



DRAFT ENVIRONMENTAL ASSESSMENT

September 2026
Engineering Bureau
Water Quality Division
Montana Department of Environmental Quality

PROJECT/SITE NAME: Eagles Grove	
APPLICANT/COMPANY NAME: Eagles Grove at Yellowstone LLC	
PROPOSED PERMIT/LICENSE NUMBER: EQ#26-1777	
LOCATION: S21, T13S, R04E, 1630 Targhee Pass Highway, W. Yellowstone	COUNTY: Gallatin
PROPERTY OWNERSHIP:	FEDERAL ☐ STATE ☐ PRIVATE ☒

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Attachments

Due to their large file size, most of the resources relied on for the analysis in this Draft EA are included as separate attachments, available as a downloadable link at the same online location as the Draft EA.

ATTACHMENT A: Figures

ATTACHMENT B: NRCS Soil Report

ATTACHMENT C: Nondegredation Report

ATTACHMENT D: Wetland Delineation Report

ATTACHMENT E: Wildlife Reports

ATTACHMENT F: Cultural Resources Documentation

1 OVERVIEW OF THE PROPOSED ACTION

1.1 AUTHORIZING ACTION

In accordance with the Montana Environmental Policy Act (MEPA), 75-1-102, Montana Code Annotated (MCA), Montana agencies are required to prepare an environmental review for state actions that may have an impact on the human environment. During the 2025 legislative session, Senate Bill 262 was enacted, exempting DEQ's review of water or sewer system plans or specifications under Title 75, chapter 6, MCA, from the requirements of MEPA. Although MEPA review is not required for this action, DEQ has elected to prepare this Environmental Assessment (EA) on a discretionary basis in light of public interest and to disclose the anticipated environmental effects of its proposed decision.

The Proposed Action, described in Section 1.3 below, is considered a state action that may have an impact on the Montana environment and, therefore, DEQ has prepared an environmental review. This EA examines the Proposed Action and alternatives to the Proposed Action and discloses potential impacts that may result from the Proposed Action and alternative actions. DEQ will determine the need for additional environmental review based on consideration of the significance criteria set forth in Administrative Rules of Montana (ARM) 17.4.608.

1.2 DESCRIPTION OF DEQ REGULATORY OVERSIGHT

Under MEPA, DEQ must take a "hard look" at the environmental impacts of its actions. *Bitterrooters for Planning, Inc. v. Montana Dep't of Env'tl. Quality*, 2017 MT 109. The scope of that analysis is tied to DEQ's legal authority and discretion under the governing statutes, and MEPA does not require an agency to analyze environmental impacts that it cannot avoid or mitigate through the lawful exercise of its authority. *Id.*; *Belk v. Mont. Dep't of Env'tl. Quality*, 2022 MT 38.

Accordingly, the extent of DEQ's MEPA review for this Proposed Action is limited to the direct, secondary, and cumulative impacts relating to water supply and wastewater facilities that DEQ has authority to approve and condition under the Public Water Supply Act, and related water and wastewater statutes. This EA evaluates the environmental impacts of DEQ's decision whether to issue an approval for the water supply, wastewater collection, and wastewater treatment facilities described in Section 1.3.

DEQ implements the Public Water Supply Act of Montana, which governs the protection, operation, and monitoring of public water supplies (Title 75, Chapter 6, MCA), and the Montana Water Quality Act, which regulates the discharge of pollutants to state waters and establishes nondegradation requirements (Title 75, Chapter 5, MCA). These statutes authorize DEQ to review and approve public water supply and wastewater treatment systems proposed for developments serving multiple users, including transient non-community systems.

The parcel is not subject to the Sanitation in Subdivisions Act (Title 76, Chapter 4, MCA) because it was created in 1948, before the Sanitation in Subdivisions Act was added to State Law.

DEQ nonetheless maintains regulatory authority over the design and construction of the proposed water and wastewater systems. DEQ's review includes evaluation of system capacity, public health protection, and water quality impacts under applicable rules, including nondegradation analysis under ARM 17.30 Subchapter 7.

1.3 PROPOSED ACTION

DEQ's Proposed Action is to issue public water supply and wastewater system plan approvals for the Eagles Grove development in Gallatin County, Montana. DEQ's decision and environmental review are limited to the sanitary facilities described in **Table 1**, below.

Table 1. Summary of Proposed Action

<u>General Overview</u>	The Proposed Action is for the Montana DEQ to issue public water supply and wastewater plan approvals for Eagles Grove, a 15.43-acre parcel located at 1630 Targhee Pass Highway (Highway 20), in the southwest quarter of Section 21, Township 13 South, Range 4 East, Gallatin County, Montana. The East Fork of Denny Creek runs along the eastern side of the property. The sanitary facilities include: (1) a new public water supply well (GWIC ID 339231), constructed September 23, 2025, with chlorine disinfection, finished water storage, booster station, water mains, and service connections, designed in accordance with Circular DEQ-3; (2) a new sewage collection and onsite treatment system meeting Circulars DEQ-2 and DEQ-4, consisting of 6-inch PVC gravity sewer mains, 48-inch precast manholes, a 15,000-gallon septic tank, a 5,000-gallon surge tank, and a SepticNET Level 2 advanced treatment system reducing effluent nitrogen to 7.5 mg/L; and (3) a pressure-dose subsurface absorption area with four zones, sized at 0.4 gpd/sf for the primary drainfield and 0.2 gpd/sf for the replacement drainfield. The Proposed Action would serve 56 short-term, single-bedroom rental cabins akin to hotel rooms, requiring no full-time staff on property. Flow calculations conservatively assume two employees (property management/cleaning) and estimate wastewater flows of approximately 5,000 gallons per day, with total daily occupancy assumed at 126. The facilities would operate year-round. The existing public water supply well (GWIC ID: 219958, PWSID #MT0004318) formerly served commercial uses on the property but is no longer active or permitted; a third well of unknown GWIC ID would be abandoned.
<u>Duration & Hours of Operation</u>	<u>Duration:</u> Construction of the water and wastewater facilities would be temporary and limited to the construction period. The construction must be completed within 3 years of approval in accordance with ARM 17.38.101(9). Once constructed, the water and wastewater systems are intended to function as permanent infrastructure for the life of the development. <u>Hours of Operation:</u> Construction activities are expected to occur during normal daytime construction hours. After construction, the sanitary facilities would operate continuously. The onsite wastewater treatment system is required to be serviced by the vendor per an operation and maintenance agreement, which includes regular sampling before discharge for nitrate; nitrite, ammonia, TKN, specific conductance, field temperature, field pH and CBOD per ARM 17.30.718(8)(a) and 17.30.718(8)(b).

<u>Estimated Disturbance</u>	Construction of the water supply well and subsurface wastewater treatment system, including underground piping, septic tank, treatment system, and dosing tank, is expected to disturb approximately 0.43 acres of the 15.43-acre parcel. Upon completion of the utilities, cabins and roads, approximately 7.9 acres would remain as undisturbed or vegetated open space.
<u>Construction Equipment</u>	The type and number of equipment necessary to complete construction would be determined by the contractor selected to perform the work and is unknown at this time. The following is a list of construction equipment typically used for the type of work included in the proposed action. - Backhoe - Boom truck - Dozer - Dump truck - Excavator - Front end loader - Light duty passenger trucks - Skid steer - Water truck - Small Trencher - Concrete truck - Concrete pumper
<u>Personnel Onsite</u>	The applicant has stated that construction of the Proposed Action Eagle's Grove sanitary facilities is expected to create approximately a few temporary construction jobs, including contractors for installation of the public water and sewer mains, and stormwater facilities. It is unknown how many personnel may be on site at any one time. Following construction, the Proposed Action would require ongoing operation and maintenance by Eagles Grove at Yellowstone LLC personnel through a minor number of additional positions, but no substantial permanent employment changes are anticipated.
<u>Location and Analysis Area</u>	<u>Location:</u> The Eagles Grove property is located at 1630 Targhee Pass Highway (Highway 20) (see Figure 1). The site is 15.43 acres and is generally located in the southwest quarter of Section 21 of Township 13 South, Range 4 East within Gallatin County, Montana. The East Fork of Denny Creek runs along the eastern side of the property. <u>Analysis Area:</u> The area being analyzed as part of this environmental review includes the immediate project area (Figure 1), as well as neighboring lands surrounding the analysis area, as reasonably appropriate for the impacts being considered.

