Montana Department of
ENVIRONMENTAL QUALITY
Brian Schweitzer, Governor
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July 28, 2009

Dicki Gregg
Western Energy Company
138 Rosebud Lane
P.O. Box 99
Colstrip, MT 59323

Dear Ms. Gregg:

The Department of Environmental Quality (Department) has made its decision on the Montana Air Quality Permit application for a portable crushing facility. The application was given permit number 4436-00. The Department's decision may be appealed to the Board of Environmental Review (Board). A request for hearing must be filed by August 12, 2009. This permit shall become final on August 13, 2009, unless the Board orders a stay on the permit.

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 before the final date stated above. 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, Montana 59620.

Conditions: See attached.

For the Department,

Vickie Walsh
Air Permitting Program Supervisor
Air Resources Management Bureau
(406) 444-9741

Skye Hatten, P.E.
Environmental Engineer
Air Resources Management Bureau
(406) 444-5287

VW:sh
Enclosure

DEPARTMENT OF ENVIRONMENTAL QUALITY
Permitting and Compliance Division
Air Resources Management Bureau
P.O. Box 200901, Helena, MT 59620
(406) 444-3490

FINAL ENVIRONMENTAL ASSESSMENT (EA)

Issued To: Western Energy Company
138 Rosebud Lane
P.O. Box 99
Colstrip, MT 59323

Montana Air Quality Permit number: 4436-00

Preliminary Determination Issued: 07/10/2009
Department Decision Issued: 07/28/2009
Permit Final:

1. *Legal Description of Site*: Western proposes to operate a portable crushing facility, which will initially be located in the East ½ of Section 33, Township 2 North, Range 40 East, Rosebud County, Montana. However, MAQP #4436-00 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 kilometers (km) of certain PM_{10} nonattainment areas. *A Missoula County air quality permit will be required for locations within Missoula County, Montana*. An addendum will be required for locations in or within 10 km of certain PM_{10} nonattainment areas.

2. *Description of Project*: The Department received a permit application from Western for the operation of a portable crushing facility with a maximum rated design process rate of 650 TPH. Western proposes to utilize a portable electrical generator powered by diesel engine to supply electricity to the plant. The proposed diesel engine/generator will have a minimum design capacity of 600 hp and a maximum design capacity of up to 947 hp. Western requested that this permit be written in a de minimis friendly manner.

3. *Objectives of Project*: Western proposes to use this crushing facility to produce 2” minus road material for use on mine roads. The issuance of MAQP #4436-00 would allow Western to operate the permitted equipment at various locations throughout Montana, including the proposed initial site location.

4. *Alternatives Considered*: In addition to the proposed action, the Department considered the "no-action" alternative. The "no-action" alternative would deny issuance of the MAQP to the proposed facility. However, the Department does not consider the "no-action" alternative to be appropriate because Western 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 listing of the enforceable permit conditions and a permit analysis, including a BACT analysis, would be contained in MAQP #4436-00.

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 the permit conditions would be reasonably necessary to ensure compliance with applicable requirements and to demonstrate compliance with those requirements and would 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

This permitting action would have a minor effect on terrestrial and aquatic life and habitats, as the proposed project would affect an existing, industrial property that has already been disturbed. Furthermore, the air emissions would have only minor effects on terrestrial and aquatic life because facility emissions would be well dispersed in the area of the operations (see Section 7.F of this EA) and would have intermittent and seasonal operations. Therefore, only minor and temporary effects to terrestrial and aquatic life and habitat would be expected from the proposed project.

B. Water Quality, Quantity, and Distribution

Water would be required for dust suppression on the surrounding roadways and general facility area. This water use would only cause minor, if any, impacts to water resources because the facility is small and only a small volume of water would be required to be used. In addition, the facility would emit air pollutants, and corresponding deposition of pollutants would occur, as described in Section 7.F. of this EA. However, the Department determined that, due to dispersion characteristics of pollutants and conditions that would be placed in MAQP #4436-00, any impacts from deposition of pollutants on water quality, quantity, and distribution would be minor.

C. Geology and Soil Quality, Stability, and Moisture

Only minor impacts from deposition of air pollutants on soils would result (as described in Section 7.F of this EA) and only minor amounts of water would be used for pollution control, and would be used, only as necessary, in controlling particulate emissions. Thus, only minimal water runoff would occur. Since only minor amounts of pollution would be generated and corresponding emissions would be widely dispersed before settling upon surrounding soils and vegetation (as described in Section 7.D of this EA), impacts would be minor. Therefore, any effects upon geology and soil quality, stability, and moisture from air pollutant emissions from equipment operations would be minor and short-lived.

