

**U.S. Department of the Interior
Bureau of Land Management**

**Environmental Assessment MT- (DOI-BLM-MT-B070-2015-0002-EA)
February 1, 2016**

**Holter Lake Commercial Occupancy Lease
Renewal and Amendment, M-10858**



Location: Lewis and Clark County, Montana

Principal Meridian Montana

T. 14 N., R. 3 W., Section 4: Lots 6a and 6b.

Applicant/Address:

Back Door Mountain, LLC
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CHAPTER 1

INTRODUCTION: PURPOSE OF AND NEED FOR ACTION

INTRODUCTION

The Bureau of Land Management (BLM) Butte Field Office received an application from Back Door Mountain LLC (BDM) to renew and amend the Holter Lake Lodge occupancy lease, MTM-10858, originally authorized in 1970 by permit. The BDM officers, who briefly operated the Holter Lake Lodge business after purchasing it in 2006, have stated the aging infrastructure and the seasonal nature of the business no longer made it feasible to operate as a lodge, liquor bar and restaurant. BDM's application proposes to renew the lease with many of the existing authorized uses, but amend uses in support of a proposed multi-unit residential development, which would replace the aging Holter Lake Lodge facilities that have been out of compliance with any modern regulatory requirements. The Environmental Assessment (EA) analyzes the impacts of the renewal and proposed amendments.

The subject BLM-administered occupancy lease area is adjacent to Holter Lake, approximately 42 miles north of Helena, Montana, and less than 6 miles from Wolf Creek, Montana (See Exhibit A). It occupies approximately 3.9 acres (2.8 acres of land, 1.1 acres below water line) of public land directly east of the applicant's private parcel and just west of the BLM Holter Lake Recreation Site. The legal description for the lease area is T. 14 N., R. 3 W, section 4, lot 6 (See Exhibit B).

BDM and its members are the latest holders of the Holter Lake Lodge lease, which has now been held by five separate owners since the original authorization by permit in 1970. A 1963 cadastral survey had found the public land was encumbered by the corner of what was then called the Yacht Club Bar as well as the landowner's commercial boat facilities and related uses. Since 1970, authorization by BLM has included a parking lot, boat docks, boat launching ramp, gas pump for boat fuel, recreational vehicle (RV) park, septic, an access road, and that corner of the bar/restaurant. In November of 1999, Montana Department of Environmental Quality (MTDEQ) reported a petroleum release caused by a failure in the underground storage tank (UST) system used for the Holter Lake Lodge boat refueling operation. The UST system fuel leak thereby contaminated the groundwater in proximity of both the private and public land. The Holter Lake Lodge landowner at the time removed the UST system and MTDEQ oversaw the cleanup.

The multi-unit residential subdivision, called the Holter Lake Lodge Subdivision, would have to be in accordance with the Lewis & Clark County (County) and MTDEQ subdivision regulations. According to the applicant, the proposed action would simply change the base property use to a modern facility, which would incorporate new subdivision planning improvements that benefit the lake and the lakeside environment including a modern wastewater treatment system off public land and improved runoff safeguards for the lake. The development is estimated by the applicant to reduce overall traffic, reduce water consumption and reduce wastewater generation compared to the lodge and bar/restaurant operations.

PURPOSE OF AND NEED FOR ACTION

The purpose of the proposed action is to authorize Back Door Mountain, LLC, a renewed and amended commercial occupancy lease for facilities on approximately 4 acres of BLM administered public lands. The lease is still wanted for many of the existing authorized uses: access road, parking lot, boat ramp, and docks, but the applicant also proposes to amend the lease to include a water supply source on public lands. The need for the proposed action is to respond to a Federal Land Policy and Management Act of 1976 lease renewal application and whether the proposal meets the regulatory requirements and if not, what changes need to be made. A new water well location is proposed, because the existing well, drilled in 2004 after the UST fuel spill contamination, is impacted by surface water interaction. In order to use the existing well as a public water supply well, a water treatment plant, designed and operated in accordance with MTDEQ and Environmental Protection Agency (EPA) regulations, is needed. Surface water treatment is an expensive, complex and maintenance intensive process, particularly for a small system like this multi-unit residential development.

CONFORMANCE WITH BLM LAND USE PLAN

The Record of Decision (ROD), April 2009, approved the Bureau of Land Management's public lands manage within the Butte Field Office as described in the Approved Butte Resource Management Plan (RMP).

Renewing and amending the lease would be in conformance with the ROD. This determination is based on RMP guidance as follows:

- Lands and Realty, Goals, LR2, ROD page 67,
 - “LR2 – Provide land-use opportunities contributing to a sustained flow of economic benefits and meet local infrastructure needs while protecting or minimizing adverse impacts to resources and resource uses.”
- Lands and Realty, Management, Actions-Land Use Authorizations, ROD page 67-68,
 - “1. Land uses will be authorized by various means such as right-of-way grants, road use agreements and associated temporary use permits under several different authorities: leases, permits, and easements under section 302 of the Federal Land Policy and Management Act of 1976 (FLPMA);”
 - “2. Requests for land use authorizations will be analyzed and mitigation measures applied on a case-by-case basis in compliance with the NEPA process. ... In accordance with current policy, land use authorizations will not be issued for uses which would involve the disposal or storage of materials which could contaminate the land (hazardous waste disposal sites, landfills, rifle ranges, etc.).”
 - “11. New leases, permits, rights-of-way, and easements will be authorized in a manner consistent with meeting Land Health Standards and applicable Best Management Practices. Renewals of existing authorizations will be analyzed, and

if required, special stipulations will be added to meet or move toward meeting Land Health Standards.”