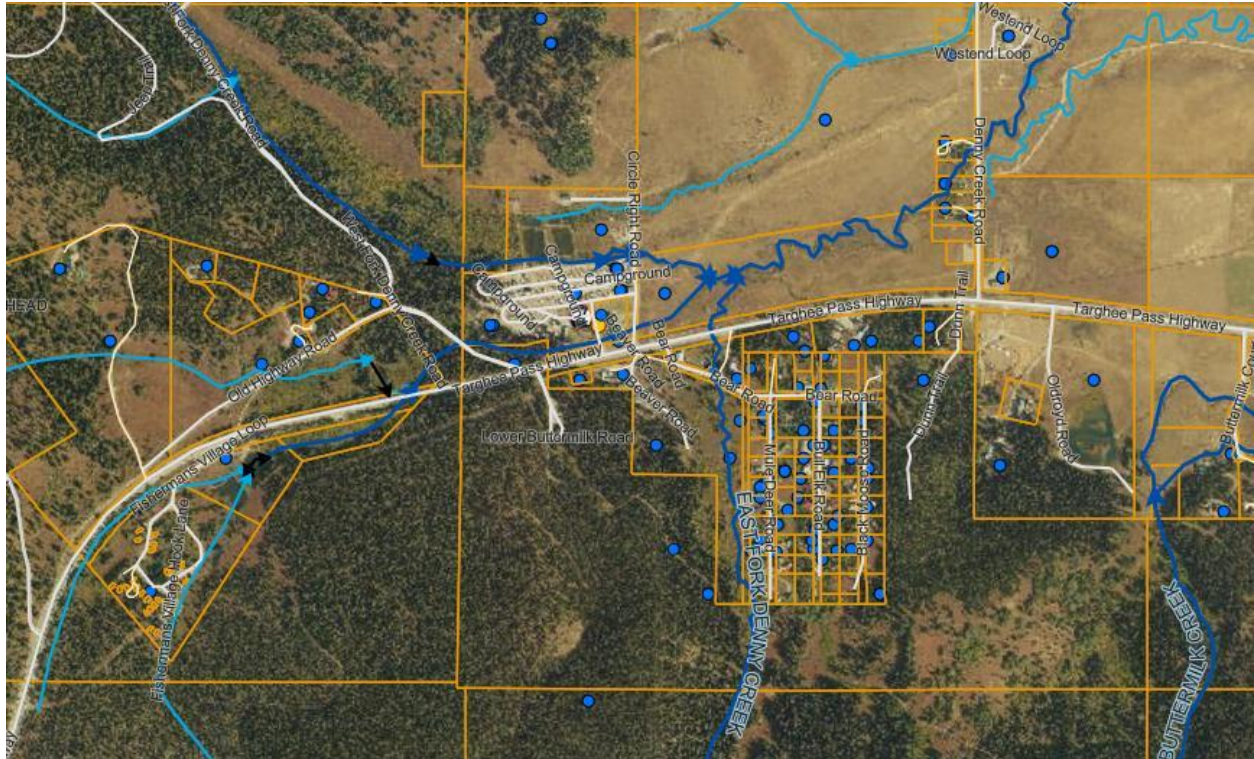


Figure 1. General Eagle's Grove location and surrounding areas

Table 2. Cumulative Impact Considerations

Cumulative Impact Considerations	
Past Actions	There was an existing commercial development on the property, at one time being a mini golf course, therefore there is an existing public water supply well and several related surface features, including concrete pads and four large, dilapidated buildings. The existing public water supply well (GWIC ID: 219958) was the source for PWSID #MT0004318 public water system. The system previously served commercial uses on the subject property but is currently no longer being used nor is permitted for service. There are two additional wells on the property, and existing well GWIC ID 219958, and a third well located in the southern portion of the property, whose GWIC ID number is unknown. This well with the unknown GWIC number would be abandoned. There is an existing public wastewater system currently onsite that was approved by MDEQ under EQ#03-2050 and by Gallatin County under permit #2004002. That system includes buried septic tanks and a standard subsurface drainfield. All components of this system would be formally abandoned. A new public water supply well was constructed September 23, 2025 (GWIC ID 339231), and the static water level was measured at 28 feet below grade.
Present Actions	The new water supply system would generally consist of a new public water supply well, chlorine disinfection, finished water storage, booster station, water mains, and service connections. The new water supply system would adhere to the standards outlined in Circular DEQ-3 for Public Water Systems.

	The existing onsite septic system would be replaced with a new sewage collection and onsite treatment system that meets the requirements of Circulars DEQ-2 and DEQ-4. The collection system would consist of 6-inch PVC gravity sewer mains and 48-inch precast manholes. Each cabin would connect to the system via a sewer service with a cleanout. A 15,000-gallon septic tank total volume, an additional 5,000-gallon surge tank capacity, and a SepticNET advanced (Level 2) treatment system would be installed, which would treat nitrogen in effluent to a concentration of 7.5 mg/L. A pressure-dose tank would convey treated effluent to a subsurface absorption area with four zones designed to maintain uniform pressure distribution. The primary drainfield has been sized for an application rate of 0.4 gallons per day per square foot. For the replacement area, the drainfield was sized at an application rate of 0.2 gallons per day per square foot. Nondegradation predetermination for the drainfield size and placement was approved by DEQ under EQ #25-2144. This determination was made pursuant to the Administrative Rules of Montana, ARM 17.30.701-717 and 17.30.501-518. The Department has concluded that this project, as proposed, would not degrade state waters.
Related Future Actions	There are no known future actions at this time. The applicant has not proposed an expansion or to connect to any proposed public water system(s).

1.4 PURPOSE, NEED, AND BENEFITS

The need for the Proposed Action arises from statutory and regulatory requirements. Under the Public Water Supplies, Distribution, and Treatment Laws (Title 75, chapter 6, MCA), DEQ must review and act on applications for the water supply and wastewater systems. The Applicant has submitted plan approvals for the sanitary facilities. DEQ must decide whether to approve these applications, with conditions as appropriate, to ensure the proposed facilities are designed and operated in a manner that protects the quality and potability of water for public water supplies and domestic uses and protects water quality for other beneficial uses, including agriculture, industry, recreation, and wildlife.

DEQ's authority is limited to evaluating "whether there is enough water, whether it is clean, whether other waters' cleanliness will be affected, and whether the systems are adequately designed." *Upper Missouri Waterkeeper v. Broadwater County*, Cause No. BDV-2022-38, Order at 50 (1st Jud. Dist. Feb. 14, 2024). DEQ does not have authority over water rights (which are governed by DNRC under Title 85, chapter 2, MCA), land-use planning, zoning, density, road design, fire protection, or other aspects of public infrastructure development that fall under local or other state/federal jurisdiction.

The Applicant's purpose in seeking this approval is to obtain the authorizations necessary to construct and operate the public water supply system, wastewater collection system, and wastewater treatment system to serve Eagle's Grove. This EA addresses DEQ's decision on these plan approvals.

1.5 OTHER GOVERNMENTAL AGENCIES AND PROGRAMS WITH JURISDICTION

The proposed action would be located on private land. All applicable local, state, and federal rules must be adhered to, which may also include other local, state, federal, or tribal agency jurisdiction. Other governmental agencies which may have overlapped, or additional jurisdiction include but may not be limited to:

Gallatin County Health Department- water and sewer

Gallatin County Road and Bridge – roads

West Yellowstone/Hebgen Basin Solid Waste District Board – solid waste handling

Hebgen Basin Fire District – Road, utility, fuels reduction review, fire services

Montana Department of Natural Resources and Conservation – Water Rights, Exempt Well Certificate

MDEQ Water Protection Bureau – Storm Water Pollution Prevention Plan (SWPPP)

Montana Department of Transportation – Access Road approach design/construction

These agencies maintain independent jurisdiction over matters within their authority. DEQ's approval of the water and wastewater facilities does not replace, supersede, or interfere with these agencies' independent review processes.

The parcel is not in a Gallatin County zoning district, so there are no zoning restrictions for the proposed use, and the Gallatin County Platting and Planning Board would not regulate the proposed action. (Gallatin County, Zoning Regulations). The parcel is exempt from the Buildings for Lease or Rent county planning regulations due to the proposed action being short term rentals (Gallatin County, Short-Term Rental FAQs).

2 EVALUATION OF THE AFFECTED ENVIRONMENT AND IMPACTS BY RESOURCE

This impact analysis will identify and evaluate direct, secondary, and cumulative impacts to Montana's environment in the area to be affected by the proposed action. Direct impacts occur at the same time and place as the action that causes the impact. Secondary impacts are "a further impact to the human environment that may be stimulated, induced by, or otherwise result from a direct impact of the action." ARM 17.4.603(18). Where impacts would occur, the impacts will be described in this analysis.

Cumulative impacts are the collective impacts on the Montana environment of the proposed action when considered in conjunction with other past and present actions related to the proposed action by location or generic type. Related future actions must also be considered when these actions are under concurrent consideration by any state agency through pre-impact statement studies, separate impact statement evaluation, or proposed action processing procedures. ARM 17.4.603(7); 75-1-220, MCA (4).

To better ascribe a significance value to anticipated impacts, and in line with ARM 17.4.608 (further discussed in Section 3.3), DEQ analyzes the anticipated severity of impacts using the following terms:

The following duration definitions apply:

- Short term impacts: Short-term impacts are defined as those impacts that would not last longer than the installation and construction of the Proposed Action.
- Long term impacts: Long-term impacts are impacts that would remain or occur after construction and development, during operation of the Proposed Action.

Impact intensity is categorized using the following scale:

- No impact: There would be no change from current conditions.
- Negligible: An adverse or beneficial effect would occur but would be at the lowest levels of detection.
- Minor: The effect would be noticeable but would be relatively small and would not affect the function or integrity of the resource.
- Moderate: The effect would be easily identifiable and would change the function or integrity of the resource.
- Major: The effect would alter the resource.

2.1 GEOLOGY AND SOIL QUALITY, STABILITY, AND MOISTURE

This section addresses resource areas required under ARM 17.4.609(3)(b) related to geology and soil quality, stability, and moisture. The analysis includes a review of soil characteristics, slope stability, erosion potential, and the capacity of site soils to support the Proposed Action. Potential impacts from excavation, grading, and subsurface system installation are evaluated in the direct, secondary, and cumulative impact sections below.

Morrison-Maierle certified Professional Land Surveyors conducted a comprehensive boundary and topographic survey of the property in 2025. Survey-grade GPS equipment and systems were used to establish boundaries based upon found monuments. Drone aerial data collection in conjunction with ground survey methods were used to complete a detailed topographic survey of the existing ground surface. A topographic map of the project area is provided in Attachment A (Figure C-2).

The Montana Bureau of Mines and Geology (MBMG) maps the project area as underlain by alluvium, Huckleberry Ridge Tuff, and glacial till (MBMG 2002) (see Attachment A, Figure 7). These units reflect a history of fluvial deposition, regional volcanic activity, and Pleistocene glaciation.

Based on the well log lithology of the existing well (GWIC 219958) and the MBMG maps, about 18 feet of clay and broken rock associated with Quaternary glacial till overlies 60 feet of volcanic bedrock associated with the lower unit of Tertiary Huckleberry Ridge Tuff - Thrl, a medium- to dark-gray welded tuff with sparse (less than 5 percent) phenocrysts; base of unit is a vitrophyre overlain by densely welded tuff grading to partially welded at the top (Lonn, et al., MBMG 2007¹). Vitrophyric texture is generally described as having phenocrysts in a glassy matrix rather than a crystalline matrix due to rapid quenching of lava. The aquifer is determined to be confined in consolidated Tertiary volcanic rock overlain by clay and rocks of glacial till. Source water sensitivity is low.

¹ Lonn, Jeffrey D., Porter, Karen W., and Metesh, John, Montana Bureau of Mines and Geology, Open-File Reports 557, 2007.

The Natural Resources Conservation Service (NRCS) identifies two soil units within the property, with select characteristics summarized in **Table 3**. Soils within the project area are deep, derived from volcanic materials, experience 45-70 frost free days annually, and exhibit moderate erosion potential (NRCS 2025). These soils support forested and riparian vegetation as well as a former miniature golf course and associated recreation buildings. In the eastern portion of the project area near East Fork Denny Creek, hydric ratings indicate soil formation under saturated conditions. The NRCS soils report is provided in Attachment B.

Table 3. Soils at the Analysis Area.

Unit Name	Percent of APE	Drainage Class	Hydric Rating*	Erosion Potential (K Factor)**	Available Water Capacity from 0-12"
Mollic Cryoboralfs, mountain slopes	79.3%	Well drained	0	0.32 (Moderate)	2.0"
Cryaquolls and Cryaquents, flood plains	20.7%	Poorly drained	100	0.43 (Moderate)	2.0"

**The hydric rating indicates the proportion of a soil map unit that meets hydric soil criteria, based on its component soils (NRCS 2025). This rating provides a general assessment of a project area's potential for wetland conditions. Site-specific investigations are required to confirm hydric soil presence and wetland hydrology.*

***Erosion factor K indicates the susceptibility of a soil to sheet and rill erosion by water. Values of K range from 0.02 to 0.69 ft/day. Other factors being equal, the higher the value, the more susceptible the soil is to sheet and rill erosion by water.*

Site soils were first evaluated in 2004 for permitting of the existing drainfield. Gallatin County personnel were present during the evaluation on 8/30/04 and found silt loam soils. The site was subsequently evaluated by Water and Environmental Technologies on 10/3/22 (see TP -1 (WET), TP -2 (WET) and TP-3 (WET), shown on Figure S-1, Attachment A). They found sandy clay loam and loam soils (see Attachment E of the nondegradation submittal, Attachment C-1). One test was located near the creek to check for high groundwater near the surface water (TP #3 (WET) shown on Figure S-1, Attachment A). No evidence of groundwater was found in this test pit to 8.5' indicating the creek is losing and not hydraulically connected to groundwater. The locations of all of these test pits are shown on Figure S-1 in Attachment A.

