Montana Department of
ENVIRONMENTAL QUALITY

Steve Bullock, Governor
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PRELIMINARY DETERMINATION
ON PERMIT APPLICATION

Date of Mailing: January 18, 2013

Name of Applicant: United Grain Corporation

Source: Grain Elevator

Proposed Action: The Department of Environmental Quality (Department) proposes to issue a permit, with conditions, to the above-named applicant. The application was assigned Montana Air Quality Permit Application Number 4844-00.

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 February 4, 2013. 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,

Julie A Merkel

Julie Merkel
Air Permitting Program Supervisor
Air Resources Management Bureau
(406) 444-3626

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JM:DCK
Enclosure

MONTANA DEPARTMENT OF ENVIRONMENTAL QUALITY
Permitting and Compliance Division
Air Resources Management Bureau
1520 East Sixth Avenue
P.O. Box 200901
Helena, Montana 59620-0901
(406) 444-3490

DRAFT ENVIRONMENTAL ASSESSMENT (EA)

Issued To: United Grain Corporation
P.O. Box 947
Conrad, MT 59452

Montana Air Quality Permit (MAQP) Number: #4844-00
Preliminary Determination Issued: 01/18/2013
Department Decision Issued:
Permit Final:

1. *Legal Description of Site:* UGC's grain handling facility under the subject permit is proposed to be located approximately 2 miles southwest of Conrad, Montana. The legal description of the facility is the Southwest ¼ of the Northeast ¼ of Section 34, Township 28 North, Range 3 West in Pondera County.

2. *Description of Project:* UGC is proposing to install and operate a truck to rail grain handling elevator and storage facility with a grain storage capacity of approximately 1,000,000 bushels. A complete list of the permitted equipment is included in Section I.A of the permit analysis

3. *Objectives of Project:* Increased business and revenue. The proposed facility would receive, store, and ship grain for the area farms. The proposed facility would provide area producers and local county 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 UGC 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 #4844-00.

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

The proposed project would result in increases in PM, PM_{10}, and $PM_{2.5}$ emissions. Conditions requiring control mechanisms have been placed within MAQP #4844-00 to ensure that only minor air quality impacts would occur. Additionally, limitations established within MAQP #4844-00 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 effect on the water quality, water quantity, and distribution, as there would be no discharge to groundwater or surface water associated with the completed project. For the temporary construction process, a construction storm water permits would be obtained. A construction storm water permit requires the use of best management practices to protect water quality. Additionally, water may be applied to control fugitive dust associated with unpaved roadways. 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 a minor effect on geology and soil properties with land disturbances associated with construction of the facility. Approximately 42 acres would be disturbed. PM, PM_{10}, and $PM_{2.5}$ emissions from this project may have a minor effect 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 #4844-00.

D. Vegetation Cover, Quantity, and Quality

The proposed project would have minor impacts on the surrounding vegetation because of construction of the facility. The existing surrounding land is currently agricultural in nature. The PM, PM_{10}, and $PM_{2.5}$ emissions from this project may have a minor effect 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 environment. Overall, this project would have minor effects on the vegetation cover, quantity and quality.

E. Aesthetics

Construction of the truck to rail grain elevator would have minor impacts on the surrounding property from both the visual perspective, as well as noise pollution. The facility is proposed to be constructed within an area that is predominately of agricultural or undeveloped land use. The Department determined minor changes in the aesthetic value of the site would be experienced as the land use would be altered.

F. Air Quality

The air quality of the area would realize minor impacts from the proposed project because the facility would emit the following air pollutants: PM, PM_{10}, and $PM_{2.5}$. These emissions would be minimized by limitations and conditions that would be included in MAQP #4844-00. 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 #4844-00. 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 no animal species of concern within the search radius. Because minor emissions and disturbance of the property and surroundings are anticipated, the Department has determined that there will be a minor disturbance to unidentified 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 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 minor impacts on the demand for the environmental resource of energy because power would be required at the site. The impact on the demand for the environmental resource of energy would be minor because the facility would be 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 proposed project area, the Department contacted the Montana Historical Society, State Historic Preservation Office (SHPO). According to SHPO records, a single previously recorded site was noted in the vicinity the project, however, not on the subject property. SHPO stated that there is a low likelihood cultural properties would be impacted by this project. Therefore, the Department determined that the chance of the project impacting any historical and archaeological sites in the area would be minor.

