Montana Department of
ENVIRONMENTAL QUALITY

Brian Schweitzer, Governor
Richard H. Opper, Director

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FINDING OF NO SIGNIFICANT IMPACT FOR LOCKWOOD WATER AND SEWER DISTRICT - PHASE 2 WASTEWATER SYSTEM PROJECT

TO: ALL INTERESTED PERSONS

Date:	November 27, 2012
Action:	Funding Phase 2 Wastewater Collection System Project
Location of Project:	Lockwood, Montana
DEQ Funding:	$11,603,000 WPCSRF Funds
TSEP:	Project # MT-TSEP-CG-12-603, Funding $750,000
DNRC	Contract # RRG-13-1535, Funding $100,000
Total Project Cost:	$12,453,000

An Environmental Assessment (EA) has been completed by the Montana Department of Environmental Quality (DEQ) for proposed funding for construction of Phase 2 wastewater collection system for the Lockwood Water and Sewer District. The District has identified the need to provide a wastewater collection system to other areas in the District that were not served as part of the Phase 1 sewer project. The proposed project involves construction of approximately 69,000 lineal feet of gravity pipe, 230 manholes, 1,200 feet of force main and one lift station located near the intersection of Wasco Avenue and Tigard Avenue.

The affected environment will primarily be the south and eastern portion of the district and the immediate vicinity. The human environment affected will include customers of the Lockwood Water and Sewer District. Based on the environmental assessment, the project is not expected to have any significant adverse impacts upon terrestrial and aquatic life or habitat, including endangered species, water quality or quantity, air quality, geological features, cultural or historical features, or social quality.

This project will be funded in part with low interest loans through the Montana Water Pollution Control State Revolving Fund Program, administered by the Montana Department of Environmental Quality and the Montana Department of Natural Resources and Conservation, a grant from the Treasure State Endowment Program administered by the Montana Department of Commerce and a grant from the Renewable Resource Program administered by the Department of Natural Resources and Conservation.

The DEQ utilized the following references in completing its environmental review of this project: Phase 2 Sewer Subdistrict Wastewater Preliminary Engineering Report, prepared for the Lockwood Water and Sewer District, By Morrison Maierle, Inc., Billings,

Montana, April 2010; Lockwood Water and Sewer District 1998 Facilities Plan Report, Volume 1- Report, prepared for the Lockwood Water and Sewer District, by Morrison Maierle, Inc., Billings, Montana, 1998; 2008 Wastewater Facilities Plan Update, prepared for the Lockwood Water and Sewer District, by Morrison Maierle, Inc., Billings, Montana, May 2008; Update to the 1998 Facilities Plan, Phase 1 Subdistrict, prepared for the Lockwood Water and Sewer District, by Morrison Maierle, Inc., Billings, Montana, January, 2009.

In addition to these references, letters of inquiry were sent to the Montana Department of Fish, Wildlife & Parks, the United States Fish and Wildlife Service, the Montana Department of Natural Resources & Conservation, the United States Army Corps of Engineers, the United States Environmental Protection Agency, the Montana State Historic Preservation Office and the Montana Department of Environmental Quality.

References are available for review upon request by contacting:

Todd Teegarden
Department of Environmental Quality
P.O. Box 200901
Helena, MT 59620-0901
Phone (406) 444-5324
Email: tteegarden@mt.gov

Or:

Woody Woods
Lockwood Water and Sewer District
1644 Old Hardin Road
Billings, MT 59101
(406) 259-4120

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

Signed,

Todd Teegarden

Todd Teegarden, Chief
Technical & Financial Assistance Bureau
c: file

ENVIRONMENTAL ASSESSMENT

I. COVER SHEET

A. PROJECT IDENTIFICATION

Applicant: Lockwood Water & Sewer District

Address: 1644 Old Hardin Road
Billings, MT 59101

B. CONTACT PERSON

Name: Carl Peters, Chairman

Address: PO Box 30452
Billings, MT 59107-0452

Telephone: (406) 259-4120

C. ABSTRACT

The Lockwood Water & Sewer District, through the April 2010 Phase 2 Sewer Subdistrict Wastewater Preliminary Engineering Report (PER) has identified the need to provide a wastewater collection system to other areas in the District that were not served as part of the Phase 1 sewer project. Phase 2 primarily consists of residential neighborhoods of Lockwood that are currently served by on-site wastewater treatment systems. Many of these systems have failed and the number of failures will continue to increase as more building and development takes place. The new CS 1-1 collection system project will connect to the trunk main system constructed under the Phase 1 projects and to the central pumping facility which pumps the wastewater across the Yellowstone River to the City of Billings' Wastewater Treatment Facility.

