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

August 31, 2012

Mr. Clarence Davis
HK Contractors, Inc.
P.O. Box 51450
Idaho Falls, Idaho 83405

Dear Mr. Davis:

The Department of Environmental Quality (Department) has made its decision on the Montana Air Quality Permit application for HK Contractors, Inc. The application was given permit number 3091-01. The Department's decision may be appealed to the Board of Environmental Review (Board). A request for hearing must be filed by September 17, 2012. This permit shall become final on September 18, 2012, 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,

Charles Homer
Manager, Air Permitting, Compliance and Registration
Air Resources Management Bureau
(406) 444-5279

Craig Henrikson, P.E.
Environmental Engineer
Air Resources Management Bureau
(406) 444-6711

CH:CPH
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*:* ***HK Contractors, Inc.***
PO Box 51450
Idaho Falls, ID 83405

Air Quality Permit Number: ***3091-01***

Preliminary Determination Issued: ***07/31/2012***
Department Decision Issued: ***08/31/2012***
Permit Final:

1. *Legal Description of Site*: HK submitted an application to operate a portable crushing and screening operation powered by a number of diesel-powered generators. Permit #3091-01 would apply while operating at any location in Montana, except within those areas having a Department-approved permitting program, those areas considered to be tribal lands, or those areas in or within 10 km of certain PM_{10} nonattainment areas. An addendum to this air quality permit would be required if HK intends to locate in or within 10 km of certain PM_{10} nonattainment areas. *A Missoula County air quality permit would be required for locations within Missoula County, Montana*.

2. *Description of Project*: The permit application is for the operation of a portable crushing and screening operation with total engine horsepower up to 2810 hp provided by up to three different generators. The diesel powered generators would be used to provide power to HK equipment (i.e. screens, crushers, conveyors, etc.).

3. *Objectives of Project*: The diesel-powered generators would be used to provide power to HK equipment (i.e. screens, crushers, etc.), with all equipment under this permit modification treated as de minimis.

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 permitting HK's equipment in a de minimis fashion should facilitate 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 Best Available Control Technology (BACT) analysis, is included in this permit action.

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

The operation of the portable crushing and screening facility would have only minor impacts upon the terrestrial and aquatic life and habitats in areas where the generator may operate. Although air pollutant deposition would occur in the areas where the equipment would operate, the size and temporary nature of the operation, dispersion characteristics of pollutants, and conditions placed in Permit #3091-01 would result in minor impacts. Therefore, the operation of the equipment would present only minor impacts to the terrestrial and aquatic life and habitats in areas of potential operation.

B. Water Quality, Quantity, and Distribution

Although there would be an increase in air emissions in the area where the portable crushing and screening facility would operate, there would only be minor impacts on water quality, quantity, and distribution because of the temporary nature, size, operational requirements, and conditions placed in Permit #3091-01 for the facility. Further, as described in Section 7.F. of this EA, the Department determined that any impacts from deposition of pollutants would be minor. In addition, any accidental spills or leaks from equipment would be required to be handled according to the appropriate environmental regulations in an effort to minimize any potential adverse impact on the immediate and surrounding area. Overall, the operation of the equipment would have minor impacts to water quality, quantity, and distribution in the area of operations.

C. Geology and Soil Quality, Stability, and Moisture

As a result of the operation of the portable crushing and screening facility, there would be minor impacts to the geology and soil quality, stability, and moisture near the equipment's operational area because of the increased vehicle traffic and deposition of pollutants from

portable crushing and screening operation. As explained in Section 7.F. of this EA, the facility's size, operational requirements, temporary nature of the operation, and conditions placed in Permit #3091-01 would minimize the impacts from deposition. In addition, the equipment would be operating on a temporary basis for the duration of the projects, which would also reduce the potential impact to the local geology and soil quality, stability, and moisture.