Recent site evaluations conducted by Morrison-Maierle between 2022 and 2024 included multiple test pits and percolation tests to assess soil texture, drainage capacity, and seasonal groundwater conditions in the proposed primary and replacement drainfield areas. Test pits encountered sandy loam to silty clay loam soils with no limiting layers or groundwater observed to depths of 15 feet, confirming adequate separation for subsurface wastewater treatment per DEQ-4 standards. Percolation tests at the primary drainfield (PT G, PT F and PT E) ranged from approximately 6.67 minutes per inch to 15 minutes per inch, indicating an application range of 0.5 gallons per day per square foot to 0.4 gallons per day per square foot to be more conservative (Circular DEQ-4, Table 2.1-1). In the replacement area, percolation tests (PT A, PT B and PT H) ranged from 5.45 minutes per inch to 60 minutes per inch (PT B). This area was given an application rate of 0.2 gallons per day per square foot based on this higher percolation test. Measured slopes across the drainfield areas range from 0.03 to 0.07 ft/ft and generally direct flow northeast. Soils assessed at the site exhibit moderate erosion potential and moderate available water capacity. The project location lies outside of mapped floodplains; however, East

Fork Denny Creek traverses the eastern portion of the parcel. Historical and recent investigations indicate the creek is a losing stream and not hydraulically connected to the shallow aquifer.

The East Fork of Denny Creek was determined to be a losing stream based on a test pit analyzed 14 feet from the stream on the subject property during earlier permitting for the existing system on the property under GCCHD Permit #2004002. The exact location of this test pit is not known, as it was not identified in the 2004 permitting documents. However, this was later confirmed in 2022 by Water and Environmental Technologies (WET) when another 8.5-foot-deep pit was excavated next to the creek (TP #3, WET, shown on Figure S-1, Attachment A). Morrison-Maierle confirmed this again in June of 2024 with a new 15-foot-deep test pit within 20 feet of the creek during the most recent site evaluation for the Eagles Grove project. A monitoring well (MW-1 shown on Figure S-1, Attachment A) has been installed and continues to be dry during subsequent site visits. Monitoring Wells MW-2 and MW-3 have also stayed dry. Wells located approximately ½ mile away along the groundwater flow direction include GWIC ID: 158043 and GWIC ID: 208380 on Tract 3 and 4 of COS 1994, and GWIC ID: 247335 (see Figure MW, Attachment A). The well log for GWIC ID: 158043 shows static water at 48 feet in the month of May and GWIC ID: 208380 shows static water at 63 feet in the month of October.

These site conditions support the suitability of the soils for the proposed drainfield and help limit the potential for nutrient transport to nearby surface waters because groundwater monitoring and the static water levels in the wells show the groundwater is not near the ground surface (it is greater than 25 feet below the ground surface) and is not corresponding to the presence of water in East Denny Creek. Since the groundwater beneath the proposed drainfields does not potentially interact with the water in East Denny Creek, this limits the ability to degrade the creek.

During construction, soils would be disturbed. Disturbed areas would be regraded and reseeded with a weed-free mix consistent with applicable erosion control requirements per any construction stormwater general permit SWPPP. The SWPPP is a document that must be developed, implemented, and maintained in accordance with good engineering selection and design, hydrologic principles, and pollution control practices to minimize and control potential pollutants in storm water associated with construction activity. Construction facilities, controls and best management practices (BMPs) would be employed as required during construction activities.

2.1.1 Direct Impacts

Installation of the water supply well and subsurface wastewater treatment system would result in short term localized soil disturbance during excavation, trenching, and drainfield construction. The primary ground disturbance within DEQ's review scope would be the installation of underground piping, the septic tank, wastewater treatment system, and dosing tank. In total, the utility construction is expected to disturb approximately 0.43 acres of the 15.43-acre parcel during construction. Upon completion of the utilities, cabins and roads, 7.9 acres would remain as undisturbed or vegetated open space. Ground disturbance may temporarily increase the potential for soil erosion and sediment transport, particularly where soils are moderately erodible. However, as the proposed facility would largely remain underground once operational and the applicant would be required to implement a SWPPP, direct impacts to soil and geology would be negligible.

Test pit and percolation test data collected between 2022 and 2024 indicate that soil in the primary and replacement drainfield areas consist of well to moderately drained sandy loam and silty clay loams, with no groundwater or restrictive layers encountered to 15 feet. These characteristics support infiltration and nutrient attenuation and minimize the risk of soil saturation or surface discharge under typical operating conditions.

Because all drainfield components would be installed with adequate separation from seasonally saturated soils and outside mapped flood hazard zones, no direct impacts to soil stability or moisture retention are anticipated. Proper construction BMPs such as erosion control barriers, would further reduce the potential for adverse impacts to surrounding soils or slope stability.

These short-term impacts would be minimized through the project SWPPP and the DEQ construction stormwater permit, which require erosion and sediment control BMPs such as silt fencing, sediment traps, stabilized construction entrances, and prompt revegetation of disturbed areas.

2.1.2 Secondary Impacts

Following construction, the utility corridors and facility sites would be stabilized and, where appropriate, revegetated.

Over time, wastewater infiltration can alter soil chemistry through gradual acidification, nutrient accumulation, or localized increases in salinity. In areas with poorly structured or compressible soils, sustained loading from subsurface effluent may also contribute to minor subsidence. However, the site-specific soil evaluations and nondegradation analysis conducted by Morrison - Maierle confirm that soils in the proposed drainfield areas are well-drained, structurally stable, and underlain by geologic materials with low susceptibility to settling or chemical degradation. No groundwater or limiting layers were observed to a depth of 15 feet, further reducing the risk of long-term soil instability. As a result, secondary impacts to soil quality and geologic stability are expected to be minimal and localized to the infrastructure footprint.

2.1.3 Cumulative Impacts

Cumulative impacts to soil quality and geologic stability may result from long-term operation of multiple wastewater treatment systems in a concentrated area, particularly in settings with shallow groundwater, poorly drained soils, or high system density. These impacts may include gradual changes in soil structure, reduced infiltration capacity, or accumulation of nutrients and salts beyond the immediate footprint of an individual system.

In the case of the Eagles Grove system, the drainfield is one of several permitted wastewater systems in the area. However, the nondegradation analysis conducted for this project included a cumulative effects assessment incorporating adjacent multi-unit drainfields and applied conservative assumptions for effluent volume and soil loading rates. Results indicate that nitrate and phosphorus transport would remain below DEQ regulatory thresholds and would not affect groundwater or downgradient surface waters. The DEQ-approved Nondegradation report is provided in Attachment C.

Site-specific conditions, including deep, well-drained soils, low system density in the surrounding area, and use of advanced treatment technology, further limit the potential for

long-term soil degradation. With proper operation and ongoing maintenance, cumulative impacts to geology and soil quality are expected to be negligible.

2.1.4 Water Quality, Quantity, and Distribution

This section addresses the resource areas identified under ARM 17.4.609(3)(b) related to water quality, quantity, and distribution. The analysis considers existing surface water and groundwater resources within the analysis area, as well as the potential for violation of ambient water quality standards, maximum contaminant levels (MCLs) for drinking water, or other forms of water quality degradation.

The analysis area is located within the Missouri Headwaters sixth-level hydrologic unit (HUC). Surface water features in the project area include East Fork Denny Creek, a perennial stream flowing north through the property. A side channel of East Fork Denny Creek parallels the main channel to the west and converges at the northern end of the property. A ponded area of clear, still water occurs within the side channel, likely formed by a manmade impoundment that restricts downstream flow at this location.

DEQ has reviewed and approved the well location through the Source Water Delineation and Assessment Report (SWDAR) process and Circular DEQ-3 well location requirements.

Groundwater at the site is present at depths ranging from approximately 58 to 78 feet and a static water level greater than 25 feet. Pump-test data for the public water supply well indicates sustained production rate on the order of approximately 55 gpm, based on 24-hour controlled pumping tests with concurrent water-quality sampling and evaluation of drawdown and recovery. The drawdown was approximately 2.5 feet. The well would be restricted to no more than 35 gpm and 10 acre-feet of withdrawal per the DNRC exempt well water certificate.

Several water quality samples originally tested positive for total coliform, although subsequent water quality tests found no presence of total coliform. No tests were positive for E coli. In an abundance of caution, the proposed new water system would be voluntarily disinfected with a chlorination system.

Water from the well was also tested for nitrates (0.30 mg/L), conductivity (183 μ S/cm), total dissolved solids (92.0 mg/L), arsenic (not detected), and manganese (not detected). These indicate good quality water suitable for drinking without additional treatment.

A monitoring well (GWAMMON Well GWIC #247335) is currently used for long term monitoring. This well is located at the Hebgen Basin Fire Station 3 and is monitored by Montana Bureau of Mines and Geology (MBMG). Constant year-round monitoring since 2010 at this site approximately 1/2 mile from the project along the direction of groundwater flow shows that the groundwater level ranges from 47 to 64 feet below ground. The spring and fall static water measurements in the other two wells align with this seasonal range monitored over the last fifteen years. Based on this data and the other monitoring wells discussed in Section 2.1 above, DEQ concludes that Denny Creek is not hydraulically connected to groundwater at this point 1/2 mile from the project.

Morrison-Maierle prepared a Nondegradation Report for the Proposed Action, which was approved by the Montana DEQ in 2025. This report addresses groundwater flow direction, nutrient loading estimates, and conformance with DEQ mixing zone and nondegradation standards for nitrate and phosphorus. The results of the analysis show that Nitrate and

Phosphorous impacts are below regulatory limits. As noted above, it was determined that East Fork of Denny Creek is not hydraulically connected to the groundwater, and groundwater flow direction was established to be in the northeast direction.

For wastewater treatment, the Applicant proposes to use SepticNet technology to treat wastewater to the Montana groundwater nonsignificance criteria of 7.5 mg/L (ARM 17.30.715(1)(d)). The proposed use is rental cabins and therefore is considered to be residential strength waste (Circular DEQ-4, Standard 3.2). Review of the proposed primary drainfield and proposed replacement drainfield area soil classification, distance to surface water, and limiting layers was completed to determine if degradation to the nearest surface water needed to be analyzed with a surface water Trigger Analysis. Any wastewater systems located less than ½ mile from surface water are required to perform the adjacent to surface water trigger analysis under MCA 75-5-301 (5) e.