Federal and State grant/loan programs will fund the project. The Phase 2 CS 1-1 project improvements are estimated to cost approximately $12,453,000. It is anticipated that the project will be funded through a low interest loan (3.00%) obtained from the State Revolving Fund (SRF) loan program, a grant from the Treasure State Endowment Program (TSEP) and a grant from the Department of Natural Resources and Conservation (DNRC). Additional subdistricts can be brought before the voters at a later time for approval.

As identified in the Phase 2 PER, environmentally sensitive characteristics such as wetlands, floodplains, threatened or endangered species, and historical sites are not expected to be adversely impacted as a result of the proposed project. Additional environmental impacts related to land use, water quality, air quality, public health, energy, noise, growth, and sludge disposal were also assessed. No significant long-term negative environmental impacts were identified.

Under Montana law, (75-6-112, MCA), no person may construct, extend, or use a public sewage system until the DEQ has reviewed and approved the plans and

specifications for the project. Under the Montana Water Pollution Control State Revolving Fund Act, the DEQ may loan money to public entities for construction of public sewage systems.

The DEQ, Technical and Financial Assistance Bureau, has prepared this Environmental Assessment to satisfy the requirements of the Montana Environmental Policy Act (MEPA) and the National Environmental Policy Act (NEPA).

D. COMMENT PERIOD

Thirty (30) calendar days

II. PURPOSE AND NEED FOR ACTION

Lockwood is an unincorporated community located in Yellowstone County, (see Figure 1), and consists of approximately 6,500 people, based on the 2010 Census boundary for the Lockwood Census Designated Place (CDP). Phase 1 of the wastewater system provides service to approximately 40% of the current Lockwood Water and Sewer District. In addition, the trunk mains constructed in Phase 1 were sized to accept wastewater flows from the remaining Lockwood area. Currently, the remainder of the Lockwood Water & Sewer District planning area is served by individual on-site wastewater disposal systems. Failure of existing on-site systems throughout the populated planning area has been documented. Soils studies within the District have shown that there are areas where construction of a standard drainfield has not been possible. Continued construction of non-conforming drainfields will further increase the potential for groundwater pollution and ultimately the Yellowstone River as well.

Proper wastewater treatment and disposal is important to the future water quality of the area and growth of the Lockwood Water & Sewer District. Without extending central collection, treatment, and disposal for the wastewater the potential for groundwater contamination will increase as the Lockwood area grows and more septic tanks and drainfields are installed.

The proposed Phase 2 CS 1-1 Sewer Subdistrict project includes the construction of a collection system in the yellow defined area in Figure 7-4 AM that will tie into the District's Phase 1 Sewer Subdistrict. The CS 1-1 area collection system will serve approximately 1,000 property owners and will collect all of the wastewater generated within the CS 1-1 area and transport it by gravity and pressure mains to the existing main Lockwood Lift Station, which was installed as part of the Phase 1 projects. The existing main Lift Station pumps the wastewater across the Yellowstone River to the City of Billings' Wastewater Treatment Facility. Additional Phases or subdistricts are anticipated to be brought before the voters at a later time as sewer lines are extended to the further outreaching areas of the District.

III. ALTERNATIVES INCLUDING THE PROPOSED ACTION

A. ALTERNATIVES - Two main alternatives for wastewater collection were evaluated in the 2010 Preliminary Engineering Report. These include:

