

**FINAL ENVIRONMENTAL ASSESSMENT
LHC, INC.
LHC PIT SITE
FLATHEAD COUNTY, MONTANA
June 2007**

This Environmental Assessment (EA) is required under the Montana Environmental Policy Act (MEPA). An EA functions to identify, disclose, and analyze the impacts of a proposed action. This document may disclose impacts that have no legislatively required mitigation measures, or over which there is no regulatory authority.

The state law that regulates gravel mining operations in Montana is the Opencut Mining Act. This law and the rules adopted thereunder place operational guidance and limitations on a project during its lifetime, and provide for the reclamation of land affected by opencut mining operations.

Approval or denial of the application will be based on a determination of whether or not the proposed operation complies with the Opencut Mining Act, the Rules adopted thereunder, and local laws and regulations--not on the popularity of the project.

PROPONENT: LHC, Inc.

PROJECT NAME: Amendment of Opencut Gravel Mining Permit – LHC Pit Site

LOCATION: NE¹/₄NE¹/₄, Section 26, T29N, R22W **COUNTY:** Flathead

TYPE AND PURPOSE OF ACTION:

The applicant proposes to amend the hours of operation of its permit to allow an early start up time to run its concrete and asphalt batch plants. This request applies only to batching and hauling products to customers who need to start early in the day during the summer construction season, but does not change existing hours for mining, operating the wash plant or the crusher. Currently, the allowable hours of operation for the main pit and facilities are from 7:00 a.m. to 7:00 p.m., Monday through Saturday. The requested start up time would be 5:00 a.m. All other conditions on the mining permit remain the same.

PUBLIC COMMENTS/QUESTIONS AND DEQ RESPONSES

The proponent's application was reexamined in June 2007 and several changes were made to the plan of operation. Revisions in the Final EA are based on the new plan, public comments, and additional evaluation of the proposed opencut operation. The plan and EA respond to comments and questions submitted by the public. Comments were combined and paraphrased, as necessary, for efficiency and convenience.

AESTHETICS:

Comment 1: This pit and all its activities are too close to homes, and should be moved away from the city. DEQ should have never allowed this pit to be so close to the city limits.

Response: This gravel pit was permitted originally in 1985 and was at least 20 acres in size at that time. In 1985, Stillwater Road and West Reserve were gravel roads and the pit was considered to be far away from the city and residential development at that time. The original permit was issued at a time before county zoning review was included as part of the permit review process, and the assumption at that time was that the county had the opportunity on its own to decide the appropriateness of that activity. The DEQ (at that time the Department of State Lands) made permit decisions based on immediate impacts within the boundaries of the permit perimeter. Residential development has pressed closer and closer to the gravel pit, especially in the last decade.

Comment 2: Allowing early hours start up is unfair because there were restrictions in place on hours of operations when we bought our home, and now the rules are changing.

Response: The rules are not changing. The provision for hours of operation in the Opencut Mining Act is found at 82-4-434(2)(o), MCA, which states: "The department may not approve a reclamation plan or a plan of operations unless the plans provide...that noise and visual impacts on residential areas will be minimized to the degree practicable through berms, vegetation screens, and reasonable limits on hours of operation..." Also, in the pursuant Administrative Rules, 17.24.218(1)(d) states in part: "The department may reasonably limit hours [of operation] to reduce adverse impacts on residential areas." These provisions were in place when LHC received approval for its 23-acre amendment proposal in late 2005, at which time hours of operation were initially imposed on the operation, and these provisions are still in place. Under the law an operator may propose changes in its hours of operation, and DEQ must evaluate such a proposal under the direction of the above provisions, i.e., placing reasonable limits on hours of operation "to reduce adverse impacts on residential areas". DEQ has followed these provisions in its review, evaluation, and deliberations concerning the proposal; see Section 14 below under HUMAN ENVIRONMENT.