A comprehensive study was conducted in 2016 on the property across the street to establish groundwater flow direction (Attachment C). The data was collected approximately 500 feet north of the Eagles Grove property.

Considering the completeness of the study and its close proximity, the groundwater flow direction from the study was used for this project. The study was initially accepted by DEQ in 2016 and recently deemed appropriate for use with this project by the Department on 12/13/24.

The groundwater flow direction is towards the northeast. The closest surface water body in the direction of groundwater flow (thus downgradient of the proposed drainfield) is another portion of Denny Creek at a distance of approximately 257 feet. Based on multiple years of test pit and monitoring well data, the East Fork of Denny Creek was determined to be a losing stream and not hydraulically connected to the groundwater, as groundwater levels exceed 15 feet in depth. If a surface water is not hydraulically connected to a groundwater, then the surface water does not need to be assessed for impacts from the wastewater systems. ARM 17.30.715(4) exempts the department from evaluating cumulative and synergistic impacts if the nonsignificance criteria are met. Therefore, trigger Analysis to the nearest surface water was not required.

The review of phosphorous impacts to surface water showed that based on the soil types and depth to groundwater, the wastewater discharges met the nondegradation requirement (ARM 17.30.715(1)(e)) that the soils have at least 50 years of adsorptive capacity between the discharge location and nearest receiving high-quality surface water that is hydraulically connected. This was determined for the neighboring mixing zones (COS 1639 East and COS 1639 West) and found that there is sufficient soil adsorption capacity exceeding 50 years prior to encountering Denny Creek, the nearest hydraulically connected surface water, even when considering the mixing zones of neighboring parcels (see Attachment N of the nondegradation submittal, Attachment C). However, Denny Creek is not hydraulically connected to the groundwater in that area and is at the same elevation at approximately 2,050 feet from the Eagle Grove drainfields. This location also has sufficient soil absorption capacity exceeding 50 years prior to encountering the creek.

The nearest surface water that is hydraulically connected to groundwater was determined to be 2,050 feet in the direction of groundwater flow, being the main channel of Denny Creek. This also considered the cumulative effects between the proposed drainfield and the COS 1639 West and COS 1639 East drainfields (see Figure SW). The review of phosphorous impacts to surface water showed that based on the soil types and depth to groundwater, the wastewater discharges met the nondegradation requirement (ARM 17.30.715(1)(e)) that the soils have at least 50 years of adsorptive capacity between the discharge location and nearest receiving high-quality surface water.

For the consideration of the cumulative impacts of nitrates in groundwater for purposes of the Department's nonsignificance determination under the Water Quality Act, discharges from a septic system using Level 2 treatment with a nitrate concentration of 7.5 mg/L at the end of a mixing zone are nonsignificant under MCA 75-5-301(5)(d). DEQ's April 24, 2025 predetermination evaluated the proposed Level 2 effluent concentration, background groundwater quality, and relevant nearby sources under the applicable nondegradation criteria. Based on that project-specific analysis, DEQ determined that the proposed discharge would satisfy the applicable nonsignificance criteria. See Attachment C.

Water which is hydrologically connected does not necessarily mean that a discharge would cause degradation, as pollutants would diffuse, dilute, and attenuate as they travel through groundwater. Nondegradation analysis for Nitrate determined that Nitrate levels at the end of mixing zones in the neighboring parcels (COS 1639 West and COS 1639 East, see Figure ND in Attachment A), do not exceed 10 mg/L (see Attachment M of the nondegradation submittal, Attachment C-1) and are therefore not significant.

DEQ formally reviewed the complete nondegradation analysis in spring of 2025 and concluded that the project would not degrade state waters. On April 24, 2025, DEQ issued a formal Nondegradation Predetermination Approval under EQ# 25-2144. This approval accompanies this report in Attachment C.

The property is not located within a mapped floodplain. FEMA panel 30031C1600D indicates the property is in an area of undetermined flood hazard classified as Zone D. A portion of the East Fork of Denny Creek flows north along the east side of the property and continues under Bear Road and Targhee Pass Highway to Denny Creek. The proposed primary drainfield is physically sited approximately 140 feet away from the closest portion of the creek to the east. If flooding were to occur as a result of backup at the Bear Road crossing, topography information suggests flood waters would likely overtop the road continuing north or flow northwest along Bear Road to the highway ditches rather than receding back to the drainfield area where ground elevation is at least five feet higher than at the Bear Road crossing.

A wetland delineation of the analysis area conducted by Morrison-Maierle in June 2025 confirmed the presence of approximately 1.37 acres of palustrine scrub-shrub (PSS) wetland associated with East Fork Denny Creek. These wetlands fringe the main and side channel of East

Fork Denny Creek and are presumed jurisdictional² under current regulations pursuant to the Clean Water Act, as they directly abut a relatively permanent watercourse (USEPA and USACE 2008 and 2015).

Wetlands function as natural filters that trap sediments, sequester nutrients, and reduce pollutant loads to adjacent surface waters, thereby maintaining or improving water quality (Mitsch and Gosselink 2015). They also provide flood attenuation and promote groundwater recharge by temporarily storing runoff and enhancing infiltration during storm events (Brinson 1993). The wetlands along East Fork Denny Creek likely contribute functions of supporting seasonal water retention and connectivity. The wetland may also perform biogeochemical functions, such as sediment retention, nutrient uptake, and natural attenuation of some pollutants. A complete discussion of the wetlands and waterways delineated within the project area is provided in the Wetland Delineation Report, within Attachment D.

The applicant would be required to prepare and implement a SWPPP and BMPs that would minimize erosion potential associated with storm water runoff. To further minimize the impacts from the Proposed Action, the wetland and the riparian area of East Fork Denny Creek would be contained within dedicated open space where no work is proposed. All infrastructure and construction for the Project are located outside of a minimum 25-foot setback from the East Fork Denny Creek wetland and riparian area.

2.1.5 Direct Impacts

The sanitary facilities, such as the water supply pump house, water mains, sewer mains, and onsite wastewater treatment system are not proposed within any designated wetland areas, riparian No Build Zones. Construction and operation of the proposed on-site wastewater treatment system would result in localized discharges of treated effluent to subsurface soils. Montana DEQ approved the Nondegradation Report for the system in March 2025 (Attachment C). The analysis evaluated nitrogen and phosphorus loading and concluded that both constituents remain below applicable regulatory thresholds for groundwater quality.

Phosphorus adsorption calculations determined that native soils would retain phosphorus for more than 50 years before potential breakthrough to any hydraulically connected surface water. The nearest such surface water (i.e. Denny Creek) is located 2,050 feet downgradient of the proposed drainfield in the direction of groundwater flow. Multiple test pits and monitoring wells confirm that East Fork Denny Creek is a losing stream and not in hydraulic connection with shallow groundwater at and around the project location (Morrison-Maierle 2025).

The proposed drainfields are designed to maintain adequate separation distances from wetlands, surface waters, and property boundaries, and are sited to avoid areas of high

² A jurisdictional wetland is a wetland regulated under the Clean Water Act because it meets the legal definition of a "Water of the United States" (WOTUS). Jurisdictional wetlands are regulated under Section 404 of the Clean Water Act and require a permit for activities that involve excavating or placing fill material in the wetland. The U.S. Army Corps of Engineers (USACE) and the U.S. Environmental Protection Agency (EPA) are the final authority over the jurisdictional status of both wetlands and waters of the U.S. per Section 404 of the Clean Water Act. The findings discussed here are solely the opinion of Morrison-Maierle and have not been verified by the aforementioned regulatory government agencies.

groundwater or unstable soils. With adherence to the DEQ-approved design, direct impacts to water quality, quantity, and distribution are expected to be minimal (Morrison-Maierle 2025).

The Proposed Action would not directly impact any delineated wetlands and/or waterways. Direct impacts to wetlands are further discussed in Section 2.4.1.

2.1.6 Secondary Impacts

To minimize nutrient loading, the wastewater system would incorporate advanced treatment using SepticNET technology, which reduces nitrate concentrations in effluent to approximately 7.5 mg/L (Morrison-Maierle 2025), within acceptable levels defined by DEQ (ARM 17.30.715). This technology enhances nitrogen removal compared to conventional systems and would aid in long-term protection of local groundwater resources, and is not expected to contribute to secondary water quality impacts under normal operating conditions (Morrison-Maierle 2025). By reducing nitrogen concentrations at the source, the system lowers the potential for nutrient enrichment in the subsurface environment, which may otherwise lead to cumulative degradation over time. Although some nitrate would still be discharged to the soil, its concentration would remain within acceptable levels defined by DEQ and is not expected to contribute to secondary water quality impacts under normal operating conditions (Morrison-Maierle 2025).

2.1.7 Cumulative Impacts

Cumulative effects regarding nondegradation to groundwater and surface water are addressed in the Nondegradation Cumulative Impacts section of the 2025 Nondegradation Report for Eagles Grove, prepared by Morrison-Maierle (Attachment C).

Construction would comply with the General Permit for Stormwater Discharges Associated with Construction Activity (MTR100000) and obtain an approved SWPPP as required, to mitigate and minimize any sediment and erosion related impacts to surface water during construction.

2.2 AIR QUALITY

The analysis area is located in Gallatin County, where the U.S. Environmental Protection Agency (EPA) has not designated any portion of the county as a Nonattainment Area for air quality standards. This indicates that air pollutant levels within the project area meet or fall below the National Ambient Air Quality Standards³ (NAAQS) established under the Clean Air Act. As a result, no additional regulatory requirements related to air quality apply to activities within the project area.

This project is required to abide by federal standards. This project may result in minimal fugitive dust during the construction phase. The operator would be expected to maintain compliance with Montana's Air Quality Act⁴ regarding the need to take reasonable precautions to control airborne particulate matter. The closest Class I airshed in Yellowstone National Park, approximately 7 miles to the east (NPS 2025).

This EA addresses only the public water supply and wastewater treatment systems subject to DEQ review. Construction and operation of the proposed vacation rental units, access drives,

³ The Clean Air Act requires EPA to set National Ambient Air Quality Standards (NAAQS) for pollutants.

⁴ Title 75, Chapter 2, MCA

and other site improvements lies outside the scope of this analysis; air quality impacts discussed below are limited to those associated with installation and operation of the sanitary facilities.

2.2.1 Direct Impacts

Construction of the proposed water and wastewater system may result in temporary and localized impacts to air quality within the analysis area. Construction activities including site grading and installation of underground utilities would generate minor amounts of fugitive dust and fuel emissions from the use of heavy equipment. These impacts would primarily occur during the initial construction of the sanitary facilities and are expected to be short term.

Fugitive dust may increase during periods of dry weather or high wind but would remain limited in duration and extent. No long-term or stationary sources of air emissions are proposed as part of the development.