1. Alternative CS1, CS2, and CS3 – The economics of phasing the collection system into two or more projects

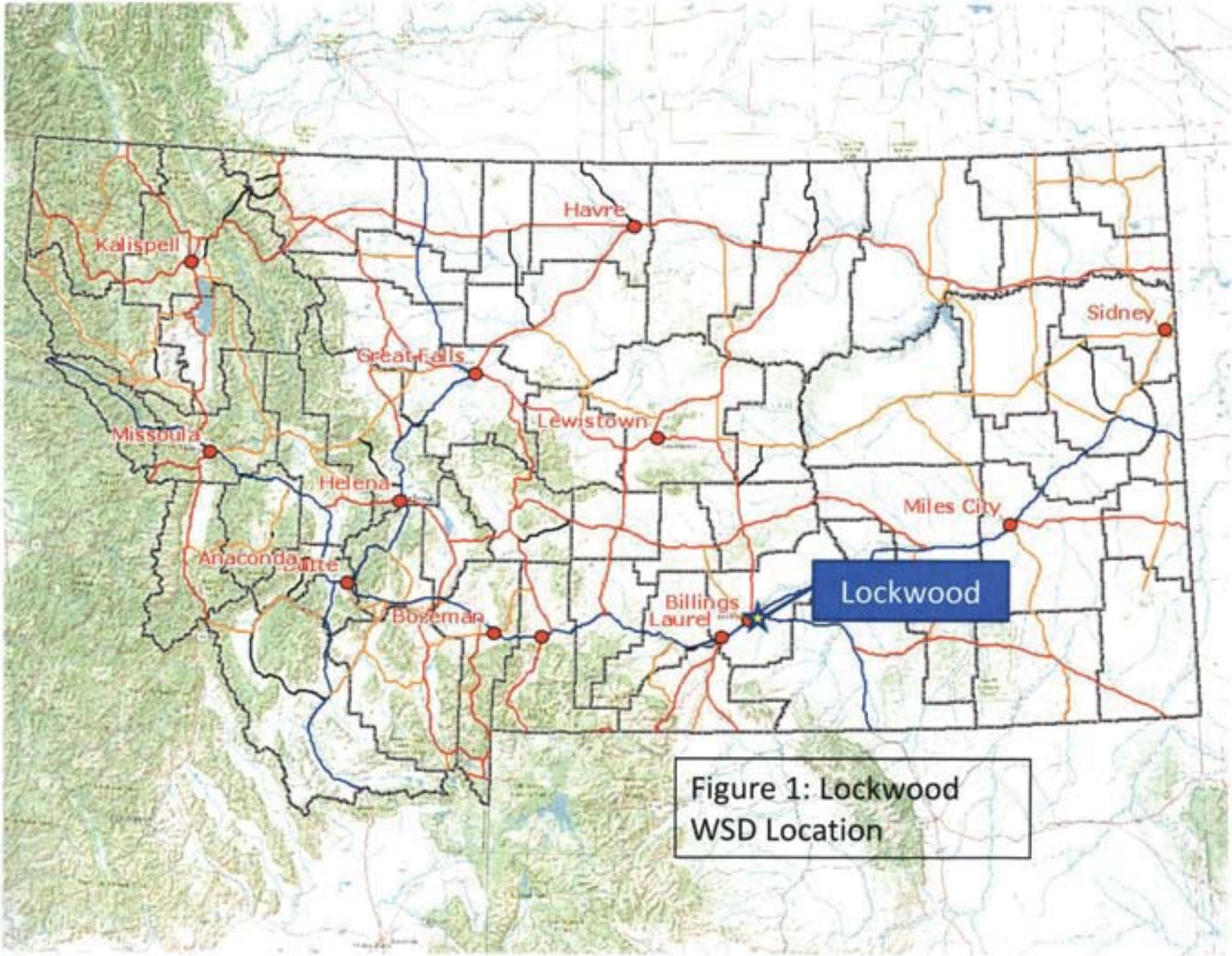


Figure 1: Lockwood WSD Location

2. No Action

1. **Alternative CS1, CS2 and CS3 – Two or more phased collection system projects**

These alternatives consist of dividing the Phase 2 Subdistrict into several areas into which sewer will be extended. Alternative CS1 consists of two areas or projects, CS2 consists of four areas or projects, and CS3 consists of five areas or projects. Breaking the projects into multiple areas and projects would allow the District to apply for future grants to assist funding the projects. However, it was determined that inflation would negate any future grant amounts received due to the small amount of grant funding available versus the project cost needed to complete the entire Phase 2 project. Thus alternative CS1 is the most cost effective from both total capital cost and from a present worth perspective.

In the Phase 2 PER, the remaining areas of the Lockwood community outside of Phase 1 were proposed to be constructed as two separate projects (Projects CS 1-1 and CS 1-2). Based on responses the District received to a 2012 mail survey and public meetings, the project boundaries as defined in the PER were slightly modified and some areas originally proposed for sewer service dropped out and others added. To better ensure the passage of a new sewer Subdistrict, only project CS 1-1 is proposed at this time. Project CS 1-1 residents indicated a much stronger support for the sewer extension than those in Project CS 1-2. Homes in the CS 1-2 area, in general, have much newer homes, larger lots, and currently fewer issues with their onsite systems.

The proposed CS 1-1 Project will contain approximately 69,000 lineal feet of gravity pipe, 230 manholes, 1,200 feet of force main, and one lift station located near the intersection of Wasco Avenue and Tigard Avenue. The Project CS 1-1 boundaries are shown in Figure 7-4 AM.

