



PRELIMINARY DETERMINATION
ON PERMIT APPLICATION

Date of Mailing: November 12, 2008

Name of Applicant: Knife River Corporation

Source: Drum Mix Asphalt Plant

Proposed Action: The Department of Environmental Quality (Department) proposes to issue a permit, with conditions, to the above-named applicant. The application was assigned Permit Application Number 4254-00.

Proposed Conditions: See attached.

Public Comment: Any member of the public desiring to comment must submit such comments in writing to the Air Resources Management Bureau (Bureau) of the Department at the above address. Comments may address the Department's analysis and determination, or the information submitted in the application. In order to be considered, comments on this Preliminary Determination are due by December 12, 2008. Copies of the application and the Department's analysis may be inspected at the Bureau's office in Helena. For more information, you may contact the Department.

Departmental Action: The Department intends to make a decision on the application after expiration of the Public Comment period described above. A copy of the decision may be obtained at the above address. The permit shall become final on the date stated in the Department's Decision on this permit, unless an appeal is filed with the Board of Environmental Review (Board).

Procedures for Appeal: Any person jointly or severally adversely affected by the final action may request a hearing before the Board. Any appeal must be filed by the date stated in the Department's Decision on this permit. The request for a hearing shall contain an affidavit setting forth the grounds for the request. Any hearing will be held under the provisions of the Montana Administrative Procedures Act. Submit requests for a hearing in triplicate to: Chairman, Board of Environmental Review, P.O. Box 200901, Helena, MT 59620.

For the Department,

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VW:TG:vs
Enclosures

DEPARTMENT OF ENVIRONMENTAL QUALITY
Permitting and Compliance Division
Air Resources Management Bureau
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(406) 444-3490

DRAFT ENVIRONMENTAL ASSESSMENT (EA)

Issued To: Knife River Corporation

Air Quality Permit number: 4254-00

Preliminary Determination Issued: 11/13/08

Department Decision Issued:

Permit Final:

1. *Legal Description of Site:* Knife River proposes to operate a portable hot mix asphalt plant and associated equipment which will initially be located in Section 14, Township 30 North, Range 21 West, in Flathead County, Montana. However, Permit #4254-00 applies while operating at any location in Montana, except those areas having a Department-approved permitting program, areas considered tribal lands, or areas in or within 10 km of certain PM₁₀ nonattainment areas. A Missoula County air quality permit will be required for locations within Missoula County, Montana. Addendum 1 applies to the Knife River facility while operating at any location in or within 10 km of certain PM₁₀ nonattainment areas during the summer months (April 1 – September 30) and at sites approved by the Department during the winter months (October 1 – March 31).
2. *Description of Project:* Knife River proposes to operate a portable hot mix asphalt plant with a maximum capacity of 200 TPH.
3. *Objectives of Project:* The objective of construction and operation of the asphalt plant at its initial location is to provide material for support of construction projects in the area.
4. *Alternatives Considered:* In addition to the proposed action, the Department also considered the “no-action” alternative. The “no-action” alternative would deny issuance of the air quality preconstruction permit to the proposed facility. However, the Department does not consider the “no-action” alternative to be appropriate because Knife River has demonstrated compliance with all applicable rules and regulations as required for permit issuance. Therefore, the “no-action” alternative was eliminated from further consideration.
5. *A Listing of Mitigation, Stipulations, and Other Controls:* A list of enforceable conditions, including a BACT analysis, would be included in Permit #4254-00.
6. *Regulatory Effects on Private Property:* The Department considered alternatives to the conditions imposed in this permit as part of the permit development. The Department determined that the permit conditions are reasonably necessary to ensure compliance with applicable requirements and demonstrate compliance with those requirements and do not unduly restrict private property rights.

7. The following table summarizes the potential physical and biological effects of the proposed project on the human environment. The “no-action” alternative was discussed previously.

		Major	Moderate	Minor	None	Unknown	Comments Included
A	Terrestrial and Aquatic Life and Habitats			X			Yes
B	Water Quality, Quantity, and Distribution			X			Yes
C	Geology and Soil Quality, Stability and Moisture			X			Yes
D	Vegetation Cover, Quantity, and Quality			X			Yes
E	Aesthetics			X			Yes
F	Air Quality			X			Yes
G	Unique Endangered, Fragile, or Limited Environmental Resources			X			Yes
H	Demands on Environmental Resource of Water, Air and Energy			X			Yes
I	Historical and Archaeological Sites			X			Yes
J	Cumulative and Secondary Impacts			X			Yes

SUMMARY OF COMMENTS ON POTENTIAL PHYSICAL AND BIOLOGICAL EFFECTS:

The following comments have been prepared by the Department.

