

**FINDING OF NO SIGNIFICANT IMPACT
FOR
MIDDLE MUSSELHELL COUNTY WATER DISTRICT NEW WATER MAINS
PROJECT**

TO: ALL INTERESTED PERSONS

Date:	July 23, 2026
Action:	New Water Mains Project
Location of Project:	Middle Musselshell Water District, Musselshell County, Montana
DWSRF Funding:	Approximately \$3,900,000
Total Project Cost:	Approximately \$3,900,000

An environmental assessment (EA) has been prepared by the Montana Department of Environmental Quality (DEQ) regarding the Middle Musselshell County Water District New Water Mains Project. The proposed project consists of the installation of approximately 5 miles of buried HDPE pipelines 4 and 6 inches in diameter. The project will also include all associated valves, fitting, service lines, and surface repair. The purpose of the project is to provide residents with a clean source of drinking water that is below the secondary maximum contaminant level for manganese. The drinking water will be supplied to the District at two connection points from the Musselshell-Judith Rural Water System operated by the Central Montana Regional Water Authority.

The affected environment will be the area within the District's boundaries and within utility easements. Based on the EA, the project is not expected to have any significant adverse impacts upon terrestrial and aquatic life or habitat, including endangered species, water quality or quantity, air quality, geological features, cultural or historical features, or social quality.

This project will be funded with a loan through the Drinking Water State Revolving Fund Loan Program administered by the Montana Department of Environmental Quality (DEQ) and the Montana Department of Natural Resources and Conservation (DNRC). Upon completion of the project, the loan will be forgiven.

The DEQ utilized the following references in completing its EA for this project: (1) Uniform Environmental Checklist for Montana Public Facility Projects dated February 2023 and prepared by Great West Engineering (2) Design Report for the Middle Musselshell County Water District New Water Mains Project dated July 2026 and prepared by Stahly Engineering (3) Preliminary Engineering Report Update for the Middle Musselshell County Water District dated April 2024 and prepared by Great West Engineering; and (4) a review of potential contaminant sources for this project completed by the source water protection section of DEQ. In addition to these references, twenty-five entities that included state and federal agencies were contacted regarding the proposed construction of the Middle Musselshell County Water District New Water Mains Project. Response letters were received from SHPO, DNRC, and USFWS. These references are available for review upon request by contacting:

Sandie Koenig
Department of Environmental Quality
P.O. Box 200901
Helena, MT 59620-0901
Phone (406) 444-6770
Email: sandie.koenig@mt.gov

Or:

Warren Hanson
Middle Musselshell County Water District
PO Box 497
Roundup, MT 59072
(218) 779-6180
Email: mmcwd23@gmail.com

Comments on this finding or on the EA may be submitted to DEQ at the above address. Comments must be postmarked no later than 30 days after the date of publication of this FONSI in the newspaper. After evaluating substantive comments received, DEQ will revise the EA or determine if an Environmental Impact Statement is necessary. Otherwise, this finding of no significant impact will stand if no substantive comments are received during the comment period or if substantive comments are received and evaluated and the environmental impacts are still determined to be non-significant.

Signed,



Rachel Clark, Bureau Chief
Engineering Bureau

MIDDLE MUSSELSHELL COUNTY WATER DISTRICT NEW WATER MAINS PROJECT
ENVIRONMENTAL ASSESSMENT

I. COVER SHEET

A. PROJECT IDENTIFICATION

Applicant: Middle Musselshell County Water District
Address: PO Box 497
Roundup, MT 59072
Project Number: EQ No. 25-1529

B. CONTACT PERSON

Name: Warren Hanson
Board President
Address: PO Box 497
Roundup, MT 59072
Telephone: (218) 779-6180

C. ABSTRACT

The Middle Musselshell County Water District (the District) was formed in 2023 and is located in central Montana, east of Highway 87 and north of the city of Roundup, Montana. The District encompasses the subdivision known as the Roundup Mesa Subdivision. The District does not have a centralized water distribution system; instead, the residents in the area have relied on individual wells or cisterns.

The District hired Great West Engineering, Inc. to prepare a Preliminary Engineering Report (PER) to address water quality and quantity issues in the District. For residences with private wells, the water quality is poor resulting in taste and odor issues. Samples collected for systems with wells showed manganese levels typically above the secondary maximum contaminant level (SMCL). Other residences have to haul water due to dry wells and the general lack of water in the area. The 2024 PER determined that the preferred alternative would be to connect the District to the Central Montana Regional Water Authority (CMRWA) Musselshell Judith Rural Water System (MJRWS) via the Authority-owned transmission main that will pass by the south and east side of the District. This project consists of installing a centralized distribution system that will connect to the MJRWS.