- Social and Economic Environment, Goals, ROD page 80,
 - “SE1 – Provide opportunities for economic benefits while minimizing adverse impacts on resources and resource uses.”
- This specific lease parcel has been identified as potentially suitable for disposal. [ROD Appendix G, pg. 187] Disposal parcels are lands identified for potential removal from BLM administration through transfer, exchange, or sale to other public entities, private entities, or individuals.
- Lands and Realty, Management, Actions-Land Ownership Adjustment, ROD page 69-70,
 - “1. Land ownership adjustment refers to those actions that result in the disposal of BLM-administered land and/or the acquisition of non-federal land or interests. In this context, BLM land is categorized as either “retention” or “disposal”. Generally, lands in the retention category will be retained and managed by BLM and lands in the disposal category will be available for land ownership adjustment. Methods of adjustment include exchanges, sales, transfers, fee acquisition, and donation”

RELATIONSHIPS TO STATUTES, REGULATIONS AND OTHER PLANS

Direction and authority for analyzing the proposal come from the National Environmental Policy Act (NEPA), the Federal Lands Policy and Management Act (FLPMA), and the Council on Environmental Quality (CEQ) regulations. The NEPA, FLPMA, and CEQ provide general land management and environmental analysis direction.

Under section 302 of the FLPMA, the BLM shall manage the public lands under principles of multiple use and sustained yield, in accordance with the land use plans develop under section 202 of this Act.

The lease would be processed pursuant to section 302 of the Federal Land Policy and Management Act of 1976 (FLPMA), as amended, and would be subject to the terms and conditions set forth in 43 CFR 2920.

43 CFR 2920.7 (3)(i) The holder of a land use authorization who has complied with the provisions thereof, shall, upon the filing of a request for renewal, be the preferred user for a new land use authorization provided that the public lands are not needed for another use. Renewal, if granted, shall be subject to new terms and conditions.

All treatments of invasive species in the proposed action would conform to all applicable guidance and standards set forth in the Vegetation Treatments Using Herbicides on BLM Lands in 17 Western States Programmatic EIS approved on September 29, 2007.

The area is subject to two power withdrawals and a recreation site withdrawal as follows:

Power Site, SO July 2, 1910

Power Project 2188, FPC April 23, 1956

Recreation Site, PLO 5085 July 21, 1971

SCOPING, PUBLIC INVOLVEMENT, AND ISSUES

Scoping of the proponent's proposed action uses an interdisciplinary approach to identify what issues need to be analyzed. Scoping defines potential issues, data needs, connected actions, and begins the cumulative effects analysis. During the scoping process, the size or scale of the proposed action and whether the proposal is routine or unique is also evaluated. Then public participation and external scoping is undertaken, based on the results of the internal scoping process.

The scoping process began in May 2015, after the application and proposed action were submitted and under review.

The occupancy lease renewal and the proposed amendments to the authorization were announced to the public by:

- Posting the project on the field office NEPA log, July 2015, accessible on the BLM Montana/Dakotas external website and Butte Field Office website, <http://www.blm.gov/mt/st/en/info/nepa.html>. The website NEPA log invites the public to provide comments/concerns or ask for more information on any of the proposed actions listed on the log.
- BLM posted a scoping letter on July 23, 2015, to the Butte Field Office website that explained the proposed action and welcomed comments on issues, concerns, or alternatives that should be evaluated by the BLM during preparation of the environmental assessment (EA). The letter said, “Although comments will be accepted at any time throughout the process, comments submitted by August 25, 2015 would be most helpful in development of the EA...”
- Mailed out the scoping letter to a scoping list composed of potentially interested governmental agencies; Holter Dam operator, NorthWestern Energy; and included adjacent landowners to the project.
- Issued a News Release on July 24, 2015, that referenced the BLM website address link for the Scoping Letter and Map. Welcomed public scoping comments through August 25, 2015.
- Helena’s Independent Record published an article, August 12, 2015, on the proposal and also stated in the article that the BLM was inviting public comment until August 25th and where to send them.

Seven letters submitted by email with written comments during scoping. There were also two other inquiries for more information. The BLM replied; forwarded the requested information that was available to the public, and then encouraged written comments from them.

The following is a summary of the comments, issues, and concerns that were the focus of scoping letter responses:

Human health and public safety

- Concern over the wastewater treatment system needed to support up to 22 residential units in the proposed development. Impacts to the lake from potential cyanobacterial blooms from any nutrient load from sewage.
- The former Bar and restaurant located at the site had a malfunctioning septic system that was grandfathered in and it is unlikely that a new system would be approved for a similar business by the County today.
- Potential increase in traffic on Beartooth Road.
- Fire Protection

BLM Management

- Public land being used to support private or corporate development and gain.
- Impacts of the proposed multi-unit residential development on county road maintenance costs.
- Would more multi-unit residential developments be developed after precedence is set with this project?

Recreation

- Demand to use the lease area for more public development of the BLM campground and recreation site, vehicle and trailer parking for the public, rather than in support of the multi-unit residential development.
- Public Access to boat facilities being potentially restricted.
- Concern over the aesthetic beauty of the area due to the proposed multi-unit residential development.

The BLM acknowledges the comments expressed in relation to public health and safety concerns associated with the private development, but the issues concerning wastewater systems, fire protection, traffic, and county road maintenance for the private land development are the jurisdiction of the county and state authorities. Expressions of position or opinion are also acknowledged, but do not cause a change in the analysis.