A. Terrestrial and Aquatic Life and Habitats

Terrestrials would use the areas where the asphalt plant production would occur. Further, the project would result in emissions, which could affect any terrestrial and aquatic resources using the proposed project area. However, because the operations are temporary, seasonal, and relatively small by industrial standards, the operations alone would result in only minor impacts to the terrestrial and aquatic life of any given area.

B. Water Quality, Quantity and Distribution

Emissions from the proposed project could potentially affect existing resources of water in any proposed project area. However, as described in Section III of the permit analysis, the source would be required to apply BACT to emissions sources to minimize any potential emissions and thus minimize any potential impact to area water resources. Further, because the facility would be a temporary, seasonal, and a relatively small industrial source, any impacts to water resources in the any proposed project area would be minor and short-lived.

In addition, water would be used for dust suppression, but would only cause a minor disturbance to any given area. No surface water or ground water quality problems would be expected as a result of using water for dust suppression. Any accidental spills or leaks from equipment would be required to be handled according to the appropriate environmental regulations. Overall, any impacts to water quality, quantity, and distribution would be minor.

C. Geology and Soil Quality, Stability and Moisture

The proposed asphalt plant would have only minor impacts on soils in any proposed site location because the facility would remain a relatively small industrial operation, would continue to use

only relatively small amounts of water for pollution control, and would only have seasonal or intermittent operations. Therefore, there is a low likelihood that assembly and operation of the plant in any locations that will cause significant additional impacts to geology and soil quality, stability, and moisture given the likelihood of previous industrial disturbance at the given area of operation.

D. Vegetation Cover, Quantity, and Quality

Emissions from the proposed project could potentially affect existing vegetation resources in the proposed project area. However, the operations would initially and typically take place within a previously disturbed timber cut area or industrial location. As described in Section III of the permit analysis, the source would be required to apply BACT to emissions sources to minimize any potential emissions and thus minimize any potential impact to vegetation resources in the area. Further, because the facility would be a temporary, seasonal, and a relatively small industrial source, any impacts to vegetation resources in any given proposed project area would be minor and short-lived.

E. Aesthetics

The operations would be visible and would create additional noise in any given area of operation. Permit #4254-00 would include conditions to control emissions (including visible emissions) from the plant. In addition, the operations would initially and typically take place within a previously disturbed timber cut site or industrial location. Because the site is typically used for industrial purposes such as that proposed for the current permit action, the proposed operations would be typical and would have only a minor impact on the proposed project area. Further, given that the proposed project would be a temporary, seasonal, and a relatively small industrial operation any impact would be minor and short-lived.

F. Air Quality

The air quality impacts from the asphalt plant would be minor because Permit #4254-00 would include conditions limiting the opacity from the plant, as well as requiring water spray, as necessary, and other means to control air pollution. Furthermore, Permit #4254-00 would limit total emissions from the proposed equipment, and any additional equipment owned and operated by NIC, to 250 tons/year or less at any given operating site, excluding fugitive emissions.

G. Unique Endangered, Fragile, or Limited Environmental Resources

To assess potential impacts to unique endangered, fragile, or limited environmental resources in the proposed area of operations, the Department contacted the Montana Natural Heritage Program (MNHP) to identify any species of concern associated with the initial proposed site location (Section 14, Township 30 North, and Range 21 West, in Flathead County, Montana). Search results concluded there are thirteen species of special concern. The defined area, in this case, is defined by the township and range of the proposed site, with an additional one-mile buffer.

Terrestrial animal species of special concern inhabiting the area surrounding the proposed project site includes the *Canis Lupis* (Gray Wolf). Aquatic animal species of special concern inhabiting the area surrounding the proposed project site includes the *Salvelinus confluentus* (Bull Trout). Nonvascular plant species of concern in the area includes *Aloina brevirostris*, *Amblyodon dealbatus*, and *Bryum calobryoides*. Vascular plant species of concern include *Cirsium brevistylum* (Short-styled Thistle), *Silene spaldingii* (Spalding's Campion), *Lathyrus bijugatus*

(Latah Tule Pea), *Castilleja cervina* (Deer Indian Paintbrush), *Cyperus erythrorhizos* (Red-root Flatsedge), *Eriophorum gracile* (Slender Cottongrass), *Cypripedium parviflorum* (Small Yellow Lady's-slipper), and *Asplenium trichomanes* (Maidenhair Spleenwort).