From the Design Report prepared by Stahly Engineering, there are over 60 equivalent dwelling units (EDUs) in the District and an estimated 26 EDUs have expressed interest in connecting to the MJRWS.

The project will be funded by a DEQ Drinking Water Emerging Contaminant State Revolving Fund loan. Environmentally sensitive characteristics such as wetlands, floodplains, and threatened or endangered species are not expected to be adversely impacted as a consequence of the proposed project. No significant long-term environmental impacts were identified during the preparation of this document.

The DEQ Engineering Bureau has prepared this Environmental Assessment (EA) to satisfy the requirements of the National Environmental Policy Act (NEPA) and the Montana Environmental Policy Act (MEPA)

D. COMMENT PERIOD

Thirty calendar days.

II. PURPOSE AND NEED FOR ACTION

As described in the 2024 PER, the purpose of this project is to provide a consistent and reliable source of high-quality water to the District. The residences with private wells currently drink water that is of poor aesthetic quality and contains manganese at or above the SMCL. Available water sources that don't require extensive and expensive treatment are scarce in the area. Some residents haul water and fill cisterns as their water supply. The proposed project will provide the District with a reliable, high-quality source of drinking water.

III. CONSIDERED ALTERNATIVES

The alternatives for addressing the District's water system needs included:

A. NO ACTION

Under the no action alternative, manganese and taste and odor issues from private wells and issues associated with hauling water would not be resolved, thereby not addressing the water quantity and quality concerns of the District.

B. ACTIONS CONSIDERED BUT NOT PURSUED

The District did not consider developing a new water supply source since the new well source is expected to have similar water quality and, therefore, would likely require advanced treatment to address manganese and taste and odor issues. In addition, there is concerns with drilling a well with adequate capacity as multiple "dry wells" have been drilled in the region and, to add to that issue, the District would be required to drill two wells to meet DEQ-1 Standards. Without a viable source, treatment alternatives were not considered. Storage alternatives were considered but were determined unnecessary as CMRWA could supply sufficient

water quantity and pressure to meet the domestic needs of the District.

C. PROPOSED ACTION

The proposed project involves installing a distribution system within the District to extend distribution mains to homes that have expressed interest in connecting to the system. There will be two points of connection to the Authority-owned transmission main. The proposed infrastructure mainly consists of approximately 5 miles of distribution mains, service lines, and associated valves, fittings, and surface repair.

The District hired Stahly Engineering to perform project design.

D. TOTAL ESTIMATED COSTS

The total estimated cost of the proposed project is approximately \$3.9 million. The District anticipates receiving a Drinking Water State Revolving Fund loan from Emerging Contaminant funding to finance the project. If all conditions are met, the loan will be forgiven. The average monthly water rates are expected to be approximately \$75.00 to cover the cost of purchasing water from CMRWA and the cost to operate and maintain the District-owned portion of the system.

IV. AFFECTED ENVIRONMENT

A. PLANNING AREA

The District is located in central Montana in western Musselshell County. The District is situated to the north and northeast of Roundup and the intersection of Montana Highways 87 and 12. The District includes portions of Sections 1, 2, 11, and 12 of Township 8 North, Range 25 East. The District consists primarily of residential lots and the Roundup Airport.

The Authority-owned pipeline will follow the District boundary to the south and then to the east. The two locations where the District will connect to the Authority-owned transmission main are along the southern portion of the district near US Highway 87 N and the eastern portion of the district on Alec Roy Road. Figure 1 shows the two connections to the Authority-owned pipeline and the distribution system route for the District.