No operational emissions are anticipated beyond negligible vehicle traffic associated with periodic site visits by maintenance staff.

2.2.2 Secondary Impacts

Secondary impacts to air quality from the Proposed Action are expected to be minimal. Once installed, the water and wastewater system would operate almost entirely underground and would not produce emissions. Cumulative Impacts

The Proposed Action would not measurably contribute to cumulative degradation of regional air quality. Emissions associated with the project would be limited in duration and primarily related to short-term construction activities, such as equipment operation and vehicle traffic. Similar temporary emissions already occur periodically from nearby residential development, campground operations, and routine transportation along Highway 20, which borders the property to the north. Given the limited scale of the project, absence of on-site industrial activities, and implementation of BMPs, construction emissions are not expected to measurably affect visibility or air quality in the Class I airshed located within Yellowstone Park.

2.3 VEGETATION COVER, QUANTITY, AND QUALITY

Vegetation across the site falls into three groups: lodgepole pine dominated forest, sagebrush wildflower meadows, and riparian (see Section 2.3.1 of the Wetlands Delineation Report, Attachment D). Meadow areas in the analysis area support a diverse native plant community including lupine, sticky geranium, cinquefoil, goldenrod, sagebrush, arrow leaf balsamroot, willows, and currants. East Fork Denny Creek meanders through the site, bordered by narrow scrub shrub wetlands and riparian vegetation along its banks. A complete list of vegetative species observed within the project area is provided in Table 2.

Table 2. Plant Species Observed within the Project Area.

Common Name	Scientific Name	Growth Habit
Common sagebrush	<i>Artemisia tridentata</i>	Shrub, Tree
Smooth brome	<i>Bromus inermis</i>	Graminoid

Common Name	Scientific Name	Growth Habit
Nebraska sedg	<i>Carex nebrascensis</i>	Graminoid
Indian paintbrush	<i>Castilleja affinis</i>	Forb/herb, Subshrub
Canada thistle	<i>Cirsium arvense</i>	Forb/herb
Shrubby cinquefoil	<i>Dasiphora fruticosa</i>	Shrub
Creeping spikerush	<i>Eleocharis radicans</i>	Graminoid
Common horsetail	<i>Equisetum arvense</i>	Forb/herb
Wild strawberry, Wood strawberry	<i>Fragaria vesca</i>	Forb/herb
Sticky geranium	<i>Geranium viscosissimum</i>	Forb/herb
Old man's beard	<i>Geum triflorum</i>	Forb/herb
Silver lupine	<i>Lupinus albifrons</i> var. <i>flumineus</i>	Shrub, Subshrub
Starry false lily of the valley	<i>Maianthemum stellatum</i>	Forb/herb
Lodgepole pine	<i>Pinus contorta</i>	Tree
Kentucky blue grass	<i>Poa pratensis</i>	Graminoid
Douglas fir	<i>Pseudotsuga menziesii</i>	Tree
European gooseberry	<i>Ribes uva-crispa</i>	Shrub
Booth's willow	<i>Salix boothii</i>	Shrub
Oregon saxifrage	<i>Saxifraga oregana</i>	Forb/herb
Softstem bulrush	<i>Schoenoplectus tabernaemontani</i>	Graminoid
Canada goldenrod	<i>Solidago canadensis</i>	Forb/herb
Common dandelion	<i>Taraxacum officinale</i> ssp. <i>officinale</i>	Forb/herb
Yellow salsify	<i>Tragopogon dubius</i>	Forb/herb

Species preferential to moist or saturated soils, such as willows (*Salix* spp.), sedges (*Carex* spp.), and rushes (*Juncus* spp.), were observed along the creek corridor during the June 2025 field investigation. A formal wetland delineation conducted by Morrison-Maierle confirmed approximately 1.37 acres of palustrine scrub-shrub (PSS) wetlands fringing East Fork Denny Creek. These wetlands were identified based on the presence of hydrophytic vegetation, hydric soils, and indicators of wetland hydrology using methodology outlined in the 1987 U.S. Army Corps of Engineers Wetlands Delineation Manual and the Western Mountains, Valleys, and Coasts Regional Supplement (Version 2.0). Complete delineation methods and data are provided in the Wetland Delineation Report in Attachment D. The 1.37 acres of PSS wetlands are assumed to be jurisdictional as they directly abut a relatively permanent waterway (East Fork Denny Creek). The Wetland Delineation report is provided in Attachment D.

The U.S. Fish and Wildlife Service (USFWS) Information for Planning and Consulting report for the project area lists one plant species as potentially affected by activities within this location:

Whitebark pine (*Pinus albicaulis*) is a federally listed⁵ threatened conifer species. At the state level, the Montana Natural Heritage Program (MNHP) ranks this species as Vulnerable (S3)⁶.

In Montana, whitebark pine is found in all major mountain ranges in the central and western regions at elevations between 5,900 and 9,300 feet (MFG 2025a). The project area ranges in elevation from approximately 6,700 to 6,800 feet above sea level.

Widespread populations of mountain pine beetle (*Dendroctonus ponderosae*) and blister rust caused extensive mortality of whitebark pine within Montana. The MNHP predicted suitability habitat model for whitebark pine shows the analysis area within moderate suitability habitat and on the edge of low suitability habitat (MNHP 2023).

Morrison-Maierle assessed the analysis area on foot in June 2025 to document existing site conditions, identify sensitive environmental resources, and collect field data to inform the analysis presented in this EA. The field team did not observe whitebark pine within the analysis area; either as mature individuals or regenerating seedlings. Vegetation in the forested portions of the site is dominated by lodgepole pine (*Pinus contorta*) with scattered Douglas fir (*Pseudotsuga menziesii*), consistent with the mapped plant communities in this elevational zone. Upland meadows and riparian areas support a diverse assemblage of native herbaceous and woody species, including lupine (*Lupinus albifrons*), sticky geranium (*Geranium viscosissimum*), cinquefoil (*Dasiphora fruticosa*), goldenrod (*Solidago canadensis*), sagebrush (*Artemisia tridentata*), and willows (*Salix spp.*).

2.3.1 Direct Impacts

The Proposed Action would result in removal of native vegetation during construction of the water and wastewater treatment system. Final site plans indicate disturbance of approximately 0.43 acres (approximately 18,700 square feet) of the 15.43-acre parcel during construction of the sanitary facilities. Upon completion of the construction of the cabins and roads as well, 7.9 acres would remain as undisturbed or vegetated open space.

The northern half of the site, where the systems would be installed, contains previous disturbances associated with a former miniature golf course, including concrete pads and four large, dilapidated buildings. No rare or sensitive plant species were identified within the project area and impacts to rare or unique plant communities are not anticipated.

2.3.2 Secondary Impacts

The proposed water and wastewater system is designed to serve site infrastructure, including utilities, cabins, roads, and associated amenities. The total 0.43 acres of disturbance reported in the previous section includes disturbances associated with construction of these facilities. No

⁵ The status of species listed under the Endangered Species Act are threatened or endangered; IPaC also shows species that are candidates, or proposed, for listing. IPaC only shows species that are regulated by USFWS.

⁶ Defined as "At moderate risk of collapse or global extinction or state extirpation due to a fairly restricted range, few populations or occurrences, recent and widespread declines, threats, or other factors (MFG 2025a)."

rare or sensitive plant species were identified within the analysis area and impacts to rare or unique plant communities are not anticipated.

The design avoids high-value ecological features such as wetlands and riparian corridors.

2.3.3 Cumulative Impacts

The Proposed Action is not expected to contribute substantially to the cumulative loss of native vegetation or plant community integrity. Disturbance would occur primarily in areas previously developed and with minimal vegetation (e.g., with mini golf course infrastructure). The applicant is required to comply with all laws regarding management of noxious weeds. Because of the already developed nature of the parcel, long-term cumulative impacts to vegetation are anticipated to be minimal.

2.4 TERRESTRIAL, AVIAN, AND AQUATIC LIFE AND HABITATS

This section addresses resource areas required under ARM 17.4.609(3)(b), which directs agencies to evaluate potential impacts to terrestrial and aquatic life and habitats, including unique, endangered, fragile, or limited environmental resources. This includes an assessment of habitat quality, presence of wetlands, and the potential occurrence of federally listed threatened or endangered species, Montana Species of Concern, and other sensitive biological resources.

The project area lies approximately 10.5 miles west of the Yellowstone National Park administrative boundary and occupies a transitional zone between native coniferous forest and montane sagebrush steppe habitats with developed residential parcels interspersed throughout (MSDI 2025a). The surrounding landscape includes low-density private residences intermingled with commercial recreational developments. A paved two-lane highway (U.S. Route 20) forms the northern boundary of the project area, separating the site from a commercial campground and RV resort. The Town of West Yellowstone, a regional gateway community for YNP tourism, is located approximately 7.5 miles east.

According to the Montana Spatial Data Infrastructure (MSDI) Land Use dataset, the analysis area is classified as a mixture of developed and natural landscape. Much of the northern portion of the site has been previously disturbed, while forested areas and land adjacent to East Fork Denny Creek remain largely natural. The developed portions of the property are consistent with adjacent residential development to the east, whereas the southern boundary transitions into undeveloped forest and shrubland associated with USFS lands (MSDI 2023).

The primary land cover classifications present within the Analysis Area include:

- Developed – Roads
- Developed and Urban Vegetation
- Rocky Mountain Lodgepole Pine Forest
- Rocky Mountain Lower Montane – Foothill Riparian Woodland

Wildlife habitat within the project area includes a patchwork of open meadow with scattered sagebrush, coniferous forest, riparian areas, and a freshwater stream. The site ranges in elevation from approximately 6,700 to 6,800 feet above sea level. East Fork Denny Creek, a perennial freshwater stream with a gravel bed, flows north through the project area and supports a corridor of riparian and wetland vegetation.

2.4.1.1 Endangered Species

The USFWS IPaC report for the analysis area indicates that the species summarized in Table 3 are potentially affected by activities within the analysis area (USFWS 2026). The IPaC report did not identify any designated critical habitat for federally listed species within the analysis area (USFWS 2026).

Table 4. IPaC Results.

Common Name	Scientific Name	Status ⁷
Canada lynx	<i>Lynx canadensis</i>	Threatened
Grizzly bear	<i>Ursus arctos horribilis</i>	Threatened
North American wolverine	<i>Gulo gulo luscus</i>	Threatened
Monarch butterfly	<i>Danaus plexippus</i>	Proposed Threatened
Suckley's cuckoo bumble bee	<i>Bombus suckleyi</i>	Proposed Endangered
Whitebark pine*	<i>Pinus albicaulis</i>	Threatened

2.4.1.2 Federally Listed and Proposed Species

A February 2, 2026 USFWS IPaC report identified Canada lynx, grizzly bear, North American wolverine, monarch butterfly, Suckley's cuckoo bumble bee, and whitebark pine as federally listed or proposed species that may occur in or near the analysis area. IPaC identifies species based on geographic range and available habitat information; inclusion in the report does not establish that a species is present at the project site. The IPaC report identified no designated critical habitat within the analysis area.

