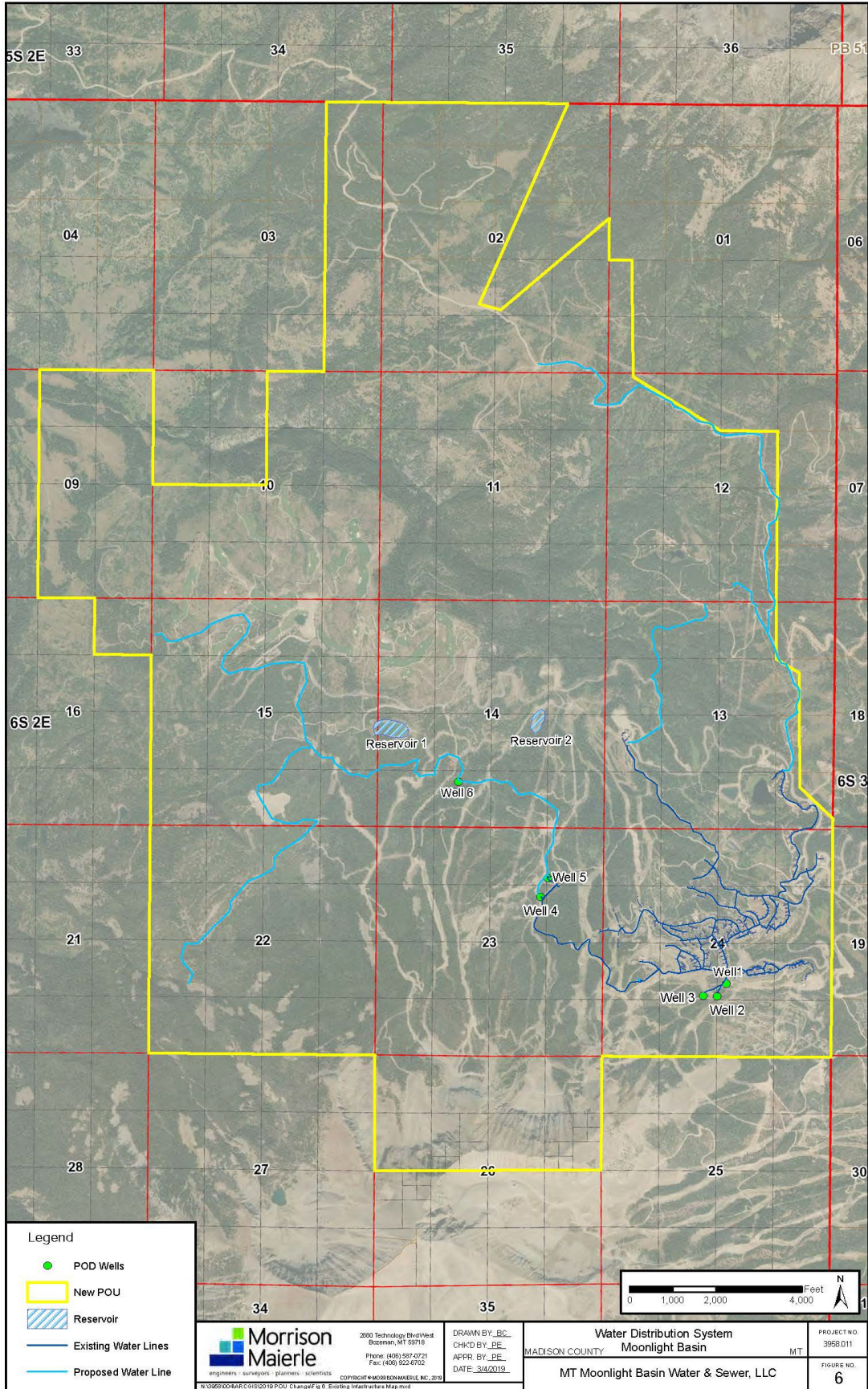


Figure 1: Map of location affected by project. Figure 6 from application materials.

5. Narrative summary of the proposed project, purpose, action to be taken, and benefits:

The applicant seeks to change the purpose, place of use, point of diversion, and place of storage for Provisional Permit Nos. 41H 99524-00, 41H 30005212, and 41F 30013630. Each permit was acquired piecemeal for different phases of the applicant’s development, but they are part of the same water system. This change will update the three permits so that each has the same purpose, place of use, point of diversion, and place of storage. The new purpose would be municipal. The new place of use will include all areas that could be served by Moonlight’s system and is summarized in Table 1, below, and shown in Figure 1, on the previous page.