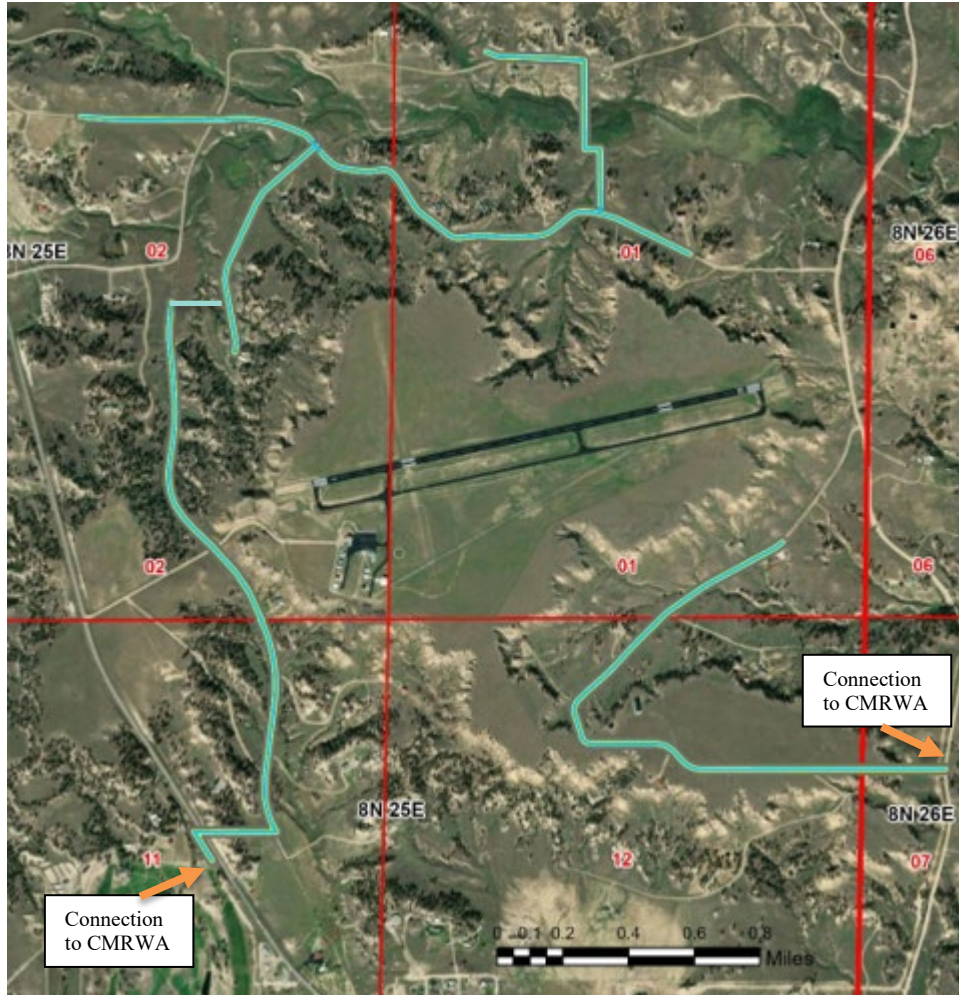


Figure 1. Location of Middle Musselshell County Water District and Proposed Pipeline (turquoise line)

B. POPULATION AND FLOW PROJECTIONS

The current population of the District is estimated to be approximately 123 persons (over 60 EDU's). Currently, approximately 26 EDU's have expressed interest in connecting to the District's water system which equates to approximately 78 persons. The annual growth rate over the life of the project (estimated at 50 years) for the District is expected to be low (0.5 percent) and is based on past growth trends including previous census data. As such, the projected population for the District at buildout is expected to be 160 persons based on an initial population of 123 persons. If only future residents connect to the water system, the projected population of customers served by the water system is expected to be 198 persons. The system will also provide water to the Roundup Airport which consists of 10 EDU's.

The water demands for the District must be estimated based on average known uses of water for domestic use in the area. Because there is no existing water

system in place, there is no available historical water use data for the District. Approximately half of the lots within the district currently have wells that are used for irrigation and stockwater. It has been assumed that this practice will continue for half of any future connections. As such, water use assumptions were based on 100 gallons per capita day (gpcd) and an average day to maximum day use factor of 3.0. Based on a population of 78 persons (26 EDU's), the expected average day demand (ADD) for current customers is approximately 6,500 gpd (4.5 gpm) and the current maximum day demand (MDD) is expected to be 19,500 gpd (13.5 gpm). Based on a total of 76 EDU's at buildout, the ADD is expected to be approximately 19,250 gpd (13.4 gpm) and the MDD is expected to be 73,500 gpd (53 gpm).

C. NATURAL FEATURES

The District is located in central Montana in western Musselshell County. The District is situated to the north and northeast of Roundup and the intersection of Montana Highways 87 and 12. The District includes portions of Sections 1, 2, 11, and 12 of Township 8 North, Range 25 East. The elevation varies from 3,300 feet above sea level in the northern region of the District to 3,450 feet above sea level near the Roundup Airport and consists primarily of residential lots, pastureland, forested areas, and the airport.

Cabbart-Yawdim-Badland complex, Cabbart-Delpoint loams, Rentsac-Cabbart complex, and Cabbart-Delpoint calcareous-rock outcrop complex are some of the primary soils within the District.

V. ENVIRONMENTAL IMPACTS OF PROPOSED PROJECT

A. DIRECT AND INDIRECT ENVIRONMENTAL IMPACTS

1. Land Use – According to a Natural Resources Conservation Service (NRCS) soil survey conducted for the District, little to no area in the District is classified as farmland of statewide importance or prime farmland. The area consists of residential lots, pastureland, forested areas, and the Roundup Airport.

