Proposed Action: Otter Island 1 and 2 Property Acquisition Funding

Fish and Wildlife Project No. and Contract No. (if applicable): 2008-800-00; BPA-007509

Project Manager: Cecilia Brown

Location: T28N R21W Sec 9, Flathead Montana

Categorical Exclusion Applied (from Subpart D, 10 C.F.R. Part 1021): B1.25 Real property transfers for cultural resources protection, habitat preservation, and wildlife management

Description of the Proposed Action: BPA is proposing to fund Montana Fish, Wildlife and Parks to purchase the Otter Island 1 and 2 properties, two parcels totaling approximately 20 acres of land located approximately 1 mile east of the town of Kalispel in Flathead County, Montana. The property would be placed in a conservation easement to provide long-lasting fish and wildlife benefits by preventing the conversion of quality habitat to other land uses.

Funding the purchase of the property would be provided as part of BPA’s ongoing efforts to protect, restore, and enhance habitat for bull trout, westslope cutthroat trout, otter, beaver, and whitetail deer, as mitigation for the construction and operation of the Hungry Horse hydroelectric facility on the South Fork of the Flathead River.

The properties consist of riparian habitat located on two islands within the Flathead River. Montana Fish, Wildlife and Parks would provide long-term stewardship of the land and develop a management plan to guide the protection and enhancement of habitat and other resources on the property. The management plan would be reviewed by BPA for consistency with the agreement and purpose of the acquisition. If BPA proposes to fund any management activities on the property, additional environmental review would be conducted.

Findings: BPA has determined that the proposed action complies with Section 1021.410 and Appendix B of Subpart D of the Department of Energy’s (DOE) National Environmental Policy Act (NEPA) Regulations (57 FR 15144, Apr. 24, 1992, as amended at 61 FR 36221-36243, July 9, 1996; 61 FR 64608, Dec. 6, 1996, 76 FR 63764, Nov. 14, 2011). The proposed action does not present any extraordinary circumstances that may affect the significance of the environmental effects of the proposal. The proposal is not connected [40 C.F.R. 1508.25(a)(1)] to other actions with potentially significant impacts, has not been segmented to meet the definition of a categorical exclusion, is not related to other proposed actions with cumulatively significant impacts [40 C.F.R. 1508.25(a)(2)], and is not precluded by 40 C.F.R. 1506.1 or 10 C.F.R. 1021.211. Moreover, the proposed action would not (i) threaten a violation of applicable statutory, regulatory, or permit requirements for environment, safety, and health, (ii) require siting and construction or major expansion of waste storage, disposal, recovery, or treatment facilities, (iii) disturb hazardous substances, pollutants, contaminants, or Comprehensive Environmental Response, Compensation and Liability Act-excluded petroleum and natural gas products that pre-exist in the environment such that there would be uncontrolled or unpermitted releases, (iv) have the potential to
cause significant impacts on environmentally sensitive resources, or (v) involve genetically engineered organisms, synthetic biology, governmentally designated noxious weeds, or invasive species, unless the proposed activity would be contained or confined in a manner designed and operated to prevent unauthorized release into the environment and conducted in accordance with applicable requirements.

/s/ Jenna Peterson  
Jenna Peterson  
Environmental Protection Specialist

Concur:

/s/ Katherine S. Pierce  
Katherine S. Pierce  
NEPA Compliance Officer

Date: November 14, 2014

Attachment(s): Environmental Checklist
Categorical Exclusion Environmental Checklist

This checklist documents environmental considerations for the proposed project and explains why the project would not have the potential to cause significant impacts on environmentally sensitive resources and would meet other integral elements of the applied categorical exclusion.

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**Project Site Description**

The acquisition parcels are currently under private ownership and consist of riparian habitat located on two islands within the Flathead River. Historic land use of these properties has been for wildlife habitat and hunting and fishing.

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**Evaluation of Potential Impacts to Environmental Resources**