2. **No Action** - This alternative would leave the Phase 2 area as it is now, with no public wastewater collection, treatment, and disposal system. If the no action alternative is selected, the District will be plagued with continued septic tank system failure, limitation on potential growth, and possible future enforcement action by State or Federal regulatory agencies. The Phase 1 project was constructed with extra capacity to service other areas and thus, the No Action alternative is not considered a viable alternative for the Lockwood Water and Sewer District.

B. COST COMPARISON

This project is a standard gravity collection system project and thus the cost comparisons were based on splitting Phase 2 into different projects extended over numerous years to take advantage of Federal and State grant funding application cycles. It was determined that inflation would negate any future grant amounts received due to the small amount of grant funding available versus the project cost needed to complete the entire Phase 2 project. The proposed

service area for the collection system proposed is shown in yellow on Figure 7-4 AM and identified as Area CS 1-1.

To calculate the users' cost, it is assumed that the proposed Phase 2, Area CS 1-1 project will cost approximately $12,453,000 of which the District has received a $750,000 TSEP grant, a $100,000 DNRC grant, and the remainder will be funded with a SRF loan with a 30 year term and a 3.00% interest rate. The District will propose either a general obligation or special assessment bond and the cost for each property will vary based on which bond is proposed. A few examples of annual assessment costs per property owner for a general obligation bond are estimated in Table 1 below:

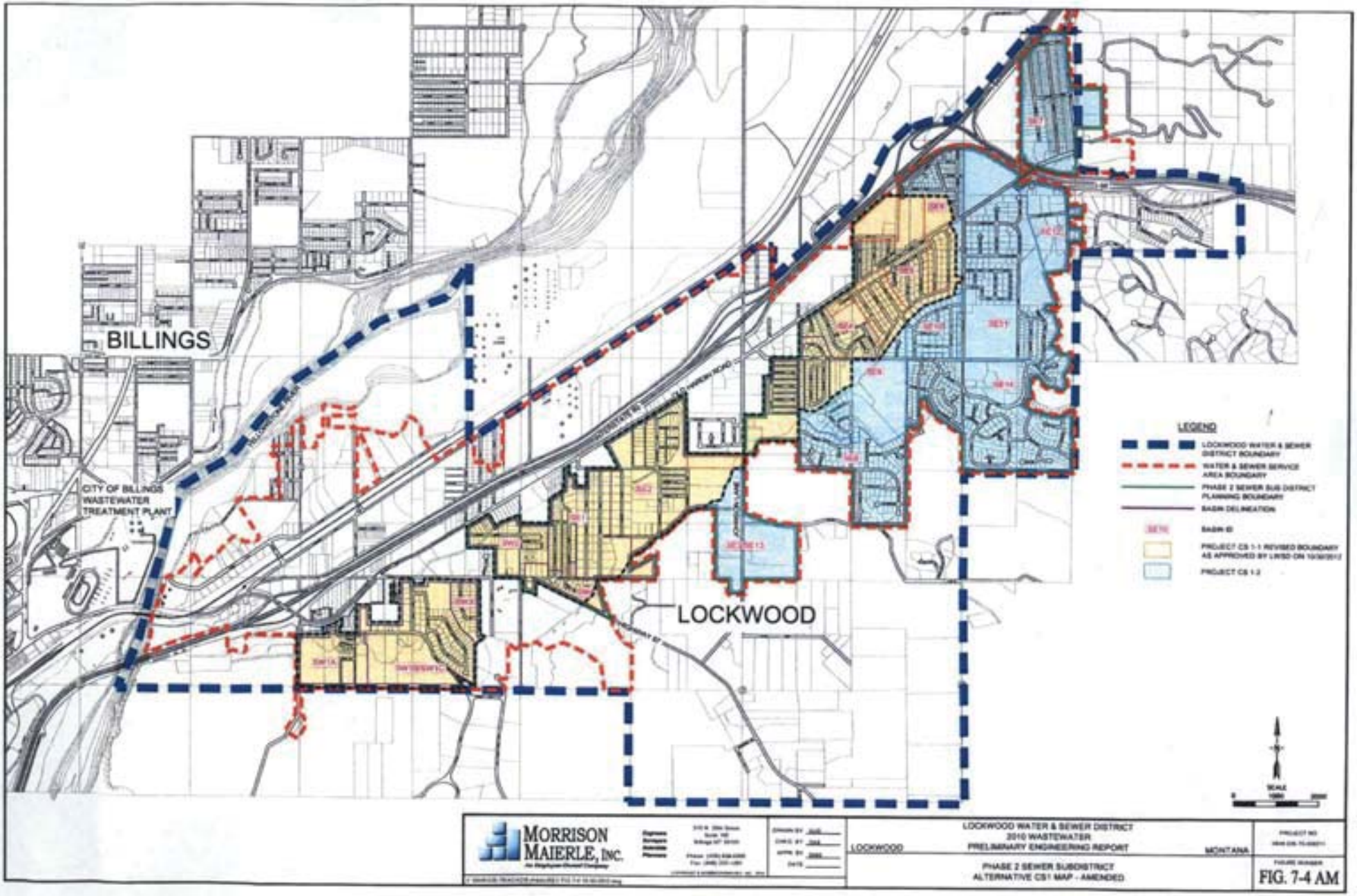
TABLE 1
ECONOMIC EVALUATION OF ALTERNATIVES
Estimated Costs