Due to the public interest expressed, the BLM provided a comment period for the Draft EA and unsigned FONSI.

- The BLM issued a press release on December 14, 2015 and accepted public comments through January 12, 2016.
- Notified scoping commenters by email.

- An article was published in Helena's Independent Record newspaper, January 2, 2016, and re-printed January 3, 2016, in Missoula's Missoulian newspaper.

Issues Identified for Analysis

As a result of internal and external scoping, the following issues were identified for analysis:

- Recreation
 - How would the proposed action affect recreation access to public lands?
 - Would the private development's parking, docks, and boat ramp impact BLM's Holter Lake Recreation Area's day use area and fees, if public had access.
 - Potential to impact Holter Lake Campground by residential unit owners leaving their vehicles and/or boat trailer in the BLM parking lot for extended periods of time.
- Noxious weeds
 - How might the construction and the proposed use affect the noxious weeds management?
- Soils and Water
 - How might the construction and the proposed use affect the soils and water quality?
 - Water supply wells on BLM including abandonment.
- Wildlife
 - Existing wildlife use of the site and immediate vicinity would be expected to decrease somewhat from current levels with construction activity in the short-term and greater human use of the site in the long-term.

DECISION TO BE MADE

Upon completion of the environmental analysis, the decision to be made by the BLM authorized officer is whether or not to authorize under the regulations at 43 CFR 2920, the renewal of the occupancy lease on BLM land for 30 years including the amendments requested. Authorize as submitted, authorize with added conditions of approval to mitigate impacts, or deny the lease renewal application.

CHAPTER 2 DESCRIPTION OF ALTERNATIVES

INTRODUCTION

This Environmental Assessment analyzes the Proposed Action alternative and the No Action alternative. The "No Action" alternative is considered and analyzed to provide a baseline for comparison of the impacts of the proposed action under the current conditions and management.

NO ACTION

Deny the lease renewal and modifications, reclaim and vacate the approximately 2.8 acres of public lands. This alternative would reclaim public lands that have been impacted by uses associated with a lodge, bar and restaurant, as well as private camping and marina operations for over 50 years.

The no action alternative provides the opportunity to analyze the environmental effects of not granting the commercial occupancy lease.

PROPOSED ACTION

Renew the existing BLM occupancy lease, which occupies approximately 4 acres (approximately 30% of acreage below water line) of public land. The lease would continue to authorize a parking lot, docks, a launching ramp, boat slips, and access roads across BLM lands. Modifications to the prior uses include the following:

- The Holter Lake Lodge restaurant/liquor bar structure has been demolished and removed. It would no longer encumber the BLM lease parcel.
- Asphalt surfaced parking areas and boat docks would be used by the development residents and potentially leased to the general public.

Existing Water supply:

All existing and pre-existing structures (restaurant/bar, motel and RV spaces) were connected to an existing transient non-community public water system that would no longer be used.

Proposed Water Supply:

- The multi-unit residential development would include upgrades to bring the system into compliance with community water system standards, which would be served by two redundant wells located on the BLM lease property.
- Water transmission piping from the wells to the private property; water would be stored and treated on the private property prior to use. All water development would be constructed in accordance with MTDEQ requirements for a public water supply system.
- Water would be stored in a 10,000 gallon subsurface water storage tank on the private property.
- Water supply system would require at least a full-time disinfection treatment, but depending on water quality testing results, MTDEQ approval for public water system may require a more advanced treatment system.
- All water improvements would be constructed in accordance with MTDEQ requirements.

Physical Road Access:

- The BLM land east of the lease parcel has an authorized road right-of-way grant, which would continue to be used for ingress and egress from the county road (Beartooth Road) to the lease parcel.
- The road right-of-way grant term ends in 2037, but may be renewed and is “subject to the regulations existing at the time of renewal and any other terms and conditions . . . necessary to protect the public interest.”
- The roadway serving the subdivision through the aforementioned right-of-way would be constructed in accordance with the appurtenant County design standards.
- Current ingress and egress to the proponent’s private parcel is provided by a single asphalt road crossing the BLM lease parcel and connects to the road right-of-way grant authorizing the road outside the lease area. In the absence of a lease, the road right-of-way grant would likely be amended to include the road segment across the lease area.
- Proposed improvements would include two approaches connected to the Beartooth Road, along with a public access road and a cul-de-sac turn around, all within the BLM occupancy lease area.

Boat Slots, Docks, and Parking:

- Propose designing 7 parking spots that would be leased for public parking.
- Anticipating 16 day-use boat slips to serve the development. The slips would extend only slightly into the bay as they had historically. The proximity to the adjacent BLM Holter Lake Campground boat facilities are estimated by the developer to be approximately 700 lineal feet.
- Boat slips would continue to be reserved for individuals who annually leased the slips.
- The existing concrete ramp into the lake will continue to be available for public use on a daily basis.
- The parking spaces would be used primarily for boat trailer parking.
- No overnight camping will be allowed in the parking spaces.
- The boat dock would be reserved for development residents and their guests rather than customers of a bar/restaurant/motel.
- The slips and parking may be leased to the public on a seasonal basis.