Pipeline construction would temporarily disturb the land surface within the project area. Surface disturbance activities would be minimal and short-term and would have minimal impacts. The majority of the pipeline route will be within the existing road right-of-ways (ROWs) and private landowner easements in which land use opportunities to residents within the project area are limited. Ground disturbance for pipeline construction would be temporary and all disturbed surfaces would be graded and reseeded. Therefore, pipeline construction would have very minor and negligible effects on land use within the project area.

2. Floodplains and Wetlands – No wetlands lie with the boundaries of the proposed project. Floodplain mapping completed by the FEMA National Flood Insurance Program indicates that the District is largely outside of floodplains. A small region following the path of Alkali Creek lies within a special flood hazard area. This flood zone only intersects the northeastern most parcel in the District, which is not currently included in the District. If it is later determined a floodplain or wetland will be impacted, all appropriate permits will be obtained prior to construction activities.
3. Cultural Resources – Cultural resources include historic and prehistoric archeological sites, historic architecture, engineering features, and structures, and resources of significance to Native Americans. The Montana State Historic Preservation Office (SHPO) was contacted to determine whether there are significant historical and cultural resources in the area. SHPO stated that this project has the potential to impact cultural properties. As such, they recommended that a cultural resource inventory be conducted in order to determine whether sites exist and if they will be impacted. The inventory was conducted by Rabbitbrush Archaeological Services, LLC, and two historic-era resources were identified including a road alignment (old Hwy 87) and a historic-era debris scatter. However, both sites were not recommended for inclusion in the National Register of Historic Places (NRHP). Furthermore, Rabbitbrush Archaeological Services, LLC concluded that, in their assessment, the project will pose no effect to historic resources.
4. Fish and Wildlife – In general, wildlife in the area consists of deer, antelope, coyote, rabbit, mice, other small mammals, ducks, and various reptiles and amphibians. An NRIS search was conducted for the county in which the District lies and revealed several species of concern. Some of those listed include: the Black-tailed Prairie Dog, Eastern Red Bat, Little Brown Myotis, Golden Eagle, Ferruginous Hawk, Greater Sage Grouse, Western Milksnake, and Northern Redbelly Dace among others. The District lies on the southern edge of general sage grouse habitat. Proposed construction is primarily within assumed existing rights-of-way of the subdivision or county roads so it is not anticipated that the project will have an adverse effect on the listed species of concern (Great West Engineering, 2024).
5. Water Resources and Water Quality – Various private wells have been drilled within the area over the years, averaging in depth of over 200 feet. The area is not known for having high quality groundwater nor a high quantity of it. Residents of the area have not indicated that there is shallow groundwater. Therefore, groundwater is not assumed to be a concern during construction (Great West Engineering, 2024).

The project is not anticipated to impact local surface waters as there are no significant bodies of surface water within the boundaries of the District. The proposed pipeline crosses a dry creek bed in one location. The contractor will take necessary precautions to prevent discharge of runoff to surface waters during construction, including acquisition of a permit, if necessary.

6. Social and Economic Resources – This project is not expected to negatively impact social or economic resources in the project area. The proposed improvements will affect the entire community equally in that the improvements will be beneficial to human health. There will be no disproportionate effects as a result of the proposed improvements.
7. Soils and Vegetation – The primary soils within the District consists of Cabbart-Yawdim-Badland complex, Cabbart-Delpoint loams, Rentsac-Cabbart complex, and Cabbart-Delpoint calcareous-rock outcrop complex. Of the area included in the soil survey, little to no area is classified as farmland of statewide importance or prime farmland.

No plant species of concern were identified in the region.

8. Environmental Justice – Environmental Justice Executive Order 12898: The proposed project will not result in disproportionately high or adverse human health or environmental effects on minority or low-income populations. The economic impact will ultimately affect all users of the system proportionately. No disproportionate effects among any portion of the community are expected.
9. Air Quality - Short-term negative impacts on air quality may occur from dust, and heavy equipment and exhaust fumes during project construction. Emissions would occur over a single construction season and all equipment used and transport vehicles would meet emission control requirements. Emissions from this low level, short-term activity would be minimal and would not create a noticeable or measurable increase in pollutants. Air quality impacts would be negligible and short-term.
10. Noise - Short-term impacts from increased noise levels may occur during construction activities. The construction period will be limited to normal daylight hours to avoid early morning or late evening construction related disturbances. In the long-term, no increase in noise levels associated with this project will occur.