<table>
<thead>
<tr>
<th>Environmental Resource Impacts</th>
<th>No Potential for Significance</th>
<th>No Potential for Significance, with Conditions</th>
</tr>
</thead>
<tbody>
<tr>
<td>1. Historic and Cultural Resources</td>
<td>✔</td>
<td></td>
</tr>
<tr>
<td><strong>Explanation:</strong> The financial transaction of providing funding to a Fish and Wildlife project sponsor to purchase a parcel of land has been determined to have no potential to affect historic and cultural resources. No historic properties are known to occur within the acquisition parcels.</td>
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<td>2. Geology and Soils</td>
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<tr>
<td><strong>Explanation:</strong> No soil disturbance will occur as a result of the financial transaction of providing funding to a Fish and Wildlife project sponsor to purchase these parcels of land.</td>
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<td>3. Plants (including federal/state special-status species)</td>
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<tr>
<td><strong>Explanation:</strong> Spalding’s Catchfly is listed as threatened under the Endangered Species Act (ESA), with known occurrences in Flathead County. Spalding’s Catchfly is found predominantly in Pacific Northwest bunchgrass grasslands and sagebrushsteppe, and occasionally in open-canopy pine stands. The acquisition parcels consist of riparian forest with red osier dogwood and snowberry understory, and cottonwood and willow alluvial bar habitat. Habitat present is project area is not suitable for Spalding’s Catchfly.</td>
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<td>4. Wildlife (including federal/state special-status species and habitats)</td>
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<td><strong>Explanation:</strong> Canada Lynx, Grizzly Bear, and Piping Plover are ESA-listed species with known occurrences in Flathead County. Hoary Bat, Great Blue Heron, and Bald Eagle are state sensitive species. The project area is within minimum buffer distances of nesting sites for Blue Heron (6,500 meters) and Bald Eagle (2,000 meters). The financial transaction of providing funding to a Fish and Wildlife project sponsor to purchase a parcel of land for fish and wildlife habitat conservation purposes will have no effect on wildlife.</td>
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</tr>
</tbody>
</table>
5. **Water Bodies, Floodplains, and Fish**

   (including federal/state special-status species and ESUs)

   **Explanation:** The project area is located on land adjacent to and within the Flathead River. Bull trout is an ESA-listed species with known occurrences/critical habitat within the Flathead River. Westslope cutthroat trout, Lake Trout, and Pygmy Whitefish are state sensitive species. The financial transaction of providing funding to a Fish and Wildlife project sponsor to purchase a parcel of land for fish and wildlife habitat conservation purposes will have no effect on wildlife, water bodies, or floodplains.

6. **Wetlands**

   **Explanation:** The project area is located on land adjacent to and within the Flathead River. The financial transaction of providing funding to a Fish and Wildlife project sponsor to purchase a parcel of land for fish and wildlife habitat conservation purposes will have no effect on wetlands.

7. **Groundwater and Aquifers**

   **Explanation:** No ground disturbance proposed. The financial transaction of providing funding to a Fish and Wildlife project sponsor to purchase a parcel of land for fish and wildlife habitat conservation purposes will have no effect on ground water and aquifers.

8. **Land Use and Specially Designated Areas**

   **Explanation:** As a result of the transaction, ownership of the parcels would change from private to public (state) and would establish protection of continuously owned public land for 2.5 miles of the western bank of the Flathead River.

9. **Visual Quality**

   **Explanation:** The financial transaction of providing funding to a Fish and Wildlife project sponsor to purchase a parcel of land for fish and wildlife habitat conservation purposes will have no effect on visual quality.

10. **Air Quality**

    **Explanation:** The financial transaction of providing funding to a Fish and Wildlife project sponsor to purchase a parcel of land for fish and wildlife habitat conservation purposes will have no effect on air quality.

11. **Noise**

    **Explanation:** The financial transaction of providing funding to a Fish and Wildlife project sponsor to purchase a parcel of land for fish and wildlife habitat conservation purposes would not result in changes to noise on these parcels.

12. **Human Health and Safety**

    **Explanation:** The financial transaction of providing funding to a Fish and Wildlife project sponsor to purchase a parcel of land for fish and wildlife habitat conservation purposes will have no effect on human health and safety.

**Evaluation of Other Integral Elements**

The proposed project would also meet conditions that are integral elements of the categorical exclusion. The project would not:

- Threaten a violation of applicable statutory, regulatory, or permit requirements for environment, safety, and health, or similar requirements of DOE or Executive Orders.
**Explanation, if necessary:**

☑ Require siting and construction or major expansion of waste storage, disposal, recovery, or treatment facilities (including incinerators) that are not otherwise categorically excluded.

**Explanation, if necessary:**

☑ Disturb hazardous substances, pollutants, contaminants, or CERCLA excluded petroleum and natural gas products that preexist in the environment such that there would be uncontrolled or unpermitted releases.

**Explanation, if necessary:**

☑ Involve genetically engineered organisms, synthetic biology, governmentally designated noxious weeds, or invasive species, unless the proposed activity would be contained or confined in a manner designed and operated to prevent unauthorized release into the environment and conducted in accordance with applicable requirements, such as those of the Department of Agriculture, the Environmental Protection Agency, and the National Institutes of Health.

**Explanation, if necessary:**

**Landowner Notification, Involvement, or Coordination**

Description: Notification letters will be sent to adjacent landowners and other interested parties at a minimum of 15 days before the closing date of the sale. Ads will also be posted in local newspapers, and information will be posted on BPA’s public website prior to closing.

Based on the foregoing, this proposed project does not have the potential to cause significant impacts on any environmentally sensitive resources.

Signed: /s/ Jenna Peterson       Date: November 14, 2014