Montana Department of
ENVIRONMENTAL QUALITY

Steve Bullock, Governor
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PRELIMINARY DETERMINATION
ON PERMIT APPLICATION

Date of Mailing: February 14, 2013

Name of Applicant: MillerCoors LLC

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 Permit Application Number 4847-00.

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 March 1, 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,

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Air Permitting Supervisor
Air Resources Management Bureau
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Environmental Engineer
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(406) 444-2467

JM:EW
Enclosures

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

DRAFT ENVIRONMENTAL ASSESSMENT (EA)

Issued To: MillerCoors LLC – Power Elevator

Montana Air Quality Permit (MAQP) Number: 4847-00

Preliminary Determination Issued: 2/14/13
Department Decision Issued:
Permit Final:

1. *Legal Description of Site*: The proposed location for the Power Elevator is at 1350 7th Road Northeast, Power, Montana. The legal location is Section 26, Township 23 North, Range 1 West, in Teton County.

2. *Description of Project*: MillerCoors LLC (MillerCoors) proposes to construct a barley storage and elevator facility with the ability to ship and receive 20,000 bushels of barley per hour and with a storage capacity of 3.4 million bushels (170 million pounds). This facility would be referred to as the Power Elevator. The facility would include two truck and one railcar unloading pits and loadout facilities for both trucks and railcars; conveyor systems; a combination aspirator/screen cleaner; eight round storage bins; a scale system; and a reclaim system for capturing materials (fines) from the cleaning process and pollution control devices.

3. *Objectives of Project*: The objectives of the project are to generate revenue from the receiving, storage, and shipment of barley.

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 MillerCoors 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 #4847-00.

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.*

		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 proposed facility would have minor, if any, effects on the terrestrial and aquatic life and habitats. The current land use is agricultural wheat farming and pastureland. Construction of the facility would require the disturbance of approximately 15 acres which would impact habitat of the disturbed area but is not expected to have any negative impact on the surrounding area. Some minor pollutant deposition could be expected during operation of the facility; however, MAQP #4847-00 contains conditions requiring the use of pollution control devices that would minimize the impacts of these potential emissions.

B. Water Quality, Quantity and Distribution

The proposed facility would have minor, if any, effects on water quality, quantity, and distribution. The facility would utilize the city water system and employ a septic system for wastewater disposal. Water has been identified as an acceptable method of dust suppression for the haul road; therefore, there could be some minor impacts experienced from its application.

C. Geology and Soil Quality, Stability and Moisture

The proposed facility would have minor, if any, effects on geology and soil quality, stability, and moisture. There would be approximately 15 acres of disturbed ground for the construction of the facility. Pollutant deposition would occur from the air emissions; however, the levels of potential emissions are small by industrial standards. Water or dust suppressant would be applied to the haul road for dust control.

D. Vegetation Cover, Quantity, and Quality

MAQP #4847-00 would contain conditions and limitations derived from rules intended to protect air quality. Deposition of particulate matter could occur; however, the impacts to vegetation cover, quality, and quality would be expected to be minor.

E. Aesthetics

The proposed facility would have a minor impact on the aesthetics of the area. The facility would be visible and there would be intermittent noise from truck traffic and facility operations.

F. Air Quality

The proposed facility would have a minor impact on air quality. MAQP #4847-00 would contain conditions and limitations derived from rules intended to protect air quality. The facility would be small by industrial standards and the Department does not consider the potential emissions to be a threat to any ambient air quality standard.

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 search area was defined by the section, township, and range of the proposed location with an additional 1-mile buffer zone. Search results identified one species of concern; the bird species of Horned Grebe. The Montana species rank for the Horned Grebe is S3B which indicates potentially at risk because of limited and/or declining numbers, range, and/or habitat during the breeding season. Their habitat is shallow freshwater ponds and marshes with beds of emergent vegetation. In spring and fall they are found mainly on large sized bodies of water including rivers and small lakes. The single species occurrence for the Horned Grebe is in an adjacent section to the southeast of the proposed facility location.