D. Vegetation Cover, Quantity, and Quality

Only minor impacts would occur on vegetative cover, quality, and quantity because the facility would operate in an area where vegetation has been previously disturbed. During operations, the facility would be a relatively minor source of emissions and the pollutants would be greatly dispersed (as described in Section 7.F of this EA); therefore, deposition on vegetation from the proposed project would be minor. Also, because the water usage would be minimal (as described in Section 7.B of this EA) and the associated soil disturbance from the application of water and water runoff would be minimal (as described in Section 7.C of this EA), corresponding vegetative impacts would be minor.

E. Aesthetics

The crushing facility would be visible and would create noise while operating at the proposed site. However, the project site is located approximately 3 miles from the nearest residence, and MAQP #4436-00 would include conditions to control emissions from the operation. The facility would be portable, would operate on an intermittent and seasonal basis, and would be a small industrial source. Therefore, any visual aesthetic impacts would be short-lived and minor.

F. Air Quality

Air quality impacts from the proposed project would be minor because the facility would be relatively small and operate on an intermittent and temporary basis. MAQP #4436-00 would include conditions limiting the facility's opacity; require water and water spray bars be available on site and used to ensure compliance with opacity standards; and limit the facility's crushing production.

Further, the Department determined that this crushing facility would be a minor source of emissions as defined under the Title V Operating Permit Program because the source's potential to emit is limited to below the major source threshold level of 100 TPY for any regulated pollutant. Pollutant deposition from the facility would be minimal because the pollutants emitted would be widely dispersed (from factors such as wind speed and wind direction) and would have minimal deposition on the surrounding area. Therefore, air quality impacts from operating the crushing facility in this area would be minor.

G. Unique Endangered, Fragile, or Limited Environmental Resources

The Department, in an effort to assess any potential impacts to any unique endangered, fragile, or limited environmental resources in the initial proposed area of operation (East ½ of Section 33, Township 2 North, Range 40 East, Rosebud County, Montana), contacted the Natural Resource Information System – Montana Natural Heritage Program. Search results concluded there are five species of concern within the area. The search area, in this case, is defined by the section, township, and range of the proposed site, with an additional 1-mile buffer. The known species of concern include five vertebrate animals: the Burrowing Owl (Sensitive), Pallid Bat (Sensitive), Greater Short-horned Lizard (Sensitive), Common Sagebrush Lizard, and Western Hog-nosed Snake (Sensitive).

While these species may be found within the search area, these animals may have many miles of potential habitat. Specific effects of operating the crushing facility in this area would be minor since the facility is relatively small in size, and would have only seasonal and intermittent operations in the area. Therefore, the Department determined that any effects upon these species would be minor and short-lived.

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

Due to the relatively small size of the project, only small demands on environmental resources would be required for proper operation. Only small quantities of water would be required for dust suppression of particulate emissions being generated at the site. In addition, impacts to air resources would be minor because the source is a minor industrial source of emissions, with intermittent and seasonal operations, and because air pollutants generated by the facility would be widely dispersed as described in Section 7.F of this EA. Energy requirements would also be small, as the diesel engines would use small amounts of fuel. Overall, any impacts to water, air, and energy resources would be minor.

I. Historical and Archaeological Sites

The Department contacted the Montana Historical Society - State Historical Preservation Office (SHPO) in an effort to identify any historical and/or archaeological sites that may be present in the proposed initial location of the facility. Search results concluded that there is one previously recorded site within the E ½ of Section 33. Site 24RB0549 is a large lithic scatter which covers a large portion of Section 33. In addition to the site, there have been a few previously conducted cultural resource inventories done in the area. SHPO has recommended that any impacts to this site be avoided. This site is eligible for listing on the National Register of Historic Places. SHPO has requested that they be contacted with information on any proposed ground disturbing activities, specifically within the S ½ of Section 33.

Based on information received from the applicant, the proposed project sites have been previously disturbed in accordance with current mining permits held by the applicant.