The project area contains coniferous forest, meadow, wetland, riparian, and previously disturbed habitat. A June 18, 2025 field investigation did not document any of the species identified by IPaC, and no whitebark pine, listed-species den sites, nests, or other evidence of occupied habitat was observed. The site nevertheless may be used occasionally by wide-ranging wildlife, including grizzly bear, Canada lynx, and wolverine, because of its proximity to undeveloped USFS lands.

Construction of the water and wastewater facilities would temporarily increase noise, equipment activity, and human presence and would remove limited vegetation within the construction footprint. These activities could cause short-term avoidance by wildlife if individuals are present. The sanitary facilities would avoid delineated wetlands and riparian areas, most permanent components would be underground, and no designated critical habitat would be disturbed. Based on the limited sanitary-facility footprint, existing site disturbance, field observations, and avoidance of wetland and riparian habitat, impacts to federally listed or proposed species are expected to be minor and are not expected to affect species populations or the continued availability of habitat in the surrounding area.

⁷ The status of species listed under the Endangered Species Act are threatened or endangered; IPaC also shows species that are candidates, or proposed, for listing. IPaC only shows species that are regulated by USFWS.

No federal permit, funding, or other federal authorization has been identified for DEQ's Proposed Action. Accordingly, this EA does not constitute consultation or an effects determination under Section 7 of the ESA. The applicant remains responsible for compliance with independently applicable federal wildlife laws, including ESA prohibitions against unauthorized take of protected wildlife.

2.4.1.3 Montana Species of Concern

The Montana Natural Heritage Program (MNHP) maintains a centralized database of known species occurrences, habitat types, and species of concern throughout the state. The database compiles information from agency surveys, museum records, academic research, and field observations. For this analysis, MNHP provided a custom Environmental Summary Report (ESR) and spatial data for the project area to identify known occurrences of federally listed species, Montana Species of Concern, and sensitive habitats within an approximate six-mile radius of the project area. The MNHP documents 31 species occurrences within a six-mile radius of the analysis area, with 13 of these occurrences overlapping with the analysis area. These species are summarized in Table 5.

Table5. MNHP Species Occurrences Within or Near the Analysis Area.

Common Name	Scientific Name	Species Group	Habitat
Grizzly Bear	<i>Ursus arctos</i>	Mammals	Conifer forest
Wolverine	<i>Gulo gulo</i>	Mammals	Boreal Forest and Alpine Habitats
Long-eared Myotis	<i>Myotis evotis</i>	Mammals	Forest
Little Brown Myotis	<i>Myotis lucifugus</i>	Mammals	Generalist
Northern Hoary Bat	<i>Lasiurus cinereus</i>	Mammals	Riparian and forest
American Bison	<i>Bos bison</i>	Mammals	Grasslands
Clark's Nutcracker	<i>Nucifraga columbiana</i>	Birds	Conifer forest
Cassin's Finch	<i>Haemorhous cassinii</i>	Birds	Drier conifer forest
Pileated Woodpecker	<i>Dryocopus pileatus</i>	Birds	Moist conifer forests
Great Gray Owl	<i>Strix nebulosa</i>	Birds	Conifer forest near open meadows
Evening Grosbeak	<i>Coccothraustes vespertinus</i>	Birds	Conifer forest
Brown Creeper	<i>Certhia americana</i>	Birds	Moist conifer forests
Bald Eagle	<i>Haliaeetus leucocephalus</i>	Birds	Riparian forest
Brewer's Sparrow	<i>Spizella breweri</i>	Birds	Sagebrush
Green-tailed Towhee	<i>Pipilo chlorurus</i>	Birds	Shrub woodland
Long-billed Curlew	<i>Numenius americanus</i>	Birds	Grasslands
Western Toad	<i>Anaxyrus boreas</i>	Amphibians	Wetlands, floodplain pools
Westslope Cutthroat Trout	<i>Oncorhynchus lewisi</i>	Fish	Mountain streams, rivers, lakes
Gray Comma	<i>Polygonia progne</i>	Invertebrates	Deciduous woodland, riparian woodland, aspen parkland
Mueller's Freshwater Sponge	<i>Ephydatia muelleri</i>	Invertebrates	Lakes
Small-flower Gymnosteris	<i>Gymnosteris parvula</i>	Vascular Plants	Grasslands/Sagebrush steppe

Common Name	Scientific Name	Species Group	Habitat
Many-flowered Viguiera	<i>Viguiera multiflora</i>	Vascular Plants	Aspen woodlands
Alkali-marsh Ragwort	<i>Senecio hydrophilus</i>	Vascular Plants	Wet meadows
Andean Water-milfoil	<i>Myriophyllum quitense</i>	Vascular Plants	Slow rivers and streams or large lakes
Dwarf Purple Monkeyflower	<i>Mimulus nanus</i>	Vascular Plants	Open slopes (low-elevation)
Slender Indian Paintbrush	<i>Castilleja gracillima</i>	Vascular Plants	Wetland/Riparian
Whitebark Pine	<i>Pinus albicaulis</i>	Vascular Plants	Subalpine forest, timberline
Slender Thelypody	<i>Thelypodium sagittatum</i>	Vascular Plants	Alkaline meadows (Valleys and Montane)
Simil Onion	<i>Allium simillimum</i>	Vascular Plants	Mesic Grasslands-Meadows
Idaho Sedge	<i>Carex idahoa</i>	Vascular Plants	Wetland/Riparian
Bat Roost (Non-Cave)	Bat Roost (Non-Cave)	Other	NA

Montana Fish, Wildlife & Parks (FWP) document Westslope cutthroat trout (*Oncorhynchus lewisii*) as occurring within the East Fork Denny Creek (FWP 2024). Available information on genetics indicates that the species within the creek is classified as “Introgressed (hybridized)” which is, “tested and found to be less than 90%” (MT FWP 2024).

The MNHP ESR for the project area is provided in Attachment E.

2.4.1.4 Field Investigation

In addition to this desktop analysis, Morrison-Maierle environmental scientists conducted a site visit on June 18, 2025, to physically assess habitat conditions within the analysis area. Field observations confirmed the presence of suitable habitat for generalist species adapted to human disturbance, such as chipmunk, raccoon, striped skunk, red fox, and common migratory birds like northern chickadee, yellow warbler, and American robin. Ungulates such as elk, moose, and both mule and white-tailed deer likely use the area.

Wildlife observations included visual and auditory detections of black-headed grosbeak, yellow warbler, American robin, and warbling vireo. Western tiger swallowtail butterflies were present in meadow areas, and elk scat was documented within the analysis area. None of the species identified on the IPaC report (Table 3) were observed within or near the analysis during the assessment.

A formal wetland delineation conducted by Morrison-Maierle in June 2025 identified approximately 1.37 acres of palustrine scrub-shrub (PSS) wetlands fringing East Fork Denny Creek. These wetlands and adjacent riparian areas provide habitat for a variety of wildlife species, including birds, small mammals, and invertebrates. The dense shrub cover along the creek supports movement and foraging while functioning as a visual and acoustic buffer.

Given the site's elevation, access to water and forage, proximity to YNP, and its connectivity to adjacent USFS lands, it is reasonable to expect occasional use by wide-ranging species including grizzly bear, black bear, wolverine, gray wolf, mountain lion, bobcat, Canada lynx, and smaller forest carnivores such as fisher and pine marten. However, the existing wildlife habitat within the project area has diminished ecological value due to prior land use and surrounding development. Historical operation of a mini golf course, along with proximity to U.S. Route 20,

low-density residential areas, and commercial recreational facilities, has fragmented habitat and reduced its suitability for sensitive or specialist species.

The project area is not within core, general, or connectivity sage grouse habitat (MT SGHCP 2025).

2.4.2 Direct Impacts

Installation of the new water well and subsurface wastewater treatment system would involve ground disturbance in previously cleared or degraded areas. These activities may temporarily displace generalist wildlife and result in localized vegetation removal. No long-term or population-level impacts to terrestrial or avian species are expected from the utility infrastructure construction. No direct impacts to aquatic habitat or wetland areas are planned or anticipated, provided standard construction best management practices are implemented to control erosion and protect water quality.

No critical habitat for federally listed species occurs within the project area, and no direct impacts to listed species are anticipated based on the current level of site disturbance, limited habitat quality, and lack of direct observations.

Construction activities, including earthmoving, equipment operation, and associated noise, could temporarily disturb a lynx, bear, or wolverine, if present in the immediate vicinity. Disturbances may result in short-term behavioral responses, such as avoidance of the project site. The proposed action is not anticipated to result in injury, mortality, or long-term habitat displacement for Canada lynx, grizzly bear, or the North American wolverine.

Localized earth disturbance and vegetation removal within the project area due to construction could result in short-term disturbance to existing pollinator habitat. However, monarch butterfly use of the site is unlikely because the analysis area lacks milkweed, the obligate larval host plant required for reproduction. The analysis area is also outside the primary monarch migratory flyway. Although transient individuals could occur, direct effects to monarch butterflies are expected to be negligible.

The existing floral resources that support general pollinators within the project area has the potential to support host species for Suckley's cuckoo bumble bee. The project area is also within modeled "moderate" habitat for the Suckley's cuckoo bumble bee (MNHP 2025g). However, suitable habitat for this species also requires established host colonies and nesting sites, which are not documented within the action area. No recent records of Suckley's cuckoo bumble bee or its primary host species occur in or near the project area (Ohio State University 2016).

The proposed action may remove marginal habitat for Montana Species of Concern such as Cassin's finch, long-eared myotis, and pileated woodpecker; however, no roosts or nests were identified during the site visit, and habitat in the immediate area is fragmented and degraded due to past land use.

Because the analysis area lies outside of designated sage-grouse core, general, and connectivity habitat, the proposed action would not result in direct impacts to sage-grouse or its seasonal habitats.

2.4.3 Secondary and Cumulative Impacts

Development introduces more frequent human presence, noise, and lighting required for construction, all of which may reduce habitat quality and displace wildlife species. Although construction avoids wetlands and maintains a minimum 10-foot vegetated buffer along the southern boundary, increased human presence during construction may lead to vegetation trampling. Cumulative Impacts

The proposed action occurs within a landscape already influenced by residential and commercial development. The project area lies adjacent to existing infrastructure, including U.S. Route 20, and within a matrix of fragmented habitat. The Proposed Action is not expected to contribute cumulatively to the loss or degradation of terrestrial, avian, or aquatic habitats in the area. Given the scale of the proposed action and the existing level of disturbance, cumulative impacts to wildlife or sensitive habitats are not anticipated.

