Montana Department of
ENVIRONMENTAL QUALITY
Brian Schweitzer, Governor
P. O. Box 200901 Helena, MT 59620-0901 (406) 444-2544 Website: www.deq.mt.gov

December 18, 2008

Jacqueline Flikkema
Knife River Corporation
21730 Frontage Road
P.O. Box 9
Belgrade, MT 59714

Dear Ms. Flikkema:

Air Quality Permit #2699-02 is deemed final as of December 18, 2008, by the Department of Environmental Quality (Department). This permit is for operation of a portable drum mix asphalt plant. All conditions of the Department's Decision remain the same. Enclosed is a copy of your permit with the final date indicated.

For the Department,

Vickie Walsh
Air Permitting Program Supervisor
Air Resources Management Bureau
(406) 444-3490

Julie A. Merkel
Air Quality Specialist
Air Resources Management Bureau
(406) 444-3626

VW:JM

DEPARTMENT OF ENVIRONMENTAL QUALITY
Permitting and Compliance Division
Air Resources Management Bureau
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FINAL ENVIRONMENTAL ASSESSMENT (EA)

Issued To: Knife River Corporation

Air Quality Permit number: 2699-02

Preliminary Determination Issued: October 31, 2008
Department Decision Issued: December 2, 2008
Permit Final: December 18, 2008

1. *Legal Description of Site*: Knife River owns and operates a portable drum-mix asphalt plant at various locations throughout Montana. The current location of the facility is Section 7, Township 1 South, Range 5 East in Gallatin County.

2. *Description of Project*: The current project would be to add a 900 horsepower generator to the permitted equipment and to change the name on the permit.

3. *Objectives of Project*: The purpose of this project is to have additional energy resources to operate the facility.

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 #2699-02.

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

The addition of the generator at the facility would result in a slight increase in emissions. However, at all locations the drum mix asphalt plant would typically operate within a previously disturbed area used for such purposes. Therefore, there would be a low likelihood of additional disturbance to any known terrestrial and aquatic life and habitats given any previous industrial disturbance in any given area of operation. It is unlikely that the proposed project would have significant impacts in a given area of operation.

B. Water Quality, Quantity, and Distribution

Water use would not increase because of the additional generator; therefore, no impacts on water quantity are expected. No impacts to ground water quality from pollutant infiltration are expected because of the proposed project. Storm water runoff from the facility would be subject to control and permitting under the Montana Pollutant Discharge Elimination System, as applicable. No impacts are expected to state water quality, quantity, and distribution.

C. Geology and Soil Quality, Stability, and Moisture

The proposed additional generator would have only minor impacts on soils at the drum mix asphalt plant 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 the project would 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

The proposed generator would be an addition to an established drum mix asphalt plant Because minimal, if any land disturbance would be included in this proposed action, potential impacts to vegetation cover, quantity, and quality would be minor due to potential deposition of relatively minor amounts of air pollutions emitted from the asphalt plant operations.

E. Aesthetics

The proposed addition of a generator would be visible and would create additional noise while in operation. However, Permit #2699-02 would include conditions to control emissions, including visible emissions, from the proposed equipment. Also, because the drum mix asphalt plant would be portable and would operate on an intermittent and seasonal basis and would typically locate within previously disturbed areas, any visual and noise impacts would be minor and short-lived.

F. Air Quality

The air quality impacts from the additional generator at the drum mix asphalt plant would be minor because Permit #2699-02 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 #2699-02 would limit total emissions from the proposed equipment, and any additional equipment owned and operated by Knife River, to 250 TPY or less at any given operating site, excluding fugitive emissions.

G. Unique Endangered, Fragile, or Limited Environmental Resources

Permit #2699-02 would regulate the additional generator along with the entire drum mix asphalt plant while located at various locations throughout the state. Most operations would take place within existing and previously disturbed industrial gravel pits thereby resulting in only minor impacts to the industrial area. In addition, operational conditions and limitations in Permit #2699-02 would be protective of these resources by limiting overall impacts to the surrounding environment. Because minimal land disturbance is proposed beyond that already permitted for the drum mix asphalt plant this proposed action, no potential impacts are likely to occur.

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

Due to the relatively small size of the facility and relatively low potential to emit regulated air pollutants, the additional generator would result in only minor demands on the environmental resources of water, air, and energy for normal operations. Energy requirements would be accommodated through the operation of the proposed diesel-fired generator and would be minor due to the relatively small amount of fuel required to operate the generator. In addition, the generator used at the drum mix asphalt plant would operate on an intermittent and seasonal basis thereby minimizing energy demands. Further, impacts to air resources from the new generator would be minor because the source would remain small by industrial standards, would operate on an intermittent and seasonal basis, and would generate relatively minor amounts of regulated pollutants through normal operations.

I. Historical and Archaeological Sites

No historical or archaeological sites were identified during MEPA analysis for permitting of the generator or during research conducted for this analysis. Minimal ground disturbance is proposed for this action; therefore, it is unlikely that the proposed addition of the generator would impact any historical or archaeological sites.

If, during operations, resources were to be discovered, activities would be halted, or possibly temporarily moved, to another area until the Montana Historical Society - State Historic Preservation Office (SHPO) was contacted and the importance of the site determined.