Lockwood Recent Market Sale	Taxable Value	SRF Interest Rate	Annual Phase 2 Sewer Subdistrict CS 1-1Bond Obligation
$9,000 Mobile Home	$147	3.00%	$61.12
$28,500 Mobile Home	$896	3.00%	$372.54
$100,000 Home	$1,955	3.00%	$812.85

C. BASIS OF SELECTION OF PREFERRED ALTERNATIVE

Selection of the preferred alternative was based upon several criteria, both non-monetary and monetary.

The non-monetary ranking criteria considered are shown in Table 2. Each alternative was assigned a ranking score of 1 to 3 for each category with 3 being the most favorable and 1 being the least favorable. The ranking factors were then multiplied by the relative weight of importance assigned to each evaluation criteria. The weighted rank scores were then summed, resulting in a weighted rank total score, the greatest score indicating the highest ranking. As shown in the ranking criteria matrix, alternative CS1 ranked the highest, primarily due to project affordability, operational ease, and facility flexibility.



MORRISON MAIERLE, INC.

LOCKWOOD WATER & SEWER DISTRICT
2010 WASTEWATER
PRELIMINARY ENGINEERING REPORT

LOCKWOOD MONTANA

PHASE 2 SEWER SUBDISTRICT
ALTERNATIVE CS1 MAP - AMENDED

FIG. 7-4 AM

TABLE 2
COLLECTION SYSTEM ALTERNATIVES COMPARATIVE SUMMARY EVALUATION

Comparison Criteria	Parameter Weight	CS1	CS2	CS3
Project Affordability	6			
Alternative Rank		2	2	1
Weighted Rank		12	12	6
Operational Ease	5			
Alternative Rank		3	2	1
Weighted Rank		15	10	5
Facility Flexibility	4			
Alternative Rank		3	2	1
Weighted Rank		12	8	4
Resource Use	3			
Alternative Rank		3	2	1
Weighted Rank		9	6	3
Local Economic Effect	2			
Alternative Rank		1	2	3
Weighted Rank		2	4	6
Weighted Rank Total		**50**	**40**	**24**

IV. AFFECTED ENVIRONMENT

A. PLANNING AREA

Lockwood is an unincorporated community located in Yellowstone County, and consists of approximately 6,500 people, based on the 2010 Census boundary for the Lockwood Census Designated Place (CDP). The Phase 1 project, which was recently constructed, serves approximately 40% of the LWSD water and sewer service area. Phase 1 improvements were sized to serve flows from the entire Lockwood District. Phase 2 primarily consists of residential neighborhoods of Lockwood that are currently served by on-site wastewater treatment systems. Approximately 2,500 current residents will be served by the CS 1-1 and CS 1-2 projects. Many of the systems in the CS 1-1 area have failed and as many of the lots in this area are quite small, residents are limited to how they can handle future wastewater disposal. As for the entire Phase 2 areas (CS 1-1 and CS 1-2 areas), the number of failures will continue to increase as more building and development takes place. The planning area includes only properties within the Lockwood Water & Sewer District Water and Sewer Service Area Boundary.

The community of Lockwood provides its residents the opportunity to pursue employment within the City of Billings while living in a setting which is away form urban influences. Therefore, a majority of the residents work in the City of Billings while living in Lockwood.

The proposed project includes the construction of a collection system within the District which will collect all of the wastewater generated within the planning area and transport it by gravity and pressure mains to the existing trunk main system which will convey all flows to the existing main Lockwood lift station.

B. FLOW PROJECTIONS

Projections for the Phase 1 and Phase 2 projects for the district were based on a design period of 20 years, extending from 2008 to 2030. From the population determined through water use records, a year 2030 design population of 9,119, and an ultimate district build-out population of 11,700 was used in the sizing of the wastewater system. The estimated year 2030 average day wastewater flow is 910,000 gallons per day with a peak day flow of 2,740,000 gallons per day. The District has contracted with the City of Billings to treat and dispose of its wastewater. The City will reserve capacity at its wastewater treatment facility for 80%, with negotiations up to 100%, of the estimated year 2030 flow for Lockwood of 0.91 million gallons per day. Lockwood staff is required to test and sample its wastewater flow at the point of discharge from the Lockwood central pumping facility to the City of Billings. The city's wastewater treatment plant has adequate capacity to treat Lockwood's 20-year wastewater flow, and is in compliance with its current MPDES permit.