Table 1: PLACE OF USE

W2SW Section 1
Section 2
E2NE Section 3
E2SE Section 3
E2 Section 9
SW Section 10
SE Section 10
NE Section 10
Section 11
SW Section 12
NW Section 12
SWNE Section 12
W2SE Section 12
Section 13
Section 14
Section 15
NENE Section 16
Section 22
Section 23
Section 24
N2 Section 26
Note: All T6 S, R2 E, Madison County

The points of diversion will be the six wells that are already authorized under these three permits. The same six wells will continue to be used, but all six wells will be included under each of the three water rights. The wells are summarized in Table 2, below.

Table 2: POINTS OF DIVERSION

POD ID	Legal Land Description	GWIC ID No.
1	SENESEW of Section 24	155020
2	SWNWSE of Section 24	241699
3	SENESEW of Section 24	214006
4	NESWNE of Section 23	230807
5	SWNENE of Section 23	230805
6	SWSESEW of Section 14	215507
Note: All T6 S, R2 E, Madison County		

Lastly, the applicant proposes to add two reservoirs to all three permits: Reservoir 1, located in the SW of Section 14, and Reservoir 2, located in the SE of Section 14. Their capacities are 49.5 AF and 42 AF, respectively. Currently, these reservoirs are included under only permit 41F 30013630.

Under all three permits, the applicant could divert 761 GPM up to 300.1 AF to serve up to 723 units, 120.85 acres of irrigation, and 50 acres of snowmaking

The Department shall issue a change authorization if the applicant proves the criteria in §85-2-402, MCA, are met.

6. Agencies consulted during preparation of the Environmental Assessment:
- Montana Department of Fish, Wildlife & Parks (FWP) – Fish MT
 - <http://fwp.mt.gov/fish/>
 - Montana Department of Environmental Quality (DEQ) – Clean Water Act Information Center (CWAIC)
 - <http://deq.mt.gov/wqinfo/CWAIC/default.mcp>
 - Montana National Heritage Program (MTNHP) – Species of Concern:
 - <http://mtnhp.org/SpeciesOfConcern>
 - U.S. Fish & Wildlife Service (USFWS) – National Wetlands Inventory Wetlands Mapper
 - <http://www.fws.gov/wetlands/Data/Mapper.html>
 - Natural Resource Conservation Service (NRCS) – Web Soil Survey (WSS)
 - <http://websoilsurvey.sc.egov.usda.gov/App/HomePage.htm>
 - Montana Bureau of Mines and Geology (MBMG) – Ground Water Information Center (GWIC)
 - <http://mbmggwic.mtech.edu>

Part II. Environmental Review

1. Environmental Impact Checklist:

PHYSICAL ENVIRONMENT

WATER QUANTITY, QUALITY AND DISTRIBUTION

Water quantity - *Assess whether the source of supply is identified as a chronically or periodically dewatered stream by FWP. Assess whether the proposed use will worsen the already dewatered condition.*

Determination: No significant impact identified.

According to a December 9, 2019, search of FishMT, FWP does not list groundwater as chronically or periodically dewatered. FWP does not list any surface water streams in T06 S, R02 E, Madison County, as chronically or periodically dewatered. This change requests the same amount of groundwater diversion already permitted, so the change will not worsen any dewatered conditions as compared to what is currently authorized.

Water quality - *Assess whether the stream is listed as water quality impaired or threatened by DEQ, and whether the proposed project will affect water quality.*

Determination: No significant impact identified.

The Montana DEQ regulates MT Moonlight Basin Water & Sewer LLC as a public water supply system. The proposed changes are unlikely to impact groundwater quality. According to a December 9, 2019, search of the CWAIC website, the nearest surface water source that DEQ has assessed is Jack Creek. DEQ lists Jack Creek as fully supporting primary contact recreations and not fully supporting aquatic life. They have not assessed Jack Creek for agricultural or drinking water uses. Identified impairments include alteration in stream-side or littoral vegetative cover due to grazing in riparian or shoreline zone and streambank modifications-destabilization. Another impairment is flow regime modification due to irrigated crop production. This change requests the same amount of groundwater diversions already permitted, so the change will not impact surface water quality.