Storm Drainage System on BLM:

- The proposed storm drainage detention pond would detain storm water flows generated from the parking area surface in order to limit post-development flows to pre-development rates and mitigate impacts to water quality in Holter Lake.
- The proposed detention pond and a portion of the system's piping network would be located within the BLM property.
- Storm drainage for the property would be constructed in strict accordance with MTDEQ standards (MTDEQ Circular 8).
- Any storm water that is generated beyond the predevelopment conditions would be detained onsite and treated using onsite ponding and detention facilities.
- A barrier would be required to prevent infiltration of any contaminants on BLM lands.
- The subdivision application MTDEQ received in 2007 included a stormwater/drainage plan, but was never approved. Since the 2007 subdivision application has been abandoned, information regarding stormwater for the site would need to be resubmitted for review to MTDEQ.
- This area would be landscaped and vegetated with native noxious weed free seed or turf grass to prevent soil movement and noxious weed establishment on BLM land.

Other uses on BLM:

- Additional utilities would include the development of underground electric and telephone services (There is no natural gas available).
- Fire protection improvements would consist of a proposed fire line water system with a Holter Lake intake for a fire hydrant located on the edge of the parking lot and a suppression sprinkling system within the multi-unit residential structure(s).
- The proposed mailbox location would be along the looped road connecting to the Beartooth Road, or in the cul-de-sac.

Surface Water Setback/Buffer:

- Lewis and Clark Subdivision Regulations require a 100 foot setback and 50 foot buffer from the water boundary on Holter Lake.

Visual appearance:

- The applicant has retained the architectural firm of LPW to implement architectural controls such as the introduction of low impact lighting and landscaping.

Fire Protection:

- The applicant's development would have to comply with County's and Wolf Creek/Craig fire chief's fire protection standards.

List of improvements proposed on BLM property includes the following:

- Construction of the access road to county standards would include dirt work activities necessary to build the road base and asphalt surface to the site.
- The roadway would also include the construction of guardrail along the road and a cul-de-sac for emergency service vehicles.

- Asphalt surface parking area primarily for development residents.
- Storm water detention storage pond and associated storm drainage piping.
- Two (2) public water supply wells to provide water to the residential development. Water transmission piping will also be installed from the proposed wells to the development building on private property, where the water can be stored and potentially treated prior to use.
- Other: additional utilities previously installed across BLM property include underground electric and telephone services, which may need to be relocated as part of this development.
- A proposed mailbox may also be installed along the looped road connecting to the Beartooth Road or within the cul-de-sac.

The applicant would obtain all applicable permits from governmental agencies and would implement best management practices throughout the course of the work.

None of the wastewater treatment system for development would be on BLM lands.

Total estimated cost of improvements on BLM is in excess of \$150,000

ALTERNATIVES CONSIDERED BUT ELIMINATED FROM FURTHER ANALYSIS

Due to scoping comments in relation to loss of public access from a private development versus a business, an alternative was considered to renew the lease for the existing uses and a water well for the lodge, restaurant, and marina operation. This alternative was eliminated from further analysis. The proponent's application did not identify the lodge operation as a viable option. The proponent would have to submit a new application before such an alternative could be considered.

CHAPTER 3

AFFECTED ENVIRONMENT & ENVIRONMENTAL IMPACTS

INTRODUCTION AND GENERAL SETTING

The general setting is in west-central Montana, a region where the Missouri River crosses the mountainous section of the state before it enters the upper reaches of the high plains. The Missouri River generally runs south to north in this region and has been dammed in a few locations to form reservoirs. Holter Lake was formed by Holter Dam, constructed by 1918. The Holter Dam is a hydroelectric dam about 45 miles (72 km) northeast of Helena, Montana. Due to the river, the dam can generate electricity without needing to store additional water supplies behind the dam, which means the shore waterline remains relatively consistent. The focus of this analysis lies on the north end of Holter Lake, where the BLM has 80 acres with waterfront used as a developed recreation site. Shortly after the subject occupancy permit/lease was first authorized, the 80 acres were withdrawn from all forms of appropriation under the public land laws including the mining laws for the Holter Lake Recreation Site (Public Land Order 5085, July 28, 1971). The BLM has developed this public domain acreage as the Holter Lake Recreation Area and Campground, which includes boat ramp(s), docks, parking, a day use area, fish cleaning stations, administrative structures and, more recently, has built an overflow parking area on an additional 5.7 acres of land acquired from an adjacent landowner in 2011.

During a dependent resurvey completed May 16, 1963, the cadastral surveyor noted the public land survey system's 1/16 section line runs through the southeast corner of Chapin's Bar, which meant the corner of the tavern was on public land. Dee and Elaine Chapin were finishing construction of their Yacht Club Bar set to open June 28, 1963 (Independent Record ad, 6/27/63) as part of what was called the Chapin Yacht Club, which provided boat launching facilities and storage. Robert Colley, acquired the Chapin Yacht Club operation in the late 1960's. He filed an application for a Special Land Use Permit in 1968 to get an authorization for the encroached facilities on public land. In 1970 a five-year permit was issued to a Mr. Colley for the purpose of operating and maintaining his commercial facilities renamed Robert's Roost. This permit was issued before the BLM land was withdrawn as a recreation site. The permit authorized the corner of the bar; part of a boat house; a boat ramp; a parking lot; partially buried fuel tank system and a boat docking area. In 1975, the permit was renewed and assigned to a new owner, David Johnson. In November of 1978, an amendment was authorized for a better and safer road across public lands to access the operations.