NOISE, DUST AND ODOR:

Comment 3: Early deliveries will increase truck noise on the county roads. Trucks will pass close to Country Estates, Stillwater Estates and Westview Estates subdivisions when most people are asleep.

Response: Truck traffic would increase on the county roads during the earlier morning period, especially past Westview Estates which currently has no houses and which is located adjacent to Stillwater Road south of the LHC site (see map below – ATTACHMENT 1). Typically the number of trucks leaving LHC between 5:00 a.m. and 7 a.m. would be 10-15, with a maximum of 20 (Jeff Claridge of LHC, verbal communication, June 19, 2007). To what extent this would increase total traffic on Stillwater Road during this two-hour early morning period is not known, because DEQ is not aware of any available traffic data for this time period. Thus it is not clear what impact this increased traffic on Stillwater Road would have on residents in these subdivisions.

Comment 4: Early morning operation of the asphalt plant will impact homes nearby with objectionable odors and produce pollution that will affect our health.

Response: See Section 14 below under HUMAN ENVIRONMENT.

Comment 5: Early mornings during the summer are times when residences have windows open for cooling. Noise from the concrete and asphalt plants as well as backup alarms on equipment disrupts sleep.

Response: DEQ agrees that noise is not desirable, especially in a rural/residential setting. DEQ worked with the proponent to develop a plan to minimize the noise impact. See Section 14 below under HUMAN ENVIRONMENT.

Comment 6: Some days the air is cool, moist and quiet during early mornings and hangs low to the ground concentrating odors and dust around homes. Will an early start up make these conditions worse?

Response: See Section 14 below under HUMAN ENVIRONMENT.

Comment 7: Early morning operations will add to the amount of dust allowed to blow from the site. What restrictions are currently in place for this operation?

Response: Because the proposed site is in or within 10 km of a PM10 (particulate matter no greater than 10 micrometers in aerodynamic diameter) nonattainment area, the permit: 1) requires water spray bars on crushers, screens, and material transfer points, 2) limits visible emissions from the crushing and screening plant, other equipment, works areas, and roads within the permit area to less than 10 percent opacity (a measurement of visibility through a dust plume) over 6 consecutive minutes, 3) requires limits on

dust/particulate emissions from the concrete and asphalt plants, and 4) requires treatment of unpaved roads and work areas with water or a dust suppressant as necessary to maintain compliance with the 10 percent opacity limitation. Particulate emissions in exhaust from machines other than diesel generators, including haul trucks, is not regulated by DEQ.

LHC has paved its main access road leading south to Stillwater Road, the approach to its west entrance to Stillwater Road, and much of its facilities area. Trucks leaving the site at the earlier hours would be traveling on paved surfaces. Dust from operation of the concrete plant is controlled by an extra bag house. Particulate emissions from operation of the asphalt plant are limited by the DEQ air quality permit, which is subject to further limits due to the non-attainment-air-quality status of the Kalispell area. Also, hours of operation for mining, crushing, and screening would not change. Thus, there should be no additional significant dust emissions from the permit area due to any of the above activities during the earlier morning period.

In addition to the requirements of the DEQ air quality permit, the proponent has committed to a dust control plan detailed in the plan of operation in the mining permit. Flathead County, not the proponent, is responsible for dust control on public roads in the area; however, fugitive dust from county roads near the proposed mine site would appear to be an insignificant issue, because these roads are paved.

COMMENT PERIOD TOO SHORT:

Comment 8: Having just a week or two is not enough time to consider the impacts of starting up two hours earlier each day. Thirty days would have been better.

Response: DEQ believed that the period allowed for comments (approximately 10 days) was sufficient, given the fact that LHC's amendment proposal only involved hours of operation and the draft EA was accordingly very limited in scope and was short (3 pages of text and a map).

CUMULATIVE IMPACTS:

Comment 9: What cumulative effects will these early morning hours have on air quality, aesthetics and traffic?

