



Montana Department of  
**E**NVIRONMENTAL **Q**UALITY

Brian Schweitzer, Governor

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September 17, 2012

Ms. Beth Pierson  
Gavilon Grain, LLC  
Eleven Con-Agra Drive  
Omaha, NE 68102

Dear Ms. Pierson:

Montana Air Quality Permit #4752-00 is deemed final as of September 15, 2012, by the Department of Environmental Quality (Department). This permit is for a Truck and Rail Grain Elevator. 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,

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:CH  
Enclosure

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

*Issued To:* Gavilon Grain, LLC  
3815 1<sup>ST</sup> Avenue South,  
Billings, MT 59101

*MAQP Number:* #4752-00

*Preliminary Determination Issued:* 08/14/2012

*Department Decision Issued:* 08/30/2012

*Permit Final:* 09/15/2012

1. *Legal Description of Site:* Gavilon's grain handling facility under the subject permit is operating in Billings, MT, and is just south of the Burlington Northern Santa Fe (BNSF) Railroad tracks. The legal description of the facility is the SE ¼ of Section 4, Township 1 South, Range 28 East, Yellowstone County, Montana.
2. *Description of Project:* Gavilon is proposing to permit and operate a truck and rail grain handling elevator and grain storage facility. The facility has a grain storage capacity of approximately 1,530,000 bushels of permanent storage and approximately 24,000 bu/hr receiving and 70,000 bu/hr loadout. A complete list of the permitted equipment is included in Section I.A of the permit analysis.
3. *Objectives of Project:* Permit an existing source that has undergone capacity increases over the last decade which based on most recent throughput history is in excess of the permitting threshold. The facility was previously not permitted but under a request by Gavilon was determined by the Department to be in need of an MAQP based on the most recent facility expansion and current facility throughput. The facility receives, stores, and ships grain for the area farms. The facility will continue to provide area producers and local country grain elevators with a regional site for high speed loading of locally produced grains.
4. *Alternatives Considered:* In addition to the proposed action, the Department also considered the "no action" alternative. The "no action" alternative would deny the issuance of the MAQP to the proposed facility. However, the Department does not consider the "no action" alternative to be appropriate because Gavilon 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 MAQP #4752-00.
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.*

Potential Physical and Biological Effects							
		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 Resource				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

As the facility is existing, no changes from any current effects are expected. Conditions requiring control mechanisms have been placed within MAQP #4752-00 to ensure that only minor air quality impacts would occur. Additionally, limitations established within MAQP #4752-00 would minimize air pollution. Overall, any adverse impact on terrestrial and aquatic life and habitats is anticipated to be minor.

B. Water Quality, Quantity, and Distribution

This permitting action would have little or no affect on the water quality, water quantity, and distribution, as there would be no discharge to groundwater or surface water associated with the completed project. Water and sewer services are available, therefore eliminating the need for additional surface or groundwater use. Minor pollutant deposition on surface waters near the project area may occur. Therefore, the project would have minor, if any, impacts to water quality, quantity or distribution in the area.

C. Geology and Soil Quality, Stability, and Moisture

This permitting action would have little or no affect on geology and soil properties as the facility is already existing. PM, PM<sub>10</sub>, and PM<sub>2.5</sub> emissions from this permitting action would have no little or no affect on the soil quality; however, the air quality permit associated with this project would contain limitations and conditions to minimize the effect of the emissions on the surrounding environment. The Department determined that any impacts from deposition would be minor due to dispersion characteristics of pollutants, the atmosphere, and conditions that would be placed in MAQP #4752-00.

D. Vegetation Cover, Quantity, and Quality

This permitting action would have no new impacts on the surrounding vegetation because the facility is existing. The existing surrounding land is currently commercial and industrial in nature with little or no vegetation present. The PM, PM<sub>10</sub>, and PM<sub>2.5</sub> emissions from this project would have no affect on the surrounding vegetation; however, the air quality permit associated with this project would contain limitations to minimize the effect of the emissions on the surrounding area. Overall, this project would have no affect on the vegetation cover, quantity and quality.

E. Aesthetics

Continued operation of the truck and rail grain elevator would have minor impacts on the surrounding property from both the visual perspective, as well as noise pollution. The facility operates within an area that is predominately of commercial and industrial use. The Department determined no impacts in the aesthetic value of the site would be experienced with continued operation.

F. Air Quality

The air quality of the area would realize minor impacts from the existing facility because the facility would continue to emit the following air pollutants: PM, PM<sub>10</sub>, and PM<sub>2.5</sub>. These emissions would be minimized by limitations and conditions that would be included in MAQP #4752-00. While deposition of pollutants would occur as a result of operating the facility, the Department determined that the impacts from deposition of pollutants would be minor due to dispersion characteristics of pollutants, the atmosphere (wind speed, wind direction, ambient temperature, etc.), and conditions that would be placed in MAQP #4752-00. The air concentration of pollutants would be relatively small, and the corresponding deposition of those air pollutants would be minor.

G. Unique Endangered, Fragile, or Limited Environmental Resources

In an effort to identify any unique endangered, fragile, or limited environmental resources in the area, the Department contacted the Montana Natural Heritage Program, Natural Resource Information System (NRIS). In this case, the area was defined by the section, township, and range of the proposed location with an additional 1-mile buffer zone. Search results identified two (2) species of concern; The Spiny Softshell and the Common Sagebrush Lizard. Because the facility is existing and within a commercial/industrial area, the Department has determined that there is not likely any disturbance to unique, endangered, fragile, or limited environmental resources in the area.