J. Cumulative and Secondary Impacts

The operation of the crushing facility would cause minor cumulative and secondary impacts to the physical and biological aspects of the human environment because the facility would be limited in the amount of PM, PM_{10}, oxides of NO_x, CO, Volatile Organic Compounds (VOC), and oxides of Sulfur (SO_x) emissions to be generated. Emissions and noise generated from the equipment would, at most, result in only minor impacts to the area of operations because the operation of the crushing facility would be seasonal and temporary. The proposed project would be short-term in nature, and have minor cumulative effects upon resources within the area. These resources include water, terrestrial and aquatic life, soils, and vegetation. Overall, cumulative and secondary impacts to the physical and biological aspects of the human environment 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 operation of the crushing facility would cause no disruption to the social structures and mores in the area because the source would be a minor industrial source of emissions and would only have temporary and intermittent operations. Further, the facility would be required to operate according to the conditions that would be placed in MAQP #4436-00, which would limit the effects to social structures and mores.

B. Cultural Uniqueness and Diversity

The cultural uniqueness and diversity of this area would not be impacted by the operation of the proposed crushing facility because the facility is a portable source, with seasonal and intermittent operations.

C. Local and State Tax Base and Tax Revenue

The operation of the crushing facility would have little, if any, impact on the local and state tax base and tax revenue because the facility would be a minor industrial source of emissions and would have seasonal and intermittent operations. Western currently utilizes approximately 400 employees at the Rosebud Mine. There would be no change in employment as a result of this project. Therefore, no impacts to the local and state tax base and revenue would be expected from the employees and facility production.

D. Agricultural or Industrial Production

The operation of the crushing facility would have only a minor impact on local industrial production since the facility would be a minor source of air emissions. Because minimal deposition of air pollutants would occur on the surrounding land (as described in Section 7.F

of this EA), only minor and temporary effects on the surrounding vegetation (i.e. agricultural production) would occur. In addition, the facility operations would be small and temporary in nature and would be permitted with operational conditions and limitations that would minimize impacts upon surrounding vegetation, as described in Section 7.D of this EA.

E. Human Health

MAQP #4436-00 would incorporate conditions to ensure that the crushing facility would be operated in compliance with all applicable air quality rules and standards. These rules and standards are designed to be protective of human health. As described in Section 7.F. of this EA, the air emissions from this facility would be minimized by the use of water spray and other operational limits that would be required by MAQP #4436-00. Also, the facility would be operating on a temporary basis and pollutants would disperse from the ventilation of emissions at this site (see Section 7.F of this EA). Therefore, only minor impacts would be expected on human health from the proposed project.

F. Access to and Quality of Recreational and Wilderness Activities

Based on information received from Western, no recreational activities or wilderness areas are near the proposed project site. Therefore, no impacts to the access to and quality of recreational and wilderness activities are anticipated.

G. Quantity and Distribution of Employment

No impacts are anticipated on the quantity and distribution of employment as no new employees would be necessary as a result of this project.

H. Distribution of Population

The proposed crushing facility would be a portable industrial facility that would only require employees currently employed by Western to operate. No individuals would be expected to permanently relocate to the area as a result of operating the facility. Therefore, the crushing facility would not impact the normal population distribution in the initial area of operation or any future operating site.

I. Demands of Government Services

Minor increases may be seen in traffic on existing roadways in the area while the crushing facility is being operated. 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. However, demands for government services would be minor.

J. Industrial and Commercial Activity

The operation of the crushing facility would represent only a minor increase in the industrial activity in the proposed area of operation because the source would be a relatively small industrial source that would be portable and temporary in nature. No additional industrial or commercial activity would be expected as a result of the proposed operation.

K. Locally Adopted Environmental Plans and Goals

Western would be allowed, by MAQP #4436-00, to operate in areas designated by EPA as attainment or unclassified for ambient air quality. An Addendum would be required to operate in or within 10 km of a PM_{10} nonattainment area. MAQP #4436-00 would contain operational restrictions 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 proposed crushing facility would be a portable source and would have intermittent and seasonal operations, any impacts from the project would be minor and short-lived.

L. Cumulative and Secondary Impacts

The operation of the crushing facility would cause only minor cumulative and secondary impacts to the social and economic aspects of the human environment in the immediate area of operation because the source would be a portable and temporary source. Minor increases in traffic would have minor effects on local traffic in the immediate area. Because the source is relatively small and temporary, only minor economic impacts to the local economy would be expected from operating the facility. Further, this facility may be operated in conjunction with other equipment owned and operated by Western, but any cumulative impacts upon the social and economic aspects of the human environment would be minor and short-lived. Thus, only minor and temporary cumulative effects would result to the local economy.

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 operation of a portable crushing facility with a maximum rated design process rate of 650 TPH. MAQP #4436-00 would include conditions and limitations to ensure the facility would 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

Prepared By: Skye Hatten
Date: June 22, 2009