J. Cumulative and Secondary Impacts

The proposed permit action would cause minor cumulative and secondary impacts to the physical and biological aspects of the human environment of a given proposed area of operation because the proposed generator would generate emissions of regulated air pollutants and noise would be generated from equipment operations. Emissions and noise would cause minor disturbance to a given area because the equipment is relatively small by industrial standards and the facility would be expected to operate in areas designated and typically used for such operations. Additionally, this facility, in combination with the other emissions from equipment operations at the operational site, would not be permitted to exceed 250 TPY of non-fugitive emissions.

Overall, any cumulative or secondary impacts to the above-cited physical and biological resource of the human environment of any given project area would be minor because the proposed generator and associated drum mix asphalt plant would typically operate within areas designated for such operations. Therefore, the overall industrial nature of the area would not change as a result of the proposed project and any associated impacts would be minor.

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 additional generator would cause no disruption to the social structures and mores in the area because the source would be a minor industrial source of emissions, would be operating at an already established drum mix asphalt plant, would be separated from the general population, and would only have temporary and intermittent operations. Additionally, the equipment would be required to operate according to the conditions placed in Permit #2699-02. Thus, no impacts upon social structures or mores are expected to result.

B. Cultural Uniqueness and Diversity

The generator operation would cause no disruption to the above-cited economic and social resources or cultural uniqueness and diversity of the human environment in any given area of operation because the source would be a minor industrial source of emissions, would typically operate in an existing industrial site used for such purposes, and would operate on a temporary basis. 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 generator would have little, if any, impact on the local and state tax base and tax revenue because the generator would be operated at an established drum mix asphalt plant and would be a minor industrial source and would conduct only seasonal and intermittent operations. The addition of the generator would not require the use of additional employees. Thus only minor impacts to the local and state tax base and revenue could be expected from the employees and facility production. Furthermore, the impacts to local tax base and revenue would be minor because the source would be portable and money generated for taxes would be widespread.

D. Agricultural or Industrial Production

Minor impacts to agricultural or industrial production are expected as the proposed action is for a generator to be operated at an established drum mix asphalt plant. However, the proposed operation remains relatively small by industrial standards. Overall, potential impacts to agricultural and industrial production are expected to be minor.

E. Human Health

Permit #2699-02 would include limits and conditions to ensure that the operation of the generator would comply with all applicable air quality rules and standards. These rules and standards are designed to be protective of human health. The air emissions from this generator would be minimized by the use of water spray and other process limits. Therefore, only minor impacts would be expected on human health from the proposed asphalt plant facility.

F. Access to and Quality of Recreational and Wilderness Activities

Noise from the facility would be minor because the generator would be small by industrial standards and would operate at an established drum mix asphalt plant. As a result, the amount of noise generated from the generator would be minimal for the area. Therefore, any impacts to the quality of recreational and wilderness activities created by the proposed project would be expected to be minor and short-lived.

G. Quantity and Distribution of Employment

The additional generator operation would occur at an existing drum mix asphalt plant and would have no impacts upon the quantity and distribution of employment in this area of operation. Knife River would not hire new employees for the project. Therefore, no effects upon the quantity and distribution of employment in this area would be expected.

H. Distribution of Population

The proposed generator would not require additional employees to operate thereby resulting in no permanent immigration into or emigration out of a given area. Therefore, the proposed project would not impact the above-cited economic and social resources of the human environment at the initially proposed or any other given operating site.

I. Demands for Government Services

No increases would be seen in traffic on existing roadways in the area because of the additional generator. In addition, government services would be required for acquiring the appropriate permits for the proposed project and to verify compliance with the permits that would be issued. Overall, any demands for government services would be minor.

J. Industrial and Commercial Activity

The generator would not represent an increase in the industrial activity because it would be operated at an existing drum mix asphalt plant. No additional industrial or commercial activity would be expected as a result of the proposed operation.

K. Locally Adopted Environmental Plans and Goals

Permit #2699-02 would contain limits for protecting air quality and to keep facility emissions in compliance with any applicable ambient air quality standards, as a locally adopted environmental plan or goal for operating at this proposed site. Because the generator would be operated at a small and portable source, and would have intermittent and seasonal operations, any impacts from the facility would be minor and short-lived. Therefore, the overall industrial nature of the area would not change as a result of the proposed project and any associated impacts would be minor.

L. Cumulative and Secondary Impacts

The generator operations would cause minor cumulative and secondary impacts to the social and economic aspects of the human environment in the immediate areas of operation because the generator would be operated at a portable and temporary source. No increases in traffic would be expected as a result of the proposed project.

Recommendation: An Environmental Impact Statement (EIS) is not required. Permit #2699-02 includes conditions and limitations to ensure the facility will operate in compliance with all applicable air quality rules and regulations. In addition, all impacts associated with the proposed action are expected to be insignificant or minor.

If an EIS is not required, explain why the EA is an appropriate level of analysis: All potential effects resulting from construction and operation of the proposed facility are minor; therefore, an EIS is not required.

Other groups or agencies contacted or which may have overlapping jurisdiction: Department of Environmental Quality – Industrial and Energy Minerals Bureau (Permit #FSC-089), Montana Historical Society – State Historic Preservation Office, Natural Resource Information System – Montana Heritage Program.

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

EA prepared by: Julie Merkel
Date: 10/03/08