Response: Two other mine sites are nearby. Bruce Tutvedt's Site is directly across Stillwater Road to the west and Goose Bay's Tracht site is adjacent to the north. The Tutvedt site is a 41.5-acre pit that anticipates removal of 2 million cubic yards of material and would be mined 25 feet deep. It is scheduled to be reclaimed in the year 2022. Equipment allowed at this site includes a crusher, screen and a wash plant, and there are no DEQ limitations on hours of operation.

The Goose Bay site is located adjacent to LHC across the common property line directly to the north. It is a 120-acre pit that anticipates removal of 50 million cubic yards of material and would be mined 30 feet deep. It is scheduled to be reclaimed in the year 2021. Equipment allowed at this site includes a crusher, screen, a wash plant, and concrete and asphalt plants, and there are no DEQ limitations on hours of operation.

The Air Resources Management Bureau (ARMB), which is the DEQ bureau responsible for issuing air quality permits and conducting air quality compliance work, does not monitor dust emissions on individual sand and gravel mine sites, especially of this size. Thus, quantitative particulate (dust) emission data are not collected on sites such as these. Typical ARMB permits issued for crushers working on sand and gravel sites in this area require that dust emissions from crushers and associated equipment be limited to no more than 250 tons per year and to meet certain air opacity requirements. Based on generally accepted particulate emission factors on mine sites such as these, dust from other sources (known as fugitive dust) such as trucks or other equipment moving across/around the pit or on access roads, loading of trucks, stockpiling of soil or overburden, etc. is considered to be less than 15 tons per year by ARMB. Thus, on average, these three mines collectively could emit close to 795 tons of particulates per year [(250x3) + (15x3)]. How this would affect air quality in the general area around these operations is difficult to predict. It is possible to conceive of atmospheric, weather, and operational conditions wherein the emissions from these operations could be additive in terms of air quality deterioration: all operating at full capacity at the same time when there is an air inversion in the valley and low humidity. The likelihood of all of these circumstances occurring at the same time is unknown. However, because earlier morning hours for LHC's concrete and asphalt batching and/or hauling should not add any significant amounts of dust nor odors (see response to comment 7 above and Section 14 under HUMAN ENVIRONMENT BELOW), there should be no significant additional cumulative dust or odor impacts. Exhaust emissions from haul trucks operating earlier would certainly occur, but DEQ has no information about cumulative effects of such emissions. These emissions are not regulated by any state agency.

DEQ has been monitoring air quality at certain locations in the Flathead Valley for quite some time. Community air pollution control plans have been developed to help Columbia Falls, Kalispell, and Whitefish meet state and federal air quality standards, because these towns have been designated by the federal government as out of compliance with particulate standards (i.e., nonattainment).

Truck traffic between 5:00 a.m. and 7:00 a.m. from and to the LHC operation would obviously increase. Jeff Claridge of LHC (verbal communication, June 19, 2007) indicated that the typical number of concrete trucks leaving the operation between 5:00 a.m. and 7:00 a.m. would be 10-15, with the maximum being 20. During a full-speed operation, each concrete truck takes approximately 9 minutes

to pull in, be loaded with concrete and pull out. It is not known what the cumulative impact of this would be with other traffic on Stillwater and other public roads in the area, because DEQ is not aware of any traffic data for this period of the day on these roads that could be used to do such an analysis. However, earlier delivery of concrete from LHC would diminish traffic volume during the morning rush period (see Section 14 below under HUMAN ENVIRONMENT).

Aesthetic concerns are related to or emanate from air quality, traffic, and noise impacts. Thus, see responses to all comments and Section 14 below under HUMAN ENVIRONMENT concerning these specific factors.

Comment 10: There are several more subdivisions planned in this area. Any increase in activities will negatively affect the future residents.