C. NATURAL FEATURES

The topography of the planning area consists of rolling hills, flats, valleys, jagged ravines, plateaus, and sharp bluffs. The overall change in elevation within the planning area is approximated at 320 feet. The lowest elevation, 3080 feet above mean sea level, is found along the Yellowstone River which in turn forms a natural boundary between the community of Lockwood and the City of Billings. The highest elevation 3400 feet above mean sea level can be found around bluffs which are located in the southeastern portion of the Lockwood Water & Sewer District Boundary.

The entire area of Yellowstone County is drained by the Yellowstone River and its tributaries. The only tributaries of the Yellowstone River which carry water throughout the year in Yellowstone County are the Clarks Fork and Pryor Creek. The drainage area for the Yellowstone River at Lockwood is approximately 11,795 square miles. DEQ has classified the Yellowstone River as Class C-3 water from the Billings water supply to the North Dakota state line. Class C-3 waters are suitable for bathing, swimming, and recreation, growth and propagation of non-salmonid fish and associated aquatic life, waterfowl and furbearers. The quality of these waters is naturally marginal for drinking, culinary, and food processing purposes, agriculture and industrial water supply.

Soils found in the area are typical of soils found in alluvial areas. Groundwater depths vary from 5 to 40 feet based on the level of the Yellowstone River. The depth of the water table will vary to some degree based on the time of the year.

The climate in the Yellowstone River Valley area can present many extremes. The highest recorded temperature in the area was 106 degrees Fahrenheit in 1937, and the lowest recorded temperature is 38 degrees Fahrenheit below zero recorded in 1936. Evaporation averages approximately 36 inches per year and precipitation averages about 15 inches per year.

V. ENVIRONMENTAL IMPACTS OF PROPOSED PROJECT

A. DIRECT AND INDIRECT ENVIRONMENTAL IMPACTS

1. Land Use – The construction of the collection system and one lift station will occur in the public right-of-way of streets, alleys, and common areas and will not impact agricultural land or prime farmland. The land surrounding the facilities will not be significantly affected during construction. The planning area has been increasing in population in recent years. It is projected that steady, moderate growth will continue through the planning period. The proposed project will accommodate the expected moderate growth through this period.

2. Floodplains and Wetlands – The Department of Natural Resources and Conservation (DNRC) commented on the proposed project. The DNRC stated to be sure to obtain flood plain permits from the county where construction and/or structures are proposed in FEMA Flood Hazard Boundary areas. It does not appear that the project is located within the 100-year floodplain. The DNRC (floodplains) and Army Corps of Engineers (wetlands) have been notified of this project and asked to reply with any concerns. See *Section IX: Agencies Consulted* of this report for a summary of their comments.

3. Cultural Resources - The Montana State Historic Preservation Office considered the impacts of the proposed project on historical sites and cultural resources. They indicated that any structure over fifty years old is considered historic and is potentially eligible for listing on the National Register of Historic Places. If any structures are to be altered and are over fifty years old we would recommend that they be recorded and a determination of their eligibility be made. They also feel that there is a low likelihood of cultural properties will be impacted and therefore, feel that a recommendation of a cultural resource inventory is unwarranted at this time. Should structures need to be altered or if cultural resources are inadvertently discovered during the project their office must be contacted and the site investigated. See *Section IX: Agencies Consulted* of this report for a summary of their comments.

4. Fish and Wildlife – The Montana Department of Fish, Wildlife, and Parks and U.S. Fish and Wildlife Services reviewed the proposed project. They indicated that based on the review of the proposed project, the Region 5 Wildlife staff has no specific comments and Region 5 Fisheries staff has no specific comments related to potential impacts on fisheries habitat. See *Section IX: Agencies Consulted* of this report for a summary of their comments.

5. Environmental Justice – Environmental Justice Executive Order 12898: The proposed project will not result in disproportionately high or adverse human health or environmental effects on minority or low income populations. The economic impact will ultimately affect all of the users of the system proportionately to the taxable value of their individual property throughout the subdivision. No disproportionate effects among any portion of the community would be expected.