2.5 HISTORY, CULTURE, AND ARCHAEOLOGICAL UNIQUENESS

This section addresses historical and archaeological sites as well as cultural uniqueness and diversity, in accordance with the requirements set forth in ARM 14.4.609. The State Historic Preservation Office (SHPO) conducted a cultural resource file search for the Proposed Action in Section 21, T13S R4E.

A cultural resource file search conducted by the Montana State Historic Preservation Office (SHPO) for the Proposed Action in Section 21, Township 13S Range 4E, identified a few previously recorded cultural sites and past cultural resource inventories within the search area (Section 21). However, SHPO states that no cultural or historic properties would likely be affected by the Proposed Action.

SHPO notes that any structure over 50 years old is considered historic and potentially eligible for listing on the National Register of Historic Places. However, no cultural resource inventory is recommended at this time, as long as no disturbance or alterations occur to any such structures. If project activities later involve disturbance to older structures or uncover cultural materials, SHPO should be notified for further investigation. The SHPO letter, reports, and recorded sites are Provided in Attachment F.

2.5.1 Direct Impacts

The Proposed Action is not expected to affect the cultural uniqueness or diversity of the analysis area. No impacts to known historic or archaeological resources are anticipated.

2.5.2 Secondary Impacts

The Proposed Action is not expected to result in secondary impacts to historic, cultural, or archaeological resources. The project area does not contain known significant cultural sites, and no direct impacts to structures over 50 years of age are proposed. Therefore, no secondary impacts to cultural resources are anticipated.

2.5.3 Cumulative Impacts

Cumulative impacts to cultural or historical resources are not anticipated.

2.6 DEMANDS ON ENVIRONMENTAL RESOURCES OF LAND, WATER, AIR, OR ENERGY

The project area lies in a semi-rural portion of Gallatin County, Montana, characterized by mixed land uses including forested areas, rangeland, and low-density residential development. Current environmental resource demands in the vicinity primarily stem from domestic water use via individual groundwater wells, wastewater disposal through on-site septic systems, and residential electricity consumption. Air quality is generally considered good due to the absence of major industrial emission sources. Electric power is supplied by Fall River Electric Cooperative, and no known energy constraints currently exist in the area. The pumps for the well and water distribution system and the dosing for the pressurized drainfield would all require electricity. The wastewater collection system operates by gravity; gravity mains rely on pipe slope and elevation differences to move wastewater to the septic tanks.

2.6.1 Direct Impacts

The development would rely on a single, newly constructed groundwater well as its sole water supply. The well has been designed to meet anticipated demand, and available data indicate sufficient aquifer capacity to support the proposed use.

A constant-rate aquifer test was conducted by Morrison-Maierle on September 17, 2025, to evaluate groundwater availability and aquifer response. The well was pumped at 55 gallons per minute (gpm) for 24 hours, which exceeds the design production rate of 35 gpm and meets testing requirements equivalent to pumping at 1.5 times the design rate. The test proceeded without interruption, and monitoring data did not indicate recharge limitations or low-productivity boundaries. Total drawdown measured at the end of the test was 2.4 feet below static water level, demonstrating stable aquifer performance. Based on these results, cumulative groundwater drawdown associated with the Proposed Action is expected to be minimal.

Energy demand would increase due to operation of the water supply and wastewater treatment systems. These energy demands are not expected to exceed local utility capacity but would represent a new, minor but continuous draw compared to pre-development conditions. 8

Overall, the project would introduce small, but permanent demands on water and energy resources in the area. These impacts are not expected to be significant when considered within the broader context of existing infrastructure and regional development patterns.

2.6.2 Secondary Impacts

Secondary impacts from the proposed action may include slight increases in traffic, solid waste generation, and demand for offsite services such as laundry and maintenance, which contribute to indirect energy and fuel use.

2.6.3 Cumulative Impacts

Cumulatively, the proposed action contributes to slight increases in demand for water, energy, and wastewater infrastructure in the West Yellowstone area. The proposed action are small short-term rental units used for recreation, so additional demand will be limited during daytime hours while guests are visiting the park. The proposed action and planned system design is

expected to be only contribute to minor and manageable increases within existing infrastructure capacity.

2.7 Human Health and Safety

The applicant would be required to adhere to all applicable state and federal safety laws. The Occupational Safety and Health Administration (OSHA) has developed rules and guidelines to reduce the risks associated with this type of labor. Few members of the public would be in immediate proximity to the project during construction or operations other than those individuals involved in the construction work themselves.

Human health and safety considerations associated with DEQ's review primarily include construction-related worker and public safety, protection of drinking water quality, and safe conveyance and treatment of wastewater.

2.7.1 Direct Impacts

The Proposed Action includes installation of a new groundwater well and a subsurface wastewater treatment system designed to serve 56 short-term rental units. These utility installations pose standard construction-related health and safety risks, including excavation hazards, equipment use, and potential exposure to untreated water or wastewater.

Construction of the Proposed Action facilities would involve typical short-term occupational and site-safety hazards associated with civil construction, including excavation, trenching, and heavy equipment operation. These risks would be addressed through compliance with applicable state and federal safety requirements, including OSHA standards, contractor safety programs, traffic and site controls, and temporary restriction of public access to active work areas through fencing, barricades, and related construction controls. Because construction would occur within the project area and utility corridors rather than in public spaces, exposure of the public to construction hazards is expected to be limited.

Construction also has the potential to temporarily affect nearby water resources if soils were disturbed and erosion or sediment was not controlled. However, the project would be subject to a construction stormwater general permit and associated BMPs intended to minimize sediment transport and protect nearby water quality during construction. With these controls in place, direct adverse impacts to human health and safety from construction are expected to be negligible and temporary.

2.7.2 Secondary Impacts

Following installation, the water system would be regulated as a Transient Non-Community Public Water Supply System under, and the wastewater system would be permitted under applicable DEQ rules. Compliance with DEQ monitoring and operation requirements will ensure the systems do not pose a direct, or indirect, risk to human health.

Operation of the Proposed Action would provide a public water supply system designed in accordance with Circular DEQ-3 and subject to required public water monitoring, operation, and maintenance requirements. The Proposed Action would also convey wastewater to an onsite wastewater treatment system and drainfield. The onsite wastewater treatment system is required to be serviced by the vendor per an operation and maintenance agreement, which includes

regular sampling before discharge for nitrate; nitrite, ammonia, TKN, specific conductance, field temperature, field pH and CBOD per ARM 17.30.718(8)(a) and 17.30.718(8)(b).

Fire protection would be through the use of a non-public, non-potable well, filling an underground storage tank. Because the well is not a drinking water well, the fire system was not reviewed by DEQ under 75-6-101, MCA.

2.7.3 Cumulative Impacts

Regional development increases cumulative demand on groundwater and wastewater management infrastructure. However, the proposed water and wastewater systems are self-contained and sized for the specific use of this project. The drinking water system will be required to sample quarterly during operation, and the wastewater treatment system has an agreement with SepticNet to maintain the system annually. As long as the water and wastewater systems are properly maintained per their operation and maintenance manuals and regular sampling shows the system is in compliance in accordance with the ARM 17.38.200 rules and the ARM 17.30.715 the project is not expected to contribute to cumulative human health and safety concerns related to water quality, wastewater treatment, or system failure.

2.8 Aesthetics

The project area is located in a semi-rural setting along US-20 near West Yellowstone, Montana. The surrounding landscape consists of open forest, low-density residential development, and nearby commercial uses supporting National Park tourism. Views from the highway corridor are characterized by scattered structures, forested hillsides, and open sky, with no designated scenic viewpoints or protected visual resources within the immediate vicinity.

2.8.1 Direct Impacts

Portions of the analysis area are visible from US-20, Bear Road, and Mule Deer Road (Figure 3, Attachment A). Nearby residential parcels, campgrounds, and the Buttermilk public trailhead to the west also offer views toward the analysis area. Construction of the water and wastewater systems would result in temporary, minor visual impacts, limited to the duration of installation. As these systems would be buried, few direct long-term visual effects are anticipated from this infrastructure.

Short-term construction noise from drilling, excavation, and heavy equipment operation may be audible to nearby residents. These noise impacts would be temporary, limited to construction hours, and typical of civil construction projects.

Some minor piping, such as a vent pipe, or an access hatch to an underground storage tank may be visible at the ground surface. These impacts are expected to be long-term and negligible.

2.8.2 Secondary Impacts

Following construction, the majority of the sanitary infrastructure would be subsurface (water mains, sewer mains, stormwater conveyances) and would not be visible. The principal above-ground features would include:

- The pump station building, a small utility structure.

- Stormwater detention and retention basins, which would be permanent earthwork features. Those basins may be partially visible from the adjacent roadways.
- Minor above-grade appurtenances such as manholes, vent pipes, and access hatches.

Disturbed areas not occupied by permanent infrastructure would be revegetated in accordance with the Weed Control Plan, which would reduce the visual contrast of construction disturbance over time. The Phase 1 sanitary facilities are utility infrastructure rather than buildings or structures with significant visual mass, and their aesthetic impact is expected to be minor.

2.8.3 Cumulative Impacts

The sanitary facilities, primarily subsurface, with a water tank, pump station, and stormwater basins as the only above-ground features, would add a minor visual increment to the existing landscape. The sanitary facilities are not expected to result in significant cumulative aesthetic impacts.

2.9 Socioeconomics

This section evaluates potential impacts to social and economic resources in accordance with ARM 17.4.609, including effects on social structures, local employment, tax base, housing, public services, and other community characteristics.

The analysis area is located within the West Yellowstone Census County Division (CCD) of Gallatin County, Montana. The region supports a seasonal, tourism-driven economy due to its proximity to Yellowstone National Park. According to U.S. Census Bureau data, the population of the West Yellowstone CCD was approximately 1,428 in 2020, with a significant increase in seasonal visitation and temporary workforce demand during peak tourism months. Employment is concentrated in accommodation, food services, retail, and other service-oriented sectors.

The Proposed Action would create approximately 2 to 3 jobs for facility maintenance. It would not move or eliminate jobs. It would also create temporary jobs during construction. These jobs include contractors for installation of the water and sanitary sewer facilities. It is unknown how many temporary construction jobs may be created for the installation of sanitary facilities. Public services available to the project area include fire protection through the Hebgen Basin Fire District, law enforcement through the Gallatin County Sheriff's Office, and road maintenance through Gallatin County and the Montana Department of Transportation.

2.9.1 Direct Impacts

The analysis area does not contain active agricultural land and the Proposed Action would not alter agricultural or industrial land use elsewhere in Gallatin County. The Proposed Action redevelops a previously developed commercial parcel that was abandoned.

Construction of the Proposed Action facilities would generate temporary employment for construction workers, engineers, and operation and maintenance staff. Permanent jobs would be limited to less than 5 maintenance staff, which would come on site as needed for maintenance and operation of the facilities.