During the spring of 1979, Johnson established Holter Lake Lodge, Inc., including a motel, restaurant and liquor bar, as well as the boat facilities. In 1980, the permit was renewed again and then assigned to Lee Mongeon, as the next owner. In 1985, the BLM requested the permit be renewed as a longer term lease under Sec. 302 [43 U.S.C. 1732] of the Federal Land Policy and Management Act of 1976 (FLPMA). In 1995, the authorization was assigned again to new owners, DRW Incorporated. The lease was reissued for 20 years including new appraised rental rates.

In 1999, MTDEQ notified DRW that their fuel tank system had a petroleum release. Since the fuel tank system was on the public land portion of the Holter Lake Lodge operations, the

contamination was primarily on public land. The aging underground storage tank system was removed including contaminated soil. Hazardous material mitigation measures were overseen by MTDEQ. Although multiple measures were taken, the fuel spill did impact groundwater accessed by the transient non-community public water supply well serving the facilities since about 1969 and located on the private grounds. A new well was drilled in 2004 in response to the petroleum spill at the site and specifically sited to avoid the anticipated spill area. MTDEQ determined the 2004 well was impacted by surface water interaction, so, in order to use the existing well as a community water supply well, a water treatment plant designed and operated in accordance with MTDEQ and Environmental Protection (EPA) regulations would be required.

According to nitrate samples that had been taken by MTDEQ, nitrates levels from the original 1969 well were frequently over the allowed MCL of 10 mg/l. Nitrate sample results from the original 1969 well indicate the existing on-site wastewater systems may have had an impact and would be in need of updating. Nitrate samples from the newer 2004 well also indicated some elevated nitrate levels, but none above the allowable maximum contaminant level (MCL) of 10 mg/l.

The owners of BDM, bought the Holter Lake Lodge business in January of 2006.

CRITICAL ELEMENTS

The critical elements have been considered, and impacts to each element as a result of the proposed project have been analyzed.

Table 3.1 lists the critical elements and shows whether or not each element would be affected by the proposed action.

CRITICAL ELEMENTS		
Determination*	Resource	Rationale for Determination
NP	Air Quality	Some particulate during construction. Many of the residential units are expected to be inhabited seasonally only during warmer season. Colder season cumulative particulate would be minimal.
NP	Areas of Critical Environmental Concern	None.
NP	Cultural Resources	Class III inventory was performed August 2015. No cultural resources or historic properties were recorded during that inventory.
NP	Environmental Justice	No alternative considered in the course of this analysis resulted in any identifiable effects or issues specific to any minority or low income population or community as defined in Executive Order 12898.
NP	Cultural Resources	Class III inventory was performed August 2015. No cultural resources or historic properties were recorded during that inventory.

CRITICAL ELEMENTS		
Determination*	Resource	Rationale for Determination
NP	Environmental Justice	No alternative considered in the course of this analysis resulted in any identifiable effects or issues specific to any minority or low income population or community as defined in Executive Order 12898.
NP	Farmlands (Prime or Unique)	This site does not contain any agricultural cropland, nor is it considered prime farmland. Therefore a LESA report is not required.
NP	Floodplains	Not a floodplain. Holter Dam and NorthWestern Energy, as owner/operator, controls the lake level, which normally holds relatively consistent. Reserves the right to lower or raise if needed.
PI	Invasive, Non-native Species	Spotted knapweed, Canada thistle, dalmatian toadflax, and cheatgrass are noxious weeds growing in the project area. The applicant would be responsible for weed control on disturbed areas within the limits of the lease area. The area would be treated with BLM approved herbicides and follow Butte Field Office acceptable weed control methods.
NP	Native American Religious Concerns	Class III inventory was performed August 2015. No features or artifacts that would indicate religious concerns were observed.
NP	Threatened, Endangered or Proposed Plant or Animal Species	None Present. Species listed by United States Fish and Wildlife Service (USFWS) for Lewis and Clark County do not occur in the project area.
NI	Wastes (hazardous or solid)	Residual benzene still present from 1999 reported UST fuel leak. Holter Lake Lodge previous owner is the responsible party, DRW, Inc., unless transferred to BDM.
NI	Water Quality (drinking/ground)	Residual benzene still present in groundwater from 1999 reported UST fuel leak. Water Well on BLM would be the responsibility of the lease holder and MTDEQ to monitor and maintain quality.
NP	Wetlands/Riparian Zones	Holter Lake/Reservoir has a relatively stationary waterline; No stream present.
NP	Wild and Scenic Rivers	Not near this project area.
NP	Wilderness	None

*Possible determinations:

NP = not present in the area impacted by the proposed or alternative actions

NI = present, but not affected to a degree that detailed analysis is required

PI = present and may be impacted to some degree. Will be analyzed in affected environment and environmental impacts. (NOTE: PI does not mean impacts are likely to be significant in any way).

NOXIOUS WEEDS

Affected Environment

Noxious weeds, designated by state law and county weed boards, are non-native species that invade areas of native vegetation and replace native species. They are aggressive invaders, especially of disturbed soils, and decrease habitat value for wildlife, reduce range productivity for livestock, and increase costs for other land management activities.

A substantial number of these infestations occur adjacent to roads, power lines, streams, ditches, and canals indicating vehicles and water are primary carriers of weed seed. Noxious weeds and non-native, invasive species are spreading rapidly in much of Western Montana.

Noxious weed infestations are causing adverse impacts on native plant communities, hydrological cycles, wildlife habitat, soil and watershed resources, recreation, and aesthetic values. Dalmatian toadflax and spotted knapweed are very prevalent in the uplands on private and public lands around Holter Lake. Scattered locations of thistles such as musk thistle and Canada thistle plus cheatgrass are also found in the area.