6 Water Quality - Water quality will improve due to the proposed project. The central collection system will immediately reduce and ultimately eliminate all septic tanks and drainfields which currently exist within the Phase 2 subdistrict. Eliminating the use of on-site septic systems will result in the reduction of pathogen and nutrient loadings to the groundwater and ultimately to the Yellowstone River improving surface water quality as well. The Department and the Yellowstone County Health Department has strongly encouraged Lockwood to build a collection system for a number of years, due to elevated nitrate levels in the groundwater aquifer. By sending the wastewater to the Billings wastewater treatment facility the wastewater will receive a significantly higher level of treatment including nutrient removal and disinfection.

The City of Billings' treatment plant has a current average design flow capacity of 26 million gallons per day (mgd). The current average flow is approximately15 mgd. The proposed project has the potential, to add 0.91 mgd to the Billings plant per the wastewater service agreement between the City of Billings and the Lockwood Water and Sewer District. The proposed Phase 2 project will initially add considerably less than the 0.91 mgd. The Yellowstone River, in the area of the discharge was listed in the 1996 303(d) impaired waters list as impaired for salinity/TDS/chlorides, suspended solids, and un-ionized ammonia. The updated 2008 draft 303(d) list adds other parameters, including nutrients. The current City of Billings WWTP discharge averages approximately 15 milligrams per liter (mg/l) total nitrogen and 1.8 mg/l total phosphorous. The proposed projects will add flow and thus discharge of nutrients to the Yellowstone River. A Total Maximum Daily Load (TMDL) has not been completed for the river and likely will not be done in the next couple of years. In the future, the TMDL and associated MPDES permit effluent limits may require supplementary upgrades to the secondary treatment system at the Billings wastewater plant for nutrient removal.

Should industrial chemical contaminated groundwater be found during construction, the construction specifications will require special handling to protect the contractor's workers, the general public and the environment.

7. Air Quality - Short-term negative impacts on air quality will occur during construction from heavy equipment dust and exhaust fumes. Proper construction practices will minimize this problem. There will be no long term impact to air quality.

8. Public Health - Public health will not be negatively affected by the project. The project will eliminate on-site wastewater disposal systems which will decrease the potential of private water wells being polluted and will also decrease the possibility of surfacing sewage from failing septic systems. The proposed project will provide for better protection of public health.

9. Energy - A direct short-term impact of energy resources will be the energy consumed during the construction phase which is unavoidable. There will be small long-term energy impacts on the community associated with the addition of the new lift station. The impact of this additional energy

consumption will be minimized as much as possible through the use of energy efficient pumps.

10. Noise - Short-term impacts from excessive noise levels may occur during the construction activities. The construction period will be limited to normal daytime hours to avoid early morning or late evening construction. All new pumps will be housed with starters that minimize noise. No significant long-term impacts from noise will occur.

11. Sludge Disposal - As part of this project, individual septic tanks will be abandoned in areas where service lines are extended. The existing septic tanks will be pumped and abandoned by filling them with clean fill material. A licensed septic tank pumper will be contracted to pump each tank. The septage will be disposed of in accordance with EPA's 503 regulations.

12. Growth – The Lockwood population projections from 2010 to 2030 were estimated by assuming their population would continue to grow at a 3.4% rate. This was based on growth rates from 1990 to 2005 in Yellowstone County which was a moderate growth rate. The pipe sizing and pump stations were sized for future subdistrict projects and the total District residential and commercial populations. This project would allow the District to grow in a proactive manner and promote urbanization within its service area. The anticipated increase in population and development in the service area would result in increased flows to the wastewater treatment facility. Secondary impacts may include impacts for housing, commercial development, agriculture lands, solid waste, transportation and utilities.

13. Cumulative Impacts – Constructing a wastewater collection system likely will result in secondary and cumulative impacts associated with the growth of the community. Growth impacts include: increased air emissions from additional traffic, increased water consumption, increased discharge of treated effluent into the Yellowstone River, and possible loss of agricultural and rural land uses. Construction of a central collection system may provide more dense development than currently exists. This project will allow the District to manage growth in a proactive manner and promote urbanization within its service area.

B. UNAVOIDABLE ADVERSE IMPACTS

Some short-term, unavoidable impacts will result during the construction of the project. Impacts are expected to be limited to noise, energy, dust and traffic disruption. These impacts should be minimized through proper construction management. Energy consumption can not be avoided during construction.