The species of special concern that have been identified as being within the defined area have been generalized from many miles of potential habitat. The current permit action would result in the emission of air pollutants, which could result in minor impacts to existing unique endangered, fragile, or limited environmental resource in any given area of operation. However, given the temporary, seasonal, and relatively small industrial size of the operation, any impact would be minor and short-lived. In addition, initial and typical operations would take place within a previously disturbed industrial location further limiting the potential for impact to any unique endangered, fragile, or limited environmental resource in any proposed location of operation.

H. Demands on Environmental Resource of Water, Air and Energy

The proposed project would impact the demands on the environmental resources of water, air, and energy because the project would be a source of air pollution and require energy for operation. While deposition of pollutants may impact water and air resources, as explained in Sections 7.B and 7.F of this EA, respectively, the Department determined that the impacts of the proposed project on air and water resources would be minor due to the dispersion of pollutants and emissions control conditions that would be placed in Permit #4254-00. Furthermore, only small quantities of water would be required for dust suppression of emissions being generated at the site.

The proposed project would have minor impacts on the demand on energy resources because the facility would be powered by an industrial diesel engine that would use small amounts of fuel. Overall, the facility is a temporary, seasonal, and relatively small industrial source, so any demands for environmental resources of water, air, and energy would be minor and short-lived.

I. Historical and Archaeological Sites

To identify historical and archaeological sites near the proposed project area, the Department contacted the Montana Historical Society, State Historic Preservation Office (SHPO). According to SHPO records, there have not been any previously recorded historic or archaeological sites within the proposed area. In addition, SHPO records indicated that no previous cultural resource inventories have been conducted in the area. SHPO determined that a cultural resource inventory is unwarranted at this time. The Department determined that due to the previous disturbance in the area and the small amount of land disturbance that would be required to construct the facility, the chance of the project impacting any cultural or historic sites would be minor.

J. Cumulative and Secondary Impacts

Overall, this project would result in minor impacts to the physical and biological environment in the immediate area, as discussed in Section 7.A through Section 7.I of this EA. Because all impacts discussed previously are minor or will not occur, the Department determined that any cumulative and secondary impacts associated with the permitted operations would be minor. Air pollution from the facility would be controlled by Department-determined BACT and conditions in Permit #4254-00. The Department believes that this facility could be expected to operate in compliance with all applicable rules and regulations as outlined in Permit #4254-00.

8. *The following table summarizes the potential economic and social effects of the proposed project on the human environment. The “no-action” alternative was discussed previously.*

		Major	Moderate	Minor	None	Unknown	Comments Included
A	Social Structures and Mores				X		Yes
B	Cultural Uniqueness and Diversity				X		Yes
C	Local and State Tax Base and Tax Revenue			X			Yes
D	Agricultural or Industrial Production			X			Yes
E	Human Health			X			Yes
F	Access to and Quality of Recreational and Wilderness Activities			X			Yes
G	Quantity and Distribution of Employment				X		Yes
H	Distribution of Population				X		Yes
I	Demands for Government Services			X			Yes
J	Industrial and Commercial Activity				X		Yes
K	Locally Adopted Environmental Plans and Goals			X			Yes
L	Cumulative and Secondary Impacts			X			Yes

SUMMARY OF COMMENTS ON POTENTIAL ECONOMIC AND SOCIAL EFFECTS: The following comments have been prepared by the Department.

A. Social Structures and Mores

The proposed project would not have any effect on social structures and mores of the proposed area of operation. The project is temporary, seasonal, and small by industrial standards and operations would initially and typically take place in an existing agricultural area or industrial location. The predominant use of the surrounding area would not change as a result of the proposed project. Further, the facility would be required to operate according to the conditions that would be placed in Permit #4254-00, which would limit the effects to social structures and mores because air emissions would be limited from compliance with the established permit conditions.