J. Cumulative and Secondary Impacts

The proposed project would cause minor effects on the physical and biological aspects of the human environment because the project would cause a slight increase in emissions of PM, PM_{10}, and $PM_{2.5}$ in the proposed area. However, conditions have been placed in MAQP #4844-00 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 proposed project is located in a moderately remote area predominately used for agricultural purposes. The proposed project would not change the predominant use of the surrounding area and the facility would be relatively small by industrial standards.

B. Cultural Uniqueness and Diversity

Only minor impacts to the cultural uniqueness and diversity of the area would be anticipated as the location is moderately remote and land use will remain for agricultural purposes. Operation of the truck to rail grain elevator would require employment of approximately six employees, which is not likely to cause a significant immigration of new people to the area for employment purposes. In addition, based on previous cultural resource inventories in the area, SHPO stated that there is a low likelihood cultural properties will be impacted. Therefore, the cultural uniqueness and diversity of the area would not likely be affected.

C. Local and State Tax Base and Tax Revenue

The proposed project would result in minor impacts to the local and state tax base and tax revenue as a result of the proposed project. However, the proposed project would necessitate construction activities and that would occur over an extended period of time for completion. However, any construction related jobs would be temporary and any corresponding impacts on the tax base/revenue in the area would be minor. Overall, any impacts to the local and state tax base and tax revenue would be minor.

D. Agricultural or Industrial Production

The land at the proposed location is currently used for agricultural purposes. The proposed project would have a minor impact on agricultural production as area farmers would have access to a local facility to receive, store, and ship their grain products. The proposed project would result in minor impacts to industrial production because the proposed project would be a new industrial source. However, because the facility would be relatively small by industrial standards, only minor impacts to industrial production would be expected.

E. Human Health

The proposed project would result in minor, if any, impacts to human health. As explained in Section 7.F of this EA, deposition of pollutants would 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 proposed project would be implemented within an area currently utilized for agricultural purposes. No impacts to access and quality of recreational and wilderness activities in the project area are anticipated.

G. Quantity and Distribution of Employment

The proposed project would have minor impacts on the quantity and distribution of employment as a limited number of employees would be hired as a result of the proposed project. Additionally, temporary construction-related positions could result from this project. Any impacts to the quantity and distribution of employment would be minor due to the relatively small size of the facility.

H. Distribution of Population

The proposed project would have minor impacts on the employment and population of the area as four to five employees would be required for normal operations. Additionally, temporary construction-related positions would result from this project. However, any

impacts to the quantity and distribution of employment from construction related employment would be minor due to the relatively small size of the facility and the relatively short time period that would be required for constructing the facility. Overall, any impacts to the distribution of population in the area would be minor.

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 #4844-00 and, in the future, to assure compliance with applicable rules, standards, and conditions that would be contained in MAQP #4844-00. 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

Only minor impacts would be expected on local industrial and commercial activity because the proposed project would represent only a minor increase in the industrial and commercial activity in the area. The proposed project would be relatively small and would take place at a moderately remote location.

K. Locally Adopted Environmental Plans and Goals

The Department is not aware of any locally adopted environmental plans and goals affected by issuing MAQP #4844-00. This permit would contain limits for protecting air quality and keeping facility emissions in compliance with any applicable ambient air quality standards. Because the project is small, 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 relatively small size of the project, the industrial production, employment, and tax revenue (etc.) impacts resulting from the proposed project would be minor. 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 #4844-00.

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 a truck to rail grain handling facility. MAQP #4844-00 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: D. Kuenzli
Date: January 10, 2013