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

The proposed project would have minor impacts on the demands for the environmental resources of air and water because the facility would continue to be a source of air pollutants. Deposition of pollutants would occur as a result of operating the facility; however, as explained in Section 7.F of this EA, the Department determined that any impacts on air and water resources from the pollutants (including deposition) would be minor. The Department determined that controlled emissions from the source would not cause or contribute to a violation of any ambient air quality standard. Therefore, any impacts to air quality from the proposed facility would be minor.

The proposed project would be expected to have no new impacts on the demand for the environmental resource of energy because the site is already existing. The impact on the demand for the environmental resource of energy would be minor because the facility is relatively small by industrial standards. Overall, the impacts for the demands on the environmental resources of water, air, and energy would be minor.

I. Historical and Archaeological Sites

In an effort to identify any historical and archaeological sites located near the present facility area, the Department contacted the Montana Historical Society, State Historic Preservation Office (SHPO). According to SHPO records, there are no previously recorded sites within the designated search area. Also because this permitting action does not provide facility expansion, no cultural properties would be impacted by this project. Therefore, the Department determined that there is no likelihood of the project impacting any historical and archaeological sites in the area.

J. Cumulative and Secondary Impacts

The current facility would cause minor effects on the physical and biological aspects of the human environment because the continued operation would create emissions of PM, PM<sub>10</sub>, and PM<sub>2.5</sub> in the area. However, conditions have been placed in MAQP #4752-00 to ensure that only minor air quality impacts would occur. Limitations would be established in the permit to minimize air pollution. Overall, any impacts to the physical and biological environment would be minor.

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

Potential Social and Economic Effects							
		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 SOCIAL AND ECONOMIC EFFECTS: The following comments have been prepared by the Department.

A. Social Structures and Mores

The proposed project would not cause disruption to any native or traditional lifestyles or communities (social structures or mores) in the area because the facility is existing in a commercial/industrial area. This permitting action would not change the predominant use of the surrounding area and the facility is not undergoing an expansion under this permitting action.

B. Cultural Uniqueness and Diversity

No impacts to the cultural uniqueness and diversity of the area would be anticipated as the facility location is in a commercial/industrial area. Operation of the truck and rail grain elevator would continue to employ the same number of employees, and therefore does not change the present cultural or diversity of the area. In addition, because the permitting action does not provide for facility expansion, the cultural uniqueness and diversity of the area would not likely be affected.

C. Local and State Tax Base and Tax Revenue

This permitting action does not change the local and state tax base and tax revenue. Therefore, no impacts to the local and state tax base and tax revenue would occur.

D. Agricultural or Industrial Production

The land at the current location is currently commercial/industrial. This permitting action would have no impact on agricultural production at the site but the permitting action does allow area farmers to access a local facility to receive, store, and ship their grain products. The proposed project would result in no impacts to industrial production at the site

E. Human Health

The continued operation at the facility would result in minor, if any, impacts to human health. As explained in Section 7.F of this EA, deposition of pollutants would continue to occur; however, the Department determined that the proposed project would comply with all applicable air quality rules, regulations, and standards. These rules, regulations, and standards are designed to be protective of human health. Overall any impacts to public health would be minor.

F. Access to and Quality of Recreational and Wilderness Activities

The continued operation at the site is within an area currently utilized for commercial/industrial use. No impacts to access and quality of recreational and wilderness activities in the project area are anticipated.

G. Quantity and Distribution of Employment

The continued operation at the site would have no impacts on the quantity and distribution of employment as the facility is existing and additional employees are not expected to be added under this permitting action.

H. Distribution of Population

This permitting action would have no impacts on the employment and population of the area as the facility is existing and no facility expansion is occurring under this action.

I. Demands of Government Services

There would be minor impacts on the demands for government services because additional time would be required by government agencies to issue MAQP #4752-00 and, in the future, to assure compliance with applicable rules, standards, and conditions that would be contained in MAQP #4752-00. Overall, any demands for government services to regulate the facility or activities associated with the facility would be minor due to the relatively small size of the facility.

J. Industrial and Commercial Activity

No new impacts would be expected on local industrial and commercial activity because this permitting action allows the continued operation of the existing facility.

K. Locally Adopted Environmental Plans and Goals

The Department is not aware of any locally adopted environmental plans and goals affected by issuing MAQP #4752-00. This permit would contain limits for protecting air quality and keeping facility emissions in compliance with any applicable ambient air quality standards. Because the facility is existing, any impacts from the facility would be minor.

L. Cumulative and Secondary Impacts

Overall, cumulative and secondary impacts from this project would result in minor impacts to the economic and social aspects of the human environment in the immediate area. Due to the facility already existing, the industrial production, employment, and tax revenue (etc.) impacts resulting from the proposed project should not change from the current level. In addition, the Department believes that this facility could be expected to operate in compliance with all applicable rules and regulations as would be outlined in MAQP #4752-00.

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 continued operation of a truck and rail grain handling facility. MAQP #4752-00 would include conditions and limitations to ensure the facility would operate in compliance with all applicable air quality rules and regulations. In addition, there are no major or unknown effects associated with this proposal.

Other groups or agencies contacted or which may have overlapping jurisdiction: Montana Natural Heritage Program and the Montana Historical Society.

Individuals or groups contributing to this EA: Montana Department of Environmental Quality, Montana Natural Heritage Program, Montana Historical Society.

EA prepared by: C. Henrikson

Date: July 31, 2012