Groundwater - *Assess if the proposed project impacts ground water quality or supply. If this is a groundwater appropriation, assess if it could impact adjacent surface water flows.*

Determination: No significant impact identified.

The rights being changed are from groundwater. This change requests the same amount of groundwater diversions already permitted, so it will not significantly impact groundwater quality or supply or surface water flows as compared to conditions that have already been authorized.

DIVERSION WORKS - *Assess whether the means of diversion, construction and operation of the appropriation works of the proposed project will impact any of the following: channel impacts, flow modifications, barriers, riparian areas, dams, well construction.*

Determination: No significant impact identified.

The applicant has proposed to change the six points of diversion, but no physical changes will occur on the ground. The same six wells that have historically been used will continue to be used. All six wells will be authorized under each of the three permits.

UNIQUE, ENDANGERED, FRAGILE OR LIMITED ENVIRONMENTAL RESOURCES

Endangered and threatened species - *Assess whether the proposed project will impact any threatened or endangered fish, wildlife, plants or aquatic species or any "species of special concern," or create a barrier to the migration or movement of fish or wildlife. For groundwater, assess whether the proposed project, including impacts on adjacent surface flows, would impact any threatened or endangered species or "species of special concern."*

Determination: No significant impact identified.

A December 9, 2019, query of the Montana National Heritage Program's website produced the following results:

Animal Species

- Six (6) Species of Concern: Townsend's Big-eared Bat, Wolverine, Grizzly Bear, Brown Creeper, Cassin's Finch, Clark's Nutcracker.
- Zero (0) Potential Species of Concern.
- Zero (0) Special Status Species.

Plant Species

- Three (3) Species of Concern: Marsh Horsetail, Whitebark Pine, Musk-root.
- Zero (0) Potential Species of Concern.
- Zero (0) Special Status Species.

The proposed project would update the three permits so that each has the same purpose, place of use, point of diversion, and place of storage. As Moonlight continues to develop, its development may impact the species listed here, but the water right changes should not have a significant impact on the ground. Much of the Moonlight Basin area has been placed in conservation easements.

Wetlands - *Consult and assess whether the apparent wetland is a functional wetland (according to COE definitions), and whether the wetland resource would be impacted.*

Determination: No significant impact identified.

A December 9, 2019, search of the USFWS Wetlands Mapper identified some freshwater emergent wetlands and freshwater ponds in T06 S, R02 E, Madison County. No changes to any

of these wetlands or ponds have been proposed through the water right change process, so these changes should not have a significant impact on any wetland resources.

Ponds - *For ponds, consult and assess whether existing wildlife, waterfowl, or fisheries resources would be impacted.*

Determination: No significant impact identified.

The applicant proposes to include two reservoirs on all three water right permits. The two reservoirs are currently authorized under only one permit, 41F 30013630. These two reservoirs have already been authorized; the change is only to add them to all three permits, so it should not have any significant impacts on existing wildlife, waterfowl, or fisheries resources.

GEOLOGY/SOIL QUALITY, STABILITY AND MOISTURE - *Assess whether there will be degradation of soil quality, alteration of soil stability, or moisture content. Assess whether the soils are heavy in salts that could cause saline seep.*

Determination: No significant impact identified.

The applicant stated that they plan to irrigate the same acreage already authorized under these three water right permits. The continued irrigation of the project area will not significantly change geological/soil conditions as compared to present conditions. A December 9, 2019, search of the NRCS WSS site did not identify any saline seeps in the area.

VEGETATION COVER, QUANTITY AND QUALITY/NOXIOUS WEEDS - *Assess impacts to existing vegetative cover. Assess whether the proposed project would result in the establishment or spread of noxious weeds.*

Determination: No significant impact identified.

The applicant stated that they plan to irrigate the same acreage already authorized under these three water right permits.

AIR QUALITY - *Assess whether there will be a deterioration of air quality or adverse effects on vegetation due to increased air pollutants.*

Determination: No impact identified.

This project will not impact air quality.