Response: On average, the total volume of LHC truck traffic hauling product would not change as a result of LHC starting truck deliveries earlier in the morning; the same average daily volume of truck deliveries would occur, but would start earlier and be distributed over a longer daily period of time (verbal communication with Jeff Claridge of LHC, June 21, 2007). There are two new subdivisions planned or have already been approved that currently have no homes in them. The Westview Estates subdivision at the corner of West Reserve and Stillwater Road has been approved and a decorative rock wall has been installed by the developer all along Reserve and Stillwater to mitigate the expected traffic. The new Starling subdivision is planned for the land southwest of the West Reserve and Stillwater Road intersection, but it has not been approved yet. The Starling subdivision is rumored to be in the magnitude of one to three thousand homes.

See responses to comments 3 and 9 regarding LHC truck traffic in earlier morning hours.

ECONOMICS AND PROPERTY VALUES:

Comment 11: LHC is at an economic disadvantage without being able to provide concrete to customers early in the morning because their competitors are not restricted in any way. Jobs could be lost if LHC cannot compete. How can the DEQ impose such random restrictions on one but not another operation?

Response: The Opencut Mining Act does not allow DEQ to make permitting decisions based upon the economic advantage or disadvantage of a proposal to an operator. Whether or not a proposal is economically advantageous is the proponent's concern.

Comment 12: Early start-ups may cause people to sell their homes, thereby giving the area a bad reputation that could reduce the asking price of homes sold in the future.

Response: Under the Opencut Mining Act, DEQ has no authority or jurisdiction over property value issues. The Montana Legislature has specifically limited DEQ's authority to issues relating to taxable value. The Legislature has given DEQ two means of mitigating the effects of gravel operations on adjacent property. Firstly, DEQ has authority to minimize noise and visual impacts to the degree practicable through use of berms, vegetation screens, and limits on hours of operation, and to otherwise prevent significant physical harm to adjacent land, structures, improvements, or life forms (See the Opencut Mining Act at 82-4-434(2)(o) and (p), MCA). Secondly, in order to protect and perpetuate the taxable value of property, land on which mining and processing operations are conducted must be graded and revegetated in an acceptable manner.

Comment 13: This company provides many good jobs and provides needed products to many people in the valley, and this amendment to start up early would keep them competitive and help them remain viable. How can a few antagonists be allowed to negatively impact so many people?

Response: Under the Montana Environmental Policy Act (MEPA) and pursuant rules, DEQ (and all state agencies) must prepare EA's on a variety of proposed actions (e.g., a proposal for a mining permit or to amend an existing mining permit), and citizens must be given the opportunity to review and comment on these EA's when DEQ is aware of or believes there is public interest in or concern with proposed actions. All comments must be responded to in DEQ's final EA and must be considered in DEQ's permit decisions to the extent that DEQ has authority under the Opencut Mining Act to do so.

Comment 14: The early morning startup will allow relief to cement finishers when concrete deliveries arrive at job sites before the summer daytime high temperatures and low humidity cause problems. Does the state consider secondary impacts to the construction industry from its decisions at a site like this?

Response: DEQ could evaluate such secondary impacts in its EA's to the extent that it has or is provided specific information or data of such impacts. However, the Opencut Mining Act does not contain any provisions that give DEQ the authority to make permit decisions based upon such impacts.

ROADS AND TRAFFIC:

Comment 15: Truck traffic on Stillwater Road and West Reserve is breaking down the road surface. Encouraging any increase in business by allowing early morning start up will increase damage to the roads.

Response: DEQ acknowledges that increased mine vehicle traffic or any other kind of traffic would accelerate wear and tear on public roads. However, on average, the total volume of LHC truck traffic hauling product would not change as a result of LHC

starting truck deliveries earlier in the morning; the same average daily volume of truck deliveries would occur, but would be distributed over a longer daily period of time (verbal communication with Jeff Claridge of LHC, June 21, 2007). In any case, the Opencut Mining Act does not provide DEQ with any authority to address damage to or required maintenance of public roads due to mine vehicle traffic. Road maintenance and repair are responsibilities of Flathead County (for county roads) and the Montana Department of Transportation (for state highways).