Direct and Indirect Impacts of No Action

The BLM land would be reclaimed where feasible and broadcast seed the disturbed sites. BLM would be responsible for noxious weed management. The increased public use of the area would continue to be an avenue for noxious weed spread and the costs of weed management would be the responsibility of the BLM and no longer the proponents.

Direct and Indirect Impacts of the Proposed Action

Reconstructing the subject road and constructing facilities on the lease area would disturb the soil and create a seedbed that would encourage additional weed and nonnative invasive plant growth. However, the lease holder would be responsible for noxious weed management in the lease area, which would limit the potential spread. The proposed water drainage features added during reconstruction would provide long term stability for the road and thereby improve long term resistance to disturbance and seedbed.

WILDLIFE

Affected Environment

Wildlife use of the site is limited due to development and human activity in the area. Residents and recreationists travelling the access road, fishing below the dam, boat traffic on the lake, and

a large campground nearby all inhibit wildlife use. Mule deer and elk occasionally travel through the site but are not permanent residents. Several bald eagle nests exist near the lakeshore but not at the north end. The most common fish species in the lake include rainbow trout, kokanee salmon, walleye, and perch. The greatest wildlife use of the proposed action site would be passerine birds and small mammals.

Direct and Indirect Impacts of No Action

Reclaiming and vacating the public lands would likely result in greater use by passerine birds and burrowing mammals, and provide greater vegetative cover and forage. However, the existing disturbances of high human use and nearby development would remain in place and discourage some species from making greater use of the site.

Direct and Indirect Impacts of the Proposed Action

Existing wildlife use of the site and immediate vicinity would be expected to decrease somewhat from current levels with construction activity in the short-term and greater human use of the site in the long-term. However, human use of this site would not be a new disturbance to wildlife. The north end of the lakeshore has long been developed for recreation and agriculture. South of this parcel are lands with much more habitat and with fewer disturbances for wildlife.

RECREATION USES /PUBLIC SAFETY

Affected Environment

The project area is adjacent to the BLM Holter Lake Campground and day use area, which is heavily used by recreation visitors for day use, camping and water related activities.

This highly developed recreation area is at or near full capacity the majority of the summer season. The campground receives over 65,000 visits and approximately \$80,000 in fee site revenues per year. Due to the popularity of the Holter sites, the camping stay limit between Memorial Day and Labor Day weekends is limited to 5 consecutive nights. This site was built in 1972, and has had extension upgrades over the last 15 to 20 years. Through the years, the facilities have been upgraded to meet state and federal health, safety, and accessibility regulations while improving the overall quality of recreation opportunities and experiences.

Holter Lake Campground provides for camping and day-use activities. There are 54 campsites (10 of which are tenting units only). Public facilities include: asphalt access roads, parking lots, walking trails, grass lawns and shade trees, five concrete vault toilets, group use ramada, a 3-lane boat ramp, docks, designated swim area, shoreline fishing water break, fish cleaning station, water, picnic tables and grills, informational kiosk/fee station, signing, administrative house, garage, storage sheds, volunteer RV pads with hookups, a perimeter fence and support equipment.

There is a strip of BLM land on the east end of the requested lease area that BLM currently mows and maintains for non-motorized recreation use for recreation users of the Holter Lake Campground. Recreation use includes people walking their dogs, fishing along the shoreline, sitting by the water away from the main developed site.

Direct and Indirect Impacts of No Action

Reclaiming and vacating the public lands would likely result in negligible impact to the nearby BLM-developed recreation site. Due to the private use for more than fifty years, the public had not had the option to consider the area for public recreation facilities expansion or to purposely leave undeveloped.

Direct and Indirect Impacts of the Proposed Action

Developments on the leased land could impact the nearby BLM-developed recreation site boat ramp and dock facilities, which is already at full capacity during the peak summer months from mid-June through August. If adequate facilities are not provided by the permittee to accommodate vehicle and trailer parking, boat launch facilities, slips for boats, and mooring for short and long-term use by the residents then boats that are launched on the leased lands could displace some members of the public using the BLM facilities.

SOILS and WATER

Affected Environment

The soil type for the majority of the project site is an Aridic Ustifluvents, channeled, 0 to 4 percent slopes soil complex. The northwest corner of the proposed lease area, containing the north east corner of the proposed parking lot, and lands between the Beartooth Road and the right-of-way access is a Holter-Castner channery loam, 8% to 45% slopes soil complex (NRCS, 2015). Soils in both map units correlate to native bluebunch wheatgrass dominant vegetation communities. Neither map unit is considered Prime Farmland and both lack hydric soil (wetland) characteristics.

The primary development related concerns for these soils would be risk of erosion and sedimentation into Holter Lake, and groundwater infiltration. The Holter-Castner soil complex poses the highest risk of erosion due to steep slopes in combination with a loam surface soil texture. The Aridic Ustifluvents tend to have a high infiltration rate (approximately 2in/hr), due to a gravelly sandy loam dominated subsurface soil profile, compared to the Holter-Castner complex (approximately 0.7in/hr), with a very channery clay loam subsurface horizon. The Aridic Ustifluvents complex also poses a high risk of corrosion to uncoated steel, resulting from a combination of pH and slightly saline soils. Most of the proposed infrastructure would be located on the Aridic Ustifluvents complex.

No surface water is found on site. Holter Lake is listed by the Montana Department of Environmental Quality as impaired due to high levels of mercury originating from abandoned mines, atmospheric deposition and inappropriate waste disposal (DEQ, 2015).