VI. AGENCY ACTION, APPLICABLE REGULATIONS, AND PERMITTING AUTHORITIES

All proposed improvements will be designed to meet state standards in accordance with Circular DEQ-2 and will be constructed using standard construction methods. Best management practices will be implemented to minimize or eliminate pollutants during construction. No additional permits will be required from the State Revolving Fund (SRF) section of the DEQ for this project after the review and approval of the submitted plans and specifications. However, coverage under the storm water general discharge permit

and groundwater dewatering discharge permit, are required from the DEQ Water Protection Bureau prior to the beginning of construction. A 124 Permit from the Department of Fish, Wildlife and Parks, a 404 Permit from the U.S. Corps of Engineers, and a 318 Authorization from the Department of Environment Quality will be required for any work that occurs in a streambed or wetland, and will be obtained if necessary.

VII. PUBLIC PARTICIPATION

Two public hearings on the Phase 2 Sewer Subdistrict Wastewater Preliminary Engineering Report were held on February 9, 2010 and March 16, 2010 at the Lockwood School. The meetings were well attended and there were many comments both for and against the project with a lot of questions about proposed District boundaries and user costs related to the project. The new project boundaries addressed many of the comments received. The bond election for the proposed boundary is scheduled for January 2013.

VIII. REFERENCE DOCUMENTS

The following documents have been utilized in the environmental review of this project and are considered to be part of the project file:

1. Phase 2 Sewer Subdistrict Wastewater Preliminary Engineering Report, prepared for the Lockwood Water and Sewer District, By Morrison Maierle, Inc., Billings, Montana, April 2010.

2. Lockwood Water and Sewer District 1998 Facilities Plan Report, Volume 1-Report, prepared for the Lockwood Water and Sewer District, by Morrison Maierle, Inc., Billings, Montana, 1998.

3. 2008 Wastewater Facilities Plan Update, prepared for the Lockwood Water and Sewer District, by Morrison Maierle, Inc., Billings, Montana, May 2008.

4. Update to the 1998 Facilities Plan, Phase 1 Subdistrict, prepared for the Lockwood Water and Sewer District, by Morrison Maierle, Inc., Billings, Montana, January, 2009.

IX. AGENCIES CONSULTED

The following agencies have been contacted in regard to the proposed construction of this project:

1. The Montana Department of Fish, Wildlife, and Parks reviewed the proposed project. They indicated that based on the review of the proposed project, the Region 5 Wildlife staff has no specific comments and Region 5 Fisheries staff has no specific comments related to potential impacts on fisheries habitat.

2. The United States Department of the Interior, Fish and Wildlife Service reviewed the proposed project. They stated that their determination is that this project is unlikely to have any significant adverse effects upon fish, wildlife, or habitat resources under the purview of the U.S. Fish and Wildlife Service.

3. The Montana State Historic Preservation Office considered the impacts of the proposed project on historical sites and cultural resources. They indicated that any structure over fifty years old is considered historic and is potentially eligible for listing on the National Register of Historic Places. If any structures are to be altered and are over fifty years old they would recommend that they be recorded and a determination of their eligibility be made. They also feel that there is a low likelihood of cultural properties will be impacted and therefore, feel that a recommendation of a cultural resource inventory is unwarranted at this time. Should structures need to be altered or if cultural resources are inadvertently discovered during the project their office must be contacted and the site investigated.

4. The Department of Natural Resources and Conservation (DNRC) commented on the proposed project. The DNRC stated that flood plain permits would need to be obtained from the County Floodplain Coordinator where construction and/or structures are proposed in FEMA Flood Hazard Boundary areas. It does not appear that the project is located within the 100-year floodplain.

5. The Department of the Army Corps of Engineers did not comment on the proposed project. Construction is not proposed near the Yellowstone River so a Section 404 permit would not be required. In the event that the proposed project will impact wetlands or other jurisdictional waterways, a 404 permit would be required.

Recommendation for Further Environmental Analysis:

[ ] EIS [ ] More Detailed EA [X] No Further Analysis

Rationale for Recommendation: Through the Preliminary Engineering Report (PER), prepared by Morrison-Maierle, Inc. and the public process involved, the Lockwood Water and Sewer District determined that the preferred wastewater treatment system alternative will improve failing onsite systems. Through this EA, the MDEQ has verified none of the adverse impacts of the proposed subdistrict project are significant; therefore an environmental impact statement is not required. The environmental review was conducted in accordance with the Administrative Rules of Montana (ARM) 17.4.607, 17.4.608, 17.4.609 and 17.4.610. This EA is the appropriate level of analysis because none of the adverse effects of the impacts are significant. A Finding of No Significant Impact (FONSI) will be issued and legally advertised in the local newspaper and distributed to a list of interested agencies. Comments regarding the project will be received for 30 days before final approval is granted.

EA Prepared By:

Todd Teegarden P.E. — Date: 11/27/2012

Approved By:

Mike Abrahamson P.E. — Date: 11/27/12