D. Vegetation Cover, Quantity, and Quality

The operation of the crushing and screening equipment would result in minor impacts to the vegetative cover, quantity, and quality, because small amounts of vegetation would likely be disturbed as a result of operating the portable crushing and screening facility. In addition, pollutant deposition would occur on the surrounding vegetation. However, as explained in Section 7.F. of this EA, the Department determined that, due to the temporary nature of the operation, conditions placed in Permit #3091-01, and dispersion characteristics of the emissions, any impacts from deposition would be minor. In addition, because the water usage would be minor (as described in Section 7.B. of this EA) and the associated soil disturbance would be minor (as described in Section 7.C. of this EA), corresponding vegetative impacts from water and soil disturbance would also be minor.

E. Aesthetics

The portable crushing and screening facility would be visible and would create noise in the areas where it would operate. Permit #3091-01 would include conditions to control emissions (including visible emissions) from the crushing and screening equipment and the surrounding work area. The generators would be moderately sized by industrial standards and temporary and would be used to power permitted portable equipment operated by HK. Therefore, any aesthetic impact to a given area would be minor and temporary.

F. Air Quality

Air quality impacts from the operation of the portable crushing and screening facility would be minor because emissions from the portable crushing and screening facility would be relatively small. Dispersion and deposition of pollutants would occur from the operation of the portable crushing and screening facility; however, the Department determined that any air quality impacts from the pollutants would be minor due to dispersion characteristics (from factors such as wind speed and wind direction) and conditions placed in Permit #3091-01.

Permit #3091-01 would include conditions limiting opacity from the portable crushing and screening facility and would require that reasonable precautions be taken to control emissions from haul roads, access roads, parking lots, or the general work area. In addition, the permit would also limit total emissions from the portable crushing and screening facility and any additional equipment operated at the same site to 250 tons per year or less. Further, because the portable crushing and screening facility is limited in hours of operation to keep the potential emissions to less than 100 tons per year for any pollutant generated, the Department determined that the portable crushing and screening facility is a minor source of emissions as defined under Title V.

G. Unique Endangered, Fragile, or Limited Environmental Resources

Normally in an effort to identify species of special concern that may be present in the proposed areas of operation, the Department contacts the Montana Natural Heritage Program (MNHP) for a review of species of special concern. However, for this permit action, no initial location

is known as HK is currently not operating within the State of Montana. Issuance of this permit would increase emissions to the atmosphere near any location proposed for the operation of the portable crushing and screening facility. However, as explained in Section 7.F. of this EA, because of the temporary nature of the portable crushing and screening facility, and likely operating in previously disturbed areas, and conditions placed in Permit #3091-01, any impacts to unique endangered, fragile, or limited environmental resources from the deposition of pollutants would be minor.

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

Water would be used on particulate emissions at equipment transfer points, haul roads, access roads, parking lots, or the general plant property, as necessary, to control dust resulting from indirect use of the portable crushing and screening facility. Also minor amounts of air would be used in portable crushing and screening facility operations and air quality would be impacted by pollutant emissions. The generators would consume energy from diesel fuel, a non-renewable resource. Generally, the operations are seasonal and would result in smaller demands on environmental resources. Therefore, any impacts on the demands of the environmental resources of water, air, and energy would be minor.

I. Historical and Archaeological Sites

According to past correspondence with the Montana State Historic Preservation Office (SHPO), there is low likelihood of disturbance to any known archaeological or historic site given that portable crushing and screening facilities typically set-up in industrial areas that often have been used previously. Therefore, it is unlikely that the project would affect any known historic or archaeological site and any impacts would be minor.

J. Cumulative and Secondary Impacts

The operation of the portable crushing and screening facility would cause minor effects to the physical and biological environment because other operations may potentially locate at the same site. However, any operations would have to apply for and receive the appropriate permits from the Department prior to operation. The permits would address the environmental impacts associated with the operations at the proposed sites.

The portable crushing and screening facility operations would be limited by Permit #3091-01 to total emissions of 250 tons/year or less from non-fugitive portable crushing and screening facility operations and any other additional equipment used at any given site.

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 portable crushing and screening facility would not likely alter or disrupt any local lifestyles or communities (social structures and mores) in the area of operation because equipment would operate intermittently, and only for the duration of specific projects. However, because the exact location of the next project site is unknown, the existing social structures and mores could be affected in a minor way as a result of this permitting action.