B. UNAVOIDABLE ADVERSE IMPACTS

Short-term construction-related impacts such as traffic disruption will occur but can be minimized through proper construction management. No permanent direct,

indirect, or cumulative adverse impacts are anticipated as a result of the proposed Middle Musselshell County Water District New Water Mains Project.

VI. AGENCY ACTION, APPLICABLE REGULATIONS, AND PERMITTING AUTHORITIES

All water supply and conveyance infrastructure will be designed to meet DEQ requirements. Proper state regulatory review and approval of the project plans and specifications will be provided. All applicable local, federal, and state permits will be obtained.

County road right-of-way occupancy permits will be necessary where distribution lines or services are installed within the road right-of-way. Finalization of all easement requests, public and private, must be finalized as part of planning/design. Construction permits will likely include a Stormwater Pollution Prevention Plan (SWPPP), which will be the responsibility of the selected contractor.

VII. PUBLIC PARTICIPATION

On October 5, 2022, and March 8, 2023, Great West Engineering conducted public meetings where the proposed project was explained in detail, including the project purpose, proposed service area, activities, budget, funding, and potential financial impacts to local residents. During these meetings, the engineer presented the PER and discussed the proposed project and related environmental work completed to date as part of the State Revolving Fund (SRF) process. The public was given an opportunity to ask questions and express opinions regarding the project. Those in attendance did not raise concerns about the project itself and primarily asked questions about project cost and schedule. Following the meetings, some residents of the Roundup Mesa Landowners Association contacted various agencies, CMRWA, and Great West Engineering by phone and email with concerns primarily related to easements and questions about project funding. Easement-related questions were discussed in correspondence between the District and Roundup Mesa residents, including a February 13, 2024 letter from the District's attorney, Jordan Knudsen, to the Chairman of the Roundup Mesa Landowners Association. In addition, private easements from affected landowners will be obtained prior to construction. Funding questions were primarily addressed by DEQ via email.

VIII. REFERENCE DOCUMENTS

The following documents were used in the environmental review of this project and are considered part of the project file:

- A. Great West Engineering. (2023). Uniform Environmental Checklist for Montana Public Facility Projects.
- B. Great West Engineering. (2024). Preliminary Engineering Report Update - prepared for Middle Musselshell Water District.

- C. Stahly Engineering. (2026). Design Report for the Middle Musselshell County Water District New Water Mains Project
- D. Rabbitbrush Archaeological Services, LLC. (2026). Class III Cultural Resource Report – Middle Musselshell Water Main Extension - Musselshell County, Montana

IX. AGENCIES CONSULTED

Twenty-five entities were contacted regarding the Middle Musselshell County Water District New Water Mains Project. The following entities provided written correspondence regarding this project. The State Historic Preservation Office (SHPO) noted that a cultural resource inventory be conducted in order to determine whether sites exist and if they will be impacted. It was concluded that the project will pose no effect to historic resources. No significant impacts specific to this project were identified by the remaining entities that responded:

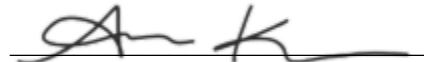
- A. The State Historic Preservation Office (SHPO); correspondence dated February 14, 2023.
- B. The Montana Department of Natural Resources and Conservation (DNRC) Water Resources Division; correspondence dated February 23, 2023.
- C. The U.S. Fish and Wildlife Service (USFWS); correspondence dated February 16, 2023.

X. RECOMMENDATION FOR FURTHER ENVIRONMENTAL ANALYSIS

☐ EIS ☐ More Detailed EA ☒ No Further Analysis

Rationale for Recommendation: Based on the Uniform Environmental Checklist (Great West Engineering, 2023), the Updated Preliminary Engineering Report (Great West Engineering, 2024), and the Design Report (Stahly Engineering, 2025), the DEQ has verified through this EA that none of the adverse impacts of the proposed Middle Musselshell County Water District New Water Mains Project which includes installing a distribution system for District residents are significant; therefore, an environmental impact statement is not required. The environmental review was conducted in accordance with the Administrative Rules of Montana (ARM) 17.4.607, 17.4.608, 17.4.609 and 17.4.610. This EA is the appropriate level of analysis because none of the adverse effects of the impacts are significant. A Finding of No Significant Impact (FONSI) will be issued and legally advertised in the local newspaper and distributed to a list of interested agencies. Comments regarding the project will be received for 30 days before final approval is granted.

EA prepared by:



Sandie Koenig, P.E.

July 23, 2026

Date

Approved By:



Rachel Clark, P.E.

July 23, 2026

Date