Groundwater below the south edge of the lease is known to be contaminated, the result of a petrochemical spill from a boat fueling pipeline owned by previous leaseholders (BLM, 2015). Cleanup of contaminated soil, and attempts to sparge (inject ozone into the groundwater to breakdown the fuel) were not completely successful, leaving residual contamination. It was determined that natural attenuation was the only remaining solution available. Under the authority of the Comprehensive Environmental Response, Compensation, and Liability Act (CERCLA), on March 2, 2015, an Action Memo was issued by the BLM Butte Field Office. It summarized the cleanup action and monitoring efforts to date, and allowed BDM to install a groundwater monitoring well on the lease parcel for the purpose of assessing groundwater quality. To date, a well has not been drilled and no additional groundwater quality information is available.

Direct and Indirect Impacts of No Action

Vacating the property and reclaiming to native grasses would result in natural rates of erosion and sedimentation. Groundwater contamination would continue to reclaim by natural attenuation.

Direct and Indirect Impacts of the Proposed Action

It is anticipated that short term and long term impacts would occur. Short term impacts, namely erosion and sedimentation resulting from construction could impact surface water quality. Implementing Best Management Practices (BMPs) would mitigate these effects.

Long term, runoff associated with the proposed road and parking lot would be managed using a stormwater detention basin, designed and permitted per Montana State standards. Impacts arising from incidental use, such as hiking, shoreline fishing, etc, would be addressed through site specific BMPs. Stormwater capture would prevent sedimentation and fuel/oil spills from entering Holter Lake and impacting water quality.

Use of groundwater as a public water supply would be regulated by the State of Montana Department of Environmental Quality Public Water Supply Section. BDM would be responsible for acquiring water rights per Montana State requirements. As currently proposed, the well would be considered as exempt, with a rate of use below 35 gallons per minute, and less than 10 acre-feet per year (DNRC, 2015). If design considerations suggest a need for more water, there is greater potential to impact groundwater resources of adjacent landowners. The Montana State Department of Natural Resources and Conservation imposes greater regulatory requirements on non-exempt wells to determine and disclose the impacts on groundwater reserves.

After drilling a groundwater well, use would be commensurate with water quality tests, per state law. Should wells be determined to no longer be useful, or found to be unsuitable, due to insufficient reserves, recharge rate, water quality, etc, they will be capped, locked and turned over to the BLM, or abandoned in accordance with the well abandonment requirements of the Montana Board of Water Well Contractors (MCA 36.21.670).

CUMULATIVE IMPACTS

Cumulative impacts are those impacts resulting from the incremental impact of an action when added to other past, present, or reasonably foreseeable actions regardless of what agency or person undertakes such other actions.

The analysis area has seen a variety of activities over the past fifty plus years primarily centered on recreation use of Holter Lake. The Holter Lake area lies in reasonable proximity to the growing Montana urban centers of Helena and Great Falls. Therefore, it is reasonably foreseeable to see continued increases in recreation visitation at public recreation facilities as well as an increasing demand for recreation properties and more development adjacent the reservoir.

Holter Lake has a mixture of uses throughout the area including: a private marina upstream, numerous private homes and inholdings, BLM recreation facilities including campgrounds, day use areas and trails.

The existing lease holder's Holter Lake Lodge business operation on the base private land would be replaced by a multi-unit residential subdivision on private lands, of not to exceed 22 units. The new development, Holter Lake Lodge Subdivision, would be completed in accordance with the subdivision regulations, which are administered by MTDEQ and the County.

The cumulative impacts from the multi-unit residential development would be an incremental increase in use of the existing Beartooth Road, but with use likely more evenly distributed over the season and the course of the year than the peak season boaters and campers. The development unit owners would likely be commuting by passenger vehicle, similar in nature to other existing private resident owners with their own lake access. Therefore, their impacts would add to the impacts to the paved county road, but would be difficult to differentiate from existing impacts cause by other users, recreational vehicles, and recreational trailer traffic especially during the peak recreation season. The added property tax base for the county could offset some of the incremental impacts.

Cumulative impacts during the construction phase may add to overall congestion along the roadway particularly during weekends and holidays in the summer months. This may potentially affect the overall public safety along an already busy roadway. There is also potential for noise during construction to impact the overall recreation experience at Holter Lake Campground. Dust during construction may also impact the overall quality of the recreation experience for the general public.

When the facilities are fully developed and operational, there may be the potential of noise generated by the residential unit owners that could be disruptive during the established 10 p.m. to 7 a.m. quiet hours at Holter Lake Campground.

The parking areas and boat ramp and slips at the BLM Holter Lake Campground are already at or near full capacity. There is potential for private parties from the BLM leased parcel to utilize the BLM boat slips and facilities the same as any other member of the public.

There is potential for impacts to the boat and vehicle parking areas in addition to the toilet and garbage cans at BLM's Holter Lake Campground to be impacted if the facilities at the BLM permitted parcel do not adequately accommodate the demand of the users. This has potential to negatively impact the overall recreation experience of the general public utilizing the BLM recreation facilities.

The development on adjacent private land has the short-term potential for sedimentation into Holter Lake. Such use/development is subject to State regulation. Should water use demands on the wells exceed the Montana State exempt criteria, BDM would have to meet the Montana Department of Natural Resources and Conservation permitting requirements.

Impacts to groundwater from a septic system to service the development on adjacent private land would be subject to local and state regulation and permitting to minimize, or mitigate impacts to water and soil.