The installation of a new transient, non-community water and wastewater system is not expected to result in long-term traffic increases or impose significant demands on local or state

government services. The system would be privately maintained, and no permanent employees would be stationed on-site.

Consultation with SHPO concluded that the Proposed Action is unlikely to impact cultural or historic resources. No designated wilderness areas, public lands, or trail systems would be affected. The site is near recreational infrastructure, but the Proposed Action would not restrict access to existing recreational amenities such as the Buttermilk Trailhead.

Fire protection would be through the use of a non-public, non-potable well, filling an underground storage tank. Because the well is not a drinking water well, the fire system was not reviewed by DEQ under 75-6-101, MCA.

2.9.2 Secondary Impacts

The proposed development may generate secondary socioeconomic impacts by increasing demand for services such as maintenance and construction in the greater West Yellowstone area. This increased demand could create employment opportunities in nearby communities, but it is expected to be minor due to the scale and short duration of the proposed action.

The demand for government services such as law enforcement, fire protection, emergency response, and road maintenance, may increase slightly.

2.9.3 Cumulative Impacts

The Proposed Action's contribution to cumulative socioeconomic impacts would be minor. Construction employment would be temporary, and operational employment would consist of a small number of permanent maintenance staff. The project is consistent with existing land use and regional development patterns.

2.10 Private Property Impacts

The proposed action would take place on private land owned by the applicant. DEQ's approval of the proposed action would affect the applicant's real property by authorizing the construction and operation of the water and wastewater facilities, subject to permit conditions. DEQ has conducted the required takings analysis and determined that the permit conditions are reasonably necessary to ensure compliance with applicable requirements. Therefore, DEQ's approval of the proposed would not have private property-taking or damaging implications.

2.11 Greenhouse Gas Assessment

DEQ is required to evaluate greenhouse gas (GHG) emissions for proposed actions that meet the statutory definition of a fossil fuel activity, in accordance with 75-1-211 and 75-1-220, MCA. However, pursuant to 75-1-220(8), this proposed action is excluded from the definition of fossil fuel activity and therefore a GHG assessment is not mandatory.

Instead, to determine if a GHG assessment is needed, DEQ applies the MEPA standard of whether GHG emission impacts are potentially significant because of construction and operation of the proposed water and wastewater facilities.

Based on the duration of operations and the absence of any combustion-based processes during normal operation, DEQ concludes that the proposed action would not meaningfully

increase GHG emissions, and therefore no additional GHG assessment is necessary for the purposes of this EA. Accordingly, GHG impacts from the sanitary facilities are not expected to be significant.

3 Description of Alternatives

3.1 NO ACTION

In addition to the proposed action, a No Action alternative was considered. Pursuant to ARM 17.4.609, when an applicant proposes an action with the potential to have an impact on the Montana environment, the associated EA must include a description of reasonable alternatives. For purposes of MEPA, the alternatives analysis must include the "no action" alternative. The "no action" alternative would deny the approval of the proposed water main supply and distribution system, and wastewater collection and treatment system. The applicant would lack the authority to conduct the proposed activity. Any potential impacts that would result from the proposed action would not occur. However, because the applicant has demonstrated compliance with all applicable rules and regulations required for approval, the "no action" alternative would not be appropriate. Rather, the "no action" alternative forms the baseline from which the impacts of the proposed action can be measured. Pursuant to section 75-1-201(4)(a), MCA, DEQ "may not withhold, deny, or impose conditions on any permit or other authority to act based on" an EA. Therefore, since the application meets all the requirements for permit approval, DEQ cannot require any alternative to the proposed action as described in the permit application, including a "no action" alternative.

3.2 OTHER REASONABLE ALTERNATIVE(S) CONSIDERED BY THE APPLICANT

An alternative to the proposed action considered by the applicant would be to connect to the existing municipal water supply and wastewater treatment systems serving the Town of West Yellowstone. This alternative was considered but dismissed from further analysis. The project site is located outside the Town's service area, and extending water and sewer infrastructure to the site would require substantial offsite pipeline installation, potential right-of-way acquisition, and coordination with multiple jurisdictions. Given the distance to existing infrastructure and the scale of the proposed development, connection to the municipal systems would be cost prohibitive and is not a feasible alternative. As a result, this alternative was not carried forward for detailed evaluation.

4 Consultation

DEQ engaged in internal and external efforts to identify substantive issues and/or concerns related to the proposed action. Internal scoping consisted of internal review of the environmental assessment document by DEQ staff and information sourced by the Applicant. All reference material sourced from the Applicant is documented below in References.

External scoping efforts also included queries to the following websites/databases/personnel:

- Montana State Historic Preservation Office (SHPO)
- Montana Sage Grouse Habitat Conservation Program
- Montana Department of Natural Resource and Conservation (DNRC)

- Montana Department of Environmental Quality (DEQ)
- US Geological Society – National Hydrography Data Set
- Montana Natural Heritage Program (MTNHP)
- Montana Cadastral Mapping Program
- Montana Groundwater Information Center (GWIC)
- Montana Bureau of Mines and Geology (MBMG)

5 Public Involvement

This draft EA is available for public comment for 32 days from September 17, 2026, to October 19, 2026. Comments on the draft EA will be accepted at degengprogrammepa@mt.gov until 11:59 p.m. on October 19, 2026. For accessibility and to reach as many interested persons as possible, DEQ will host a virtual, Zoom only public hearing to collect oral comments on the draft EA on September 29, 2026, from 5 p.m. to 7 p.m. To join that Zoom hearing, please follow the instructions below or visit DEQ's public notice, posted on its website. A summary of comments received and DEQ's responses will be included below.

Join from PC, Mac, iPad, or Android:

<https://mt-gov.zoom.us/j/81710465335?pwd=sASrf86nuPVSf8lxOjhPduErl9K7Or.1>

Join via audio:

+1 206 337 9723 US (Seattle)

Webinar ID: 817 1046 5335

Passcode: 060870

6 Significance of Potential Impacts and Need for Further Analysis

When determining whether the preparation of an environmental impact statement is needed, DEQ is required to consider the seven significance criteria set forth in ARM 17.4.608, which are as follows:

- The severity, duration, geographic extent, and frequency of the occurrence of the impact;
- The probability that the impact will occur if the proposed action occurs; or conversely, reasonable assurance in keeping with the potential severity of an impact that the impact will not occur;
- Growth-inducing or growth-inhibiting aspects of the impact, including the relationship or contribution of the impact to cumulative impacts – identify the parameters of the proposed action;
- The quantity and quality of each environmental resource or value that would be affected, including the uniqueness and fragility of those resources and values;
- The importance to the state and to society of each environmental resource or value that would be affected;
- Any precedent that would be set as a result of an impact of the proposed action that would commit the department to future actions with significant impacts or a decision in principle about such future actions; and
- Potential conflict with local, state, or federal laws, requirements, or formal plans.

Severity, Duration, Geographic Extent, and Frequency

The Proposed Action consists of a new public water supply well, water distribution system, and subsurface wastewater collection and treatment system serving 56 short-term rental cabins on a 15.43-acre parcel. Construction-phase impacts of the utilities, including soil disturbance, fugitive dust, and temporary displacement of generalist wildlife, would be limited to approximately 0.43 acres of the parcel and the disturbance would cease once construction was complete.

Construction of the cabins and roads would disturb approximately 7.1 acres. Approximately 7.9 acres would remain undisturbed or vegetated open space upon completion. No jurisdictional wetlands or waterways would be directly disturbed by the sanitary facilities, which are sited outside a 25-foot setback from the wetland and riparian area associated with East Fork Denny Creek. Operational impacts are limited to the ongoing function of a public water supply well and an advanced (Level 2) wastewater treatment system designed to Circular DEQ-3 and DEQ-2/DEQ-4 standards, respectively. The geographic extent of potential adverse impacts is confined to the project parcel and the immediate groundwater flow path evaluated in the Nondegradation Report.

Probability of Impact

DEQ's approved Nondegradation Predetermination (EQ #25-2144) found that nitrate and phosphorus loading from the proposed drainfield would remain below applicable regulatory thresholds, based on multiple rounds of test pit, percolation, and groundwater monitoring data collected between 2004 and 2024. The new water supply well has been evaluated through the Source Water Delineation and Assessment Report process and meets Circular DEQ-3 requirements, with water quality sampling indicating no detectable arsenic or manganese and nitrate concentrations well below the drinking water standard. Compliance with these design standards, together with the required Storm Water Pollution Prevention Plan and associated best management practices during construction, provides reasonable assurance that adverse impacts to water quality, public health, and the environment would not occur.

Growth-Inducing or Growth-Inhibiting Aspects

DEQ's approval authorizes only the water supply well and wastewater treatment system sized to serve the 56 units currently proposed. Approval of this specific facility, sized to this specific use, does not commit DEQ in principle to approving any future expansion of these systems or similar facilities on adjacent parcels; any such future application would require independent design review at the time it is proposed.

Quantity, Quality, Uniqueness, and Fragility of Affected Resources

The project parcel includes approximately 1.37 acres of palustrine scrub-shrub wetland associated with East Fork Denny Creek, and the site lies within habitat identified by USFWS and MNHP as potentially supporting grizzly bear, Canada lynx, North American wolverine, and whitebark pine, among other species. No federally listed species or designated critical habitat were observed within the project area during field investigation, and the sanitary facilities subject to DEQ's review are sited outside the delineated wetland and its buffer. The resources within DEQ's scope of review, the proposed well and wastewater system footprint, are previously

disturbed areas associated with a former commercial recreation use and are not themselves unique or fragile.

Importance to the State and Society

The groundwater and surface water resources potentially affected by the Proposed Action support beneficial uses recognized under the Montana Water Quality Act, including wildlife and recreation. These resources are not designated as impaired, outstanding, or subject to an existing TMDL, and DEQ's approved Nondegradation Predetermination found the proposed facilities would not degrade them; accordingly, this factor does not weigh toward significance.

Precedent

DEQ's approval of this project is specific to the water supply and wastewater facilities described in Section 1.3 and does not establish a precedent binding DEQ to approve similar facilities in the future. Each future application, whether for this parcel or others in the vicinity, would be evaluated on its own record.

Potential Conflict with Local, State, or Federal Laws, Requirements, or Formal Plans

The Proposed Action is not located within a Gallatin County zoning district and is not subject to county platting or zoning review. DEQ's review and approval authority is limited to the water supply and wastewater facilities under the Public Water Supply Act and the Montana Water Quality Act, and does not extend to land use, density, road design, or fire protection, which remain subject to the independent jurisdiction of Gallatin County, the Hebgen Basin Fire District, and other agencies identified in Section 1.5. No conflicts with applicable state or federal law were identified within the scope of DEQ's review.

7 Conclusions and Findings

Based on consideration of the seven criteria set forth in ARM 17.4.608, DEQ has determined that the Proposed Action would not result in significant impacts to the Montana environment. Accordingly, an environmental impact statement is not required.

8 Preparers

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