B. Cultural Uniqueness and Diversity

The proposed project would not have any effect on cultural uniqueness and diversity of the proposed area of operation. The project is small by industrial standards and operations would typically take place at an existing industrial area. The predominant use of the surrounding area would not change as a result of the proposed project.

C. Local and State Tax Base and Tax Revenue

The proposed project would have only a minor affect on the local and state tax base and tax revenue. The project is temporary, seasonal, and small by industrial standards, and operations would typically take place in an existing industrial area requiring no new construction. The facility would require the use of only a few employees (between 7 and 10). Therefore, only minor impacts to the local and state tax base and revenue could be expected from company and employee revenues and facility production.

D. Agricultural or Industrial Production

Because the proposed project would initially and typically operate in an existing agricultural area or industrial location, the project would not require any additional industrial construction. Further, no additional industrial production would result from the proposed project. Operations would have little effect upon adjacent lands that could be utilized for farmland and animal grazing and any such effects would be minor and temporary.

E. Human Health

The proposed project would result in the emission of air pollutants. However, Permit #4254-00 would include limits and conditions to ensure that the facility would be operated in compliance with all applicable air quality rules and standards. As detailed in Section 7.F of this EA, Knife River would be required to use BACT and maintain compliance with all ambient air quality standards (including secondary standards). These standards are designed to be protective of human health. Overall, any health impacts resulting from the proposed project would be minor.

F. Access to and Quality of Recreational and Wilderness Activities

The asphalt plant operation would initially and typically operate within areas designated for such operations; therefore, impacts to access to recreational and wilderness areas are expected to be minor or insignificant. Overall potential impacts to access to and quality of recreational and wilderness activities are expected to be minor.

G. Quantity and Distribution of Employment

The proposed project would be relatively small, and would have seasonal and intermittent operations. Knife River would be expected to utilize only a few employees for the project. Therefore, the proposed project would have no significant effects upon the quantity and distribution of employment in this area.

H. Distribution of Population

The proposed operations would not disrupt the normal population distribution in any given area. Knife River would be expected to utilize only a few employees for the project. Because operations are temporary and seasonal, no individuals would be expected to permanently relocate to any area as a result of operating the facility.

I. Demands for Government Services

Government services would be required for acquiring the appropriate permits from government agencies. In addition, the permitted source of emissions would be subject to periodic inspections by government personnel. Therefore, any demands for government services would be minor.

J. Industrial and Commercial Activity

The proposed project would not impact local industrial and commercial activity because the proposed project would initially and typically operate in an existing timber cut area or industrial location and would not require any additional industrial construction or result in any additional industrial production.

K. Locally Adopted Environmental Plans and Goals

Knife River would be allowed, by Permit #4254-00, to operate in areas designated by the EPA as attainment or unclassified for ambient air quality. Addendum 1 applies when Knife River operates in or within 10 km of certain PM₁₀ nonattainment areas. Permit #4254-00 would contain limits for protecting air quality and for ensuring facility emissions are in compliance with any applicable ambient air quality standards. Because the facility would be a small and portable source and would have intermittent and seasonal operations, any impacts from the facility would be minor and short-lived. The Department is unaware of any local environmental plans or goals. Permit #4254-00 would be protective of the local areas.

L. Cumulative and Secondary Impacts

Overall, cumulative and secondary impacts from this project would result in minor impacts to the economic and social environment in the immediate area as discussed in Section 8.A through Section 8.K of this EA. The Department believes that this facility could be expected to operate in compliance with all applicable rules and regulations as would be outlined in Permit #4254-00.

Recommendation: No Environmental Impact Statement (EIS) is required.

If an EIS is not required, explain why the EA is an appropriate level of analysis: The current permitting action is for the construction and operation of hot mix asphalt plant. Permit #4254-00 includes conditions and limitations to ensure the facility will operate in compliance with all applicable rules and regulations. In addition, there are no significant impacts associated with this proposal.

Other groups or agencies contacted or which may have overlapping jurisdiction: Montana Historical Society – State Historic Preservation Office, Natural Resource Information System – Montana Natural Heritage Program

Individuals or groups contributing to this EA: Department of Environmental Quality – Air Resources Management Bureau, Montana Historical Society – State Historic Preservation Office, Natural Resource Information System – Montana Natural Heritage Program

EA prepared by: Trista Glazier

Date: October 22, 2008