HISTORICAL AND ARCHEOLOGICAL SITES - *Assess whether there will be degradation of unique archeological or historical sites in the vicinity of the proposed project if it is on State or Federal Lands. If it is not on State or Federal Lands simply state NA-project not located on State or Federal Lands.*

Determination: Not applicable.

The project is not located on State or Federal Lands. Furthermore, the applicant made no mention of significant historical or archeological sites on the property.

DEMANDS ON ENVIRONMENTAL RESOURCES OF LAND, WATER, AND ENERGY - *Assess any other impacts on environmental resources of land, water and energy not already addressed.*

Determination: No impact identified.

No other demands on environmental resources of land, water, and energy have been identified.

HUMAN ENVIRONMENT

LOCALLY ADOPTED ENVIRONMENTAL PLANS AND GOALS - *Assess whether the proposed project is inconsistent with any locally adopted environmental plans and goals.*

Determination: No significant impact identified.

The applicant's goals are to provide municipal water for a variety of sub-uses in the Moonlight Basin area. Municipal use of water is consistent with local and statewide goals, and given the existing demands, the current use of water, and the contemplated growth, the changes proposed are reasonable.

ACCESS TO AND QUALITY OF RECREATIONAL AND WILDERNESS ACTIVITIES - *Assess whether the proposed project will impact access to or the quality of recreational and wilderness activities.*

Determination: No impact identified.

This project is located on private property within the resort community of Moonlight Basin, Montana, and will not affect access to recreational activities or the quality of recreational and wilderness activities.

HUMAN HEALTH - *Assess whether the proposed project impacts on human health.*

Determination: No significant impact identified.

The Montana DEQ regulates MT Moonlight Basin Water & Sewer LLC as a public water supply system. None of the proposed changes should significantly impact human health as compared to existing conditions.

PRIVATE PROPERTY - *Assess whether there are any government regulatory impacts on private property rights.*

Yes ___ No X *If yes, analyze any alternatives considered that could reduce, minimize, or eliminate the regulation of private property rights.*

Determination: No impact identified.

The project does not impact government regulations on private property rights.

OTHER HUMAN ENVIRONMENTAL ISSUES - For routine actions of limited environmental impact, the following may be addressed in a checklist fashion.

Impacts on:

- (a) Cultural uniqueness and diversity? No impacts identified.
- (b) Local and state tax base and tax revenues? No significant impacts identified.
- (c) Existing land uses? No significant impacts identified.
- (d) Quantity and distribution of employment? No impacts identified.
- (e) Distribution and density of population and housing? No significant impacts identified.
- (f) Demands for government services? No significant impacts identified.
- (g) Industrial and commercial activity? No impacts identified.
- (h) Utilities? No impacts identified.
- (i) Transportation? No impacts identified.
- (j) Safety? No impacts identified.
- (k) Other appropriate social and economic circumstances? No impacts identified.

2. *Secondary and cumulative impacts on the physical environment and human population:*

Secondary Impacts: No secondary impacts have been identified.

Cumulative Impacts: No cumulative impacts have been identified.

3. *Describe any mitigation/stipulation measures:* No mitigation or stipulation measures are anticipated at this time.

4. *Description and analysis of reasonable alternatives to the proposed action, including the no action alternative, if an alternative is reasonably available and prudent to consider:* No reasonable alternatives have been identified to accomplish the applicant's goals of updating their three permits so that each has the same purpose, place of use, point of diversion, and place of storage

The no-action alternative would be not to change any of the water right elements and to continue to operate each permit in the piecemeal manner in which they were granted. This may impact Moonlight's development plans, but the full impact is unclear.

PART III. Conclusion

1. ***Preferred Alternative:*** The preferred alternative is to grant the change application if the applicant can prove that the criteria in §85-2-402, MCA, are met.
2. ***Comments and Responses:*** None.
4. ***Finding:***
Yes No *Based on the significance criteria evaluated in this EA, is an EIS required?*

If an EIS is not required, explain why the EA is the appropriate level of analysis for this proposed action: The EA is the appropriate level of analysis because the proposed project is to update three existing permits so that they can be better operated for a manifold municipal water supply system. None of the identified impacts for any of the alternatives is significant as defined in ARM 36.2.524. No significant adverse effects are anticipated.

Name of person(s) responsible for preparation of EA:

Name: Brent Zundel
Title: Civil Engineering Specialist
Date: December 9, 2019