Comment 16: Early morning start-ups could provide products and get the bulk of truck deliveries down Stillwater Drive and out West Reserve before traffic begins to pick up especially near the high school and at the Reserve/Highway 93 intersection. Is that not a good thing?

Response: DEQ agrees with the statement about mitigation of traffic congestion. See Section 14 below under HUMAN ENVIRONMENT.

Comment 17: Trucks must not be allowed to use “jake” breaks when driving on Stillwater or West Reserve Roads.

Response: LHC’s trucks will not be using jake brakes on Stillwater or West Reserve Roads, because they are not necessary due to the low speed limits on these roads (Jeff Claridge of LHC, verbal communication of June 21, 2007).

A: Significant Unavoidable Impacts. B: Insignificant as a result of conditioned mitigation. C: Insignificant as proposed.

				POTENTIAL IMPACTS		
	A	B	C	LONG TERM	SHORT TERM	AMPLIFICATION
PHYSICAL ENVIRONMENT						
1. <u>TOPOGRAPHY</u>						No effect.
2. <u>GEOLOGY</u> ; Stability						No effect.
3. <u>SOILS</u> ; Quality, Distribution						No effect.
4. <u>WATER</u> ; Quality, Quantity; Distribution						No effect.
5. <u>AIR</u> ; Quality					X	Some deterioration of air quality may occur, but only as a result of additional hours being operated. All existing limits and restrictions on dust and other contaminants remain in place.
6. <u>UNIQUE, ENDANGERED, FRAGILE, or LIMITED</u> environmental resources						No effect.
BIOLOGICAL ENVIRONMENT						
7. <u>TERRESTRIAL, AVIAN, and AQUATIC</u> ; species and habitats						No effect.
8. <u>VEGETATION</u> ; Quantity, quality, species						No effect.
9. <u>AGRICULTURE</u> ; grazing, crops, production						No effect.
				POTENTIAL IMPACTS		
	A	B	C	LONG TERM	SHORT TERM	AMPLIFICATION
HUMAN ENVIRONMENT						
10. <u>SOCIAL</u> , structures and mores			X		X	There would be changes in early morning operations that may be noticed by some individuals.

11. <u>CULTURAL</u> ; Uniqueness, diversity					No effect.
12. <u>POPULATION</u> ; quantity and diversity					No effect on the population is anticipated.
13. <u>HOUSING</u> ; quantity and distribution					No effects are anticipated on the quantity or distribution of housing due to this proposed change in hours of operation.
14. <u>HUMAN HEALTH & SAFETY</u>		X		X	<p>Some additional noise, traffic, and dust may be generated at the site due to longer hours but the operator must comply with existing traffic and air quality laws.</p> <p><u>NOISE:</u> In order to operate early in the day without causing an unacceptable amount of noise, the applicant has installed light-sensitive strobe lights on its front-end loaders in place of the back-up alarms that some find objectionable. The applicant has also coordinated with federal mine safety officials to allow the utilization of a “backup watch person” during the daylight hours between dawn and 7:00 a.m. There would be some level of noise associated with concrete truck engines starting up and running during the earlier morning period at the mine site.</p> <p>Concrete mixer trucks would be loaded inside a closed building to eliminate the noise generated by loading of the trucks. There would be some noise from the operation of the extra dust collection baghouse on the concrete plant, but the baghouse is located on the north side of the building, which shields residents who live south and east of the mine site and concrete plant (verbal communication with Jeff Claridge of LHC, June 21, 2007). There would also be some noise generated by gates opening and closing at the concrete plant (id).</p> <p>LHC has agreed to not load trucks with asphalt before 7:00 a.m.; this should mitigate associated noise that could otherwise be generated in the earlier morning period by loading of trucks with asphalt. The asphalt plant would begin warming up and manufacturing product at 5:00 a.m. in order to begin loading at 7:00 a.m. The only noise associated with this activity would be the slight “whirring” sound of the exhaust fan on the plant, which probably would not be detected by residents (id).</p> <p><u>TRAFFIC:</u> Traffic is becoming more of an issue on Stillwater Drive, especially with the new high school located near the intersection of Stillwater and West Reserve and residential development in</p>