B. Cultural Uniqueness and Diversity

It would be unlikely that the operation of the portable crushing and screening equipment would have any impact on the cultural uniqueness and diversity because the equipment operations would be temporary and would likely take place in a previously disturbed industrial area. However, because the exact location of the next project site is unknown, the cultural uniqueness and diversity could be affected in a minor way as a result of this permitting action.

C. Local and State Tax Base and Tax Revenue

The proposed operation of the portable crushing and screening facility would have minor, if any affect on local and state tax base and tax revenue. The facility is a relatively small and temporary source; therefore, it would not remain at any individual site for any extended time period. No full time, permanent employees would likely be added as a result of issuing Permit #3091-01, and any revenue created by the operation of the portable crushing and screening facility would be widespread and for a relatively short time period.

D. Agricultural or Industrial Production

Under normal circumstances, the operation of the portable crushing and screening facility would take place in a previously disturbed industrial area. Therefore, the Department does not expect that the operation of the portable crushing and screening facility would affect or displace any agricultural land. Further, the portable crushing and screening facility operation is in one place only for the duration of each specific project and would have only a minor impact on any local industrial production.

E. Human Health

Permit #3091-01 would incorporate conditions to ensure that the portable crushing and screening facility would be operated in compliance with all applicable 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 Department determined that any impacts from deposition of pollutants would be minor due to dispersion characteristics and conditions placed in Permit #3091-01. The air emissions from this facility would be minimized by opacity limitations on the portable crushing and screening facility and the surrounding area of operation.

F. Access to and Quality of Recreational and Wilderness Activities

This plant likely would be located on previously disturbed property, or in a previously used industrial area and would not impact access to recreational and wilderness activities. However, minor impact on the quality of recreational activities is expected due to noise from crushers and screens and generators. Emissions from these generators would be minimized as a result of limitations placed in Permit #3091-01 and the temporary and portable nature of the operation.

G. Quantity and Distribution of Employment

Given the relatively small size and temporary nature of the operation, it is not expected that the activities from the operation of the portable crushing and screening facility would significantly affect the quantity and distribution of employment in any given area. Minor increases in an area's employment could result as a result of issuing Permit #3091-01.

H. Distribution of Population

Given the relatively small size and temporary nature of the operation, it is not expected that the activities from the portable crushing and screening facility would disrupt the normal population distribution of any given area. No secondary activities are expected to move to any area as a result of the current project.

I. Demands of Government Services

Government services would be required for acquiring the appropriate permits and ensuring compliance with the permits that are issued; however, the government services required would be minor.

J. Industrial and Commercial Activity

The operation of the portable crushing and screening facility would represent only a minor increase in the industrial activity in any given area. No additional industrial or commercial activity would result from the operation of the portable crushing and screening facility because no secondary activities are expected to move to any area as a result of the current project.

K. Locally Adopted Environmental Plans and Goals

The Department is unaware of any locally adopted environmental plans or goals at any given site that the portable crushing and screening facility may be operated at under Permit #3091-01. The conditions identified in Permit #3091-01 would apply to operation of the portable crushing and screening facility at the proposed sites.

L. Cumulative and Secondary Impacts

Overall, the cumulative and secondary social and economic impacts from this project would be minor because the portable crushing and screening facility would likely locate at previously disturbed areas. New businesses would not be drawn to the area and permanent jobs would not be created or lost due to the operation of the portable crushing and screening facility. Because no new employees would be hired due to the operation of the portable crushing and screening facility, there would be no economic impacts from new employees. In addition, any social and economic impacts that are created would be minor and short-lived because of the relatively small size and temporary nature of the operation.

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

If an EIS is not required, explain why the EA is an appropriate level of analysis: Because this portable crushing and screening facility is a temporary source and must use reasonable precautions to control emissions, any impacts created would be minor impacts.

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.*

EA Prepared by: Craig Henrikson
Date: July 7, 2012