MillerCoors has indicated that there are two small areas of the project site that meet the biological criteria for wetlands. A jurisdictional determination has not been made for these wetlands. They may be deemed non-jurisdictional at the discretion of the United States Army Corps of Engineers (USACE) as they may be considered isolated in uplands and are not hydraulically connected. The facility would be designed in such a manner as not to disturb these wetland areas. If the wetlands are to be filled as a result of the project, a jurisdiction determination would be obtained from the USACE. Two new drainage culverts would be added, one of them under the rail tracks. Since the proposed project would not occur within an area currently designated as a wetland, it is not expected to have any more than a minor impact to any local unique endangered, fragile, or limited environmental resources.

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

The proposed facility would have a minor impact with regards to demands on environmental resources of water, air, and energy. MillerCoors intends to utilize the local power grid and domestic city water system for its energy and water needs. A septic system would be used for wastewater disposal. The source would be a minor source of air emissions.

I. Historical and Archaeological Sites

In an effort to identify an historical and archaeological sites located near the proposed facility area, the Department contacted the Montana Historical Society, State Historic Preservation Office (SHPO). According to SHPO records, there has been one previously recorded site

within the designated search locale. Site 24TT 0409 is the historic Great Northern Railroad. SHPO indicated that as long as there would be no disturbance or alteration to structures over fifty years of age, there is a low likelihood that cultural properties would be impacted and that a recommendation for a cultural resource inventory is unwarranted at this time. However, should structures need to be altered or if cultural materials be inadvertently discovered during this project then their office should be contacted and the site investigated.

J. Cumulative and Secondary Impacts

The Department determined that the impacts to the individual physical and biological considerations above to be minor. Cumulatively and secondarily, the department would expect only minor physical and biological impacts as a result of issuance of MAQP #4847-00.

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 proposed facility would require the disturbance of approximately 15 acres of land that is currently used for agricultural purposes. There are no known unique cultural structures or artifacts in the proposed project area. The Department expects no more than a minor impact to social structures and mores.

B. Cultural Uniqueness and Diversity

The proposed project is for the construction of a new grain elevator. Other industrial activities in the area include a fertilizer plant and other grain elevators. The community of Power is within a rural farming area. The Department expects no more than a minor impact to the cultural uniqueness and diversity of the area.

C. Local and State Tax Base and Tax Revenue

MillerCoors has indicated that the new facility would require four employees to operate. These additional jobs would be expected to have a minor impact on local and state tax base and tax revenue.

D. Agricultural or Industrial Production

The proposed project would have a minor impact on agricultural and industrial production. The construction of the facility would require the disturbance of existing agricultural land, making it no longer suitable for its previous use. The new grain elevator would increase the industrial activity of the area related to grain receiving, storage, and shipment, as well as increased truck and rail traffic.

E. Human Health

The proposed project would be a new minor source of air emissions in the area. The Department has determined that the proposed project would comply with all applicable air quality rules, regulations, and ambient air quality standards. MAQP #4847-00 has conditions which are derived from rules intended to protect human health. The Department expects no more than minor impacts to human health.

F. Access to and Quality of Recreational and Wilderness Activities

MillerCoors stated in their application that no known recreational opportunities that would be impacted by the proposed project. The facility would be visible and would have associated noises during operation; therefore, the Department expects no more than minor impacts to any access and quality of recreational and wilderness activities.

G. Quantity and Distribution of Employment

MillerCoors has stated that the Power Elevator would have four employees working at the facility. These jobs represent a minor impact on the quantity and distribution of employment.

H. Distribution of Population

The proposed project is not expected to have any impact on the distribution of population.

I. Demands for Government Services

There would be minor impacts on the demands for government services for obtaining the appropriate permits for the construction and operation of the facility. In addition, there would be ongoing compliance-related activities by the Department that would occur.

J. Industrial and Commercial Activity

There would be minor impacts to the industrial and commercial activity because this would be a new facility in the area. There would be an increase in the grain delivery, storage, and shipping activity in the area as well associated increased truck and rail traffic.

K. Locally Adopted Environmental Plans and Goals

The Department is unaware of any locally adopted environmental plans and goals that would be affected by the issuance of MAQP #4847-00. The permit would contain conditions and limitations which would be intended to be protective of human health and the environment.

L. Cumulative and Secondary Impacts

The Department determined minor, if any, effects to the individual economic and social considerations above. Cumulatively and secondarily, the Department would expect no more than minor economic and social effects.

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 the Power Elevator. MAQP #4847-00 includes conditions and limitations to ensure the facility will 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

EA prepared by: Ed Warner
Date: January 18, 2013