					<p>the area. By starting deliveries earlier in the day, much of this industrial traffic may be finished before normal passenger traffic starts up at the school and residents begin their drive to work. By allowing a start up time for the concrete plant at 5:00 a.m., much of the early rush of concrete deliveries would be made between 5:00 and 8:00 a.m. before traffic at the high school begins.</p> <p>The traffic flow from the concrete plant is south out of the permit area directly onto Stillwater Drive, which passes approximately 1500 feet west of the homes on Bowman Drive, and should not contribute significantly to the noise levels at those homes. The LHC access road is completely paved to its junction with Stillwater Road, which should mitigate some of the truck traffic noise.</p> <p>DUST and ODORS: Dust generated by operation of the concrete plant is totally controlled by the fact that the operation is enclosed and by the existence of an extra baghouse that captures dust. Thus, no dust would be emitted from the plant (id). There may be some particulate emissions and odors from the asphalt plant warming up and manufacturing product in the earlier morning period. However, particulate emissions would be very limited under the existing DEQ air quality permit on the plant and odors should be minimal (id).</p>
15. <u>COMMUNITY & PERSONAL INCOME</u>					No effect.
16. <u>EMPLOYMENT</u> ; quantity and distribution			X	X	No additional employees would be hired to assist in daily operations.
17. <u>TAX BASE</u> ; local and state tax revenue			X	X	Additional taxes may be generated for the state and county as aggregates are hauled and used to improve adjacent land.
18. <u>GOVERNMENT SERVICES</u> ; demand			X	X	The site would be monitored through its permit life along with other sites in the area.
19. <u>INDUSTRIAL, COMMERCIAL and AGRICULTURAL</u> activities					No effect.
20. <u>HISTORICAL AND ARCHAEOLOGICAL</u>					No effect.
21. <u>AESTHETICS</u>			X	X	Equipment working at the site would be visible to the general public and the operation would be heard earlier in the day by those individuals close to it.
22. <u>ENVIRONMENTAL PLANS and GOALS</u> ; local and regional					This site is planned to be part of a future subdivision.
23. <u>DEMANDS</u> on <u>ENVIRONMENTAL RESOURCES</u> of land, water, air and energy					There are no unusual demands on environmental resources.

24. <u>TRANSPORTATION;</u> networks and traffic flows			X		X	There will be some additional traffic added as this gravel pit accesses the county roads.
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ALTERNATIVES CONSIDERED: **The Department could deny the application as submitted. The proponent could then submit a modified application or submit an application for another site.**

PUBLIC INVOLVEMENT: **Agencies and interested individuals on a prior mailing list in the area were contacted and advertisements were placed in the Daily Inter Lake newspaper requesting comments on the Draft proposal. The comment period closed at 5:00 p.m. on Friday, May 25th.**

OTHER GROUPS OR AGENCIES CONTACTED OR WHICH MAY HAVE OVERLAPPING JURISDICTION: **DEQ's Air Resources Management Bureau regarding air quality, MSHA and OSHA regarding mine safety.**

REGULATORY IMPACT ON THE APPLICANT'S PRIVATE PROPERTY: **The analysis done in response to the Private Property Assessment Act indicates no impact. The Department has not imposed conditions that will restrict the use of private property so as to constitute a taking.**

INDIVIDUALS OR GROUPS CONTRIBUTING TO THIS EA: **None**

RECOMMENDATION FOR FURTHER ENVIRONMENTAL ANALYSIS: **No further analysis is required.**

EA prepared by: Rod Samdahl

Review and Contributions by: Neil Harrington

ATTACHMENT 1