CHAPTER 4

PERSONS, GROUPS, AND AGENCIES CONSULTED

Table 4.1. List of Persons, Agencies and Organizations Consulted

Name/Agency	Purpose & Authorities for Consultation or Coordination
Christal Ness, Project Coordinator Lewis and Clark County Community Development and Planning	County Subdivision Information
Barbara Kingery, PE PWSB Program Manager/Subdivision lead MT Department of Environmental Quality	Montana Department of Environmental Quality Subdivision Information related to the case.
Rachel Clark, PE PWSB Public Water Review Section MT Department of Environmental Quality	Montana Department of Environmental Quality case history on public water supply.

Table 4.2 List of Preparers

Name	Title	Responsible for the Following Section(s) of this Document
Michael Wyatt	Realty Specialist	Project Leader, Coordination, Quality Control, Chapter 1 input, Chapter 2 input, etc.
Scot Franklin	Wildlife Biologist	Impact analysis for wildlife management.
Carolyn Kiely	Archeologist	Cultural Resources/Native American Religious Concerns; Class III cultural survey
Jaime Tompkins	Recreation Planner	Impact Analysis for Recreation
Lacey Decker	Weed Specialist	Chapter 3 Review, Impact Analysis for Noxious Weeds and Sensitive Plants.
Corey Meier	Assistant Field Manager	Soils, Hazmat, NEPA Review

Comments and Responses on Draft EA and Unsigned FONSI

Consistent with the National Environmental Policy Act (NEPA), 40 C.F.R. 1503.4(b), responses included in this section address the substantive comments received on the EA and unsigned FONSI. The BLM considered and responded to all substantive comments in preparing the Final EA, Finding of No Significant Impact, and Decision Record.

The following is a list of commenters:

- Edward Austin
- Lou Ann Crowley
- Candy Stenson

Each letter/email was read and analyzed to identify *substantive* comments. Conclusions on whether or not comments were considered substantive were based on the following definitions:

- Substantive comments include those that challenge, with reasonable basis, the information in the EA or the FONSI as being inadequate or inaccurate, develop reasonable alternatives not considered by the agency, or offer new specific information that may have a bearing on the decision.
- Non-substantive comments are those that do not pertain to the project area, Proposed Action or alternatives or express opinions or position statements about the project or agency policy without accompanying factual basis or rationale to support the opinion.

All comments—substantive or not substantive—and all agency responses, are part of the administrative record for this EA, and have been considered during the decision-making process.

The responses to substantive comments are presented below and may also be reflected by changes made to the initial environmental assessment. Comments may have been edited for brevity or clarity, and combined with other similar comments; therefore comment statements may not be exact quotes of any one person or organization.

Comment: *How is the waste to be handled, I would have to look It up, but there is not enough area to care for 20 condos waste according to state rules.*

Response: The wastewater management system for Back Door Mountain’s multi-unit residential development would not be on public land. Therefore, the wastewater management system is outside the authority of the Bureau of Land Management. The responsible authority is the Montana Department of Environmental Quality’s Public Water and Subdivision Bureau, Subdivision Review (MTBkingery@mt.gov, 406-444-5368).

Comment: *By leasing BLM land to build said condos, does this mean anyone with property at Holter Lake will be able to lease BLM land for private use.*

Response: Condominiums would not be built on leased BLM land. This would be the renewal of a leased parcel originally authorized by BLM permit in 1970. Renewal of this commercial lease parcel does not expand on the area already impacted by the existing uses. No, this does not mean landowners will be able to lease BLM land for private use. The regulations at 43 CFR 2920 oversee lease and permit requests.

Comment: Are the condo owners going to be required to pay for road maintenance?

Response: Back Door Mountain or the developed homeowners' association would be required to maintain the lease area improvements. The private residential units would not be on public land and owners would be county tax payers. The maintenance of the county road is outside the authority of the Bureau of Land Management. Lewis & Clark County would be responsible for the multi-unit development approval and county road maintenance.

Comment: I don't believe that campgrounds contribute to any road upkeep now please correct me if I'm wrong.

Response: Outside the scope of this analysis.

Comment: It would devastate the pristine area causing an influx of traffic and people.

Response: As described in the Recreation Uses, Affected Environment, section of Chapter 3, "The project area is adjacent to the BLM Holter Lake Campground and day use area, which is heavily used by recreation visitors for day use, camping and water related activities. This highly developed recreation area is at or near full capacity the majority of the summer season. The campground receives over 65,000 visits and approximately \$80,000 in fee site revenues per year."

Comment: The local fire department is incapable of defending a structure of that size from fire.

Response: The fire safety of the private subdivision development structures is outside the authority of the Bureau of Land Management. Lewis & Clark County would be responsible for the multi-unit development requirements and approval.

REFERENCES

- NRCS, 2015. Soil Survey Staff, Natural Resources Conservation Service, United States Department of Agriculture. Web Soil Survey. Available online at <http://websoilsurvey.nrcs.usda.gov/>. Accessed November 23, 2015.
- DEQ, 2015. Montana Department of Environmental Quality. Clean Water Act Information Center. Available online at <http://deq.mt.gov/wqinfo/cwaic/default.mcp> . Accessed November 23, 2015
- BLM, 2005. Holter Lake Lodge Groundwater Remediation Engineering Evaluation/Cost Analysis.
- DNRC, 2015. Montana Department of Natural Resources and Conservation Water Resources. Available online at <http://dnrc.mt.gov/divisions/water>. Accessed November 23, 2015.