

**Montana Department of
ENVIRONMENTAL QUALITY**

Brian Schweitzer, Governor

P.O. Box 200901 • Helena, MT 59620-0901 • (406) 444-2544 • www.deq.mt.gov

PRELIMINARY DETERMINATION
ON PERMIT APPLICATION

Date of Mailing: August 18, 2006

Name of Applicant: University of Montana Wester - Dillon

Source: The operation of a 19 million British thermal unit per hour (MMBtu/hr) heat input capacity wood-fired Chip-Tec boiler (close-coupled gasified boiler) with a steam production capacity of 11,000 pounds of steam per hour and associated wood-chip fuel storage facility; an 18.5 MMBtu/hr heat input capacity Cleaver Brooks natural gas-fired back-up boiler with a steam production capacity of 15,000 pounds of steam per hour.

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 3829-00.

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 September 5, 2006. 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.

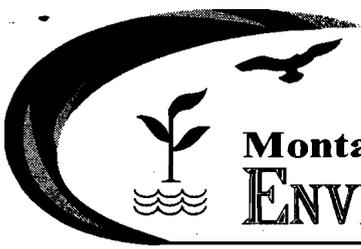
Departmental Action: The Department intends to make a decision on the application after expiration of the Public Comment period described above. A copy of the decision may be obtained at the above address. The permit shall become final on the date stated in the Department's decision on this permit, unless 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, Montana 59620.

For the Department,

David L. Klemp
Air Permitting Supervisor
Air Resources Management Bureau
(406) 444-3490

DK:lr
Enclosures



Montana Department of
ENVIRONMENTAL QUALITY

Brian Schweitzer, Governor

P.O. Box 200901 • Helena, MT 59620-0901 • (406) 444-2544 • www.deq.mt.gov

August 24, 2006

William Armstrong
457 B Thomsen
Dillon, MT 59725

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AUG 25 2006

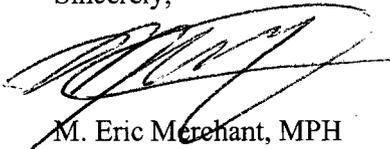
LEGISLATIVE ENVIRONMENTAL
POLICY OFFICE

Dear Mr. Armstrong:

Please replace the initial cover letter issued for the Department of Environmental Quality's (Department) preliminary determination on the University of Montana Western air quality permit #3829-00 with the attached cover letter. The initial cover letter incorrectly stated that the closing date of the public comment period is August 5, 2006. The correct final date for public comment is September 5, 2006, which has been corrected in the attached cover letter.

Please feel free to contact me by telephone at (406) 444-1457 or by email at emerchant@mt.gov with any questions you may have regarding the Department's determination on this issue.

Sincerely,



M. Eric Merchant, MPH
Air Quality Specialist

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: University of Montana Western - Dillon
710 South Atlantic
Dillon, MT 59725

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AUG 21 2006

Air Quality Permit Number: 3829-00

Preliminary Determination Issued: August 18, 2006

Department Decision Issued:

Permit Final:

LEGISLATIVE ENVIRONMENTAL
POLICY OFFICE

1. *Legal Description of Site:* The UMW campus is located at 710 South Atlantic in the town of Dillon. The legal description of the site is Section 19, Township 7 South, Range 8 West, Beaverhead County, Montana.
2. *Description of Project:* Installation and operation of a Chip-Tec wood-fired boiler under the Montana "Fuels for Schools" program. The Chip-Tec boiler would be used to produce steam for the purpose of heating buildings and providing hot water for affected campus-wide facilities.
3. *Objectives of Project:* Provide monetary energy savings and utility services to the University through the combustion of relatively cheap renewable and abundant local and state-wide wood-fuel resources in place of the previous natural gas fuel to heat campus facilities.
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 UMW 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 Permit #3829-00.
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:

Emissions from the proposed project would affect terrestrial and aquatic life and habitats in the proposed project area. However, as detailed in Section V and Section VI of the permit analysis, any emissions and resulting impacts from the project would be minor due to the low concentration of those pollutants emitted.

Further, the proposed wood-fired boiler would operate within a building located in a previously disturbed area (college campus) and only a limited amount of new construction or ground disturbance to the area would be required. Overall, any impact to the terrestrial and aquatic life and habitats of the proposed project area would be minor.

B. Water Quality, Quantity and Distribution:

The proposed project would use only minor amounts of water for normal operations resulting in only minor impacts to water quantity and distribution in the area. Further, emissions from the proposed project would affect water quality in the proposed project area. However, as detailed in Section V and Section VI of the permit analysis, any emissions and resulting deposition impacts from the project would be minor due to the low concentration of those pollutants emitted. Overall, any impacts to water quality, quantity, and distribution in the project area would be minor.

C. Geology and Soil Quality, Stability, and Moisture:

The proposed project would not affect the geology, soil quality, stability, and moisture of the proposed project area. The wood-fired boiler would operate within an addition to an existing building located in an area currently covered by pavement and only a limited amount of new construction and no additional ground disturbance to the area would be required.

Further, as described in Section V and Section VI of the permit analysis, the project would result in minor air pollution emissions to the outside ambient environment. These pollutants would deposit on the soils in the surrounding area. Any impact from deposition of these pollutants would be minor due to dispersion characteristics and the low concentration of those pollutants emitted.

D. Vegetation Cover, Quantity, and Quality:

Emissions from the proposed project would affect vegetation cover, quantity, and quality in the proposed project area. However, as detailed in Section V and Section VI of the permit analysis any emissions and resulting impacts from the project would be minor.

Further, the wood-fired boiler would operate within an addition to an existing building in a previously disturbed area (college campus) and only a limited amount of new construction or ground disturbance to the area would be required. Overall, any impact to the vegetation cover, quantity, and quality of the proposed project area would be minor.

E. Aesthetics:

The proposed project would result in a minor effect on the aesthetic nature of the proposed project area because the wood-fired boiler would operate within an addition to an existing building in a previously disturbed area (college campus) and a limited amount of construction and site disturbance would be required for the construction project. Construction would occur in a previously disturbed area (college campus); therefore, the project would not change the aesthetic nature of the area. Further, visible emissions from the source would be limited to 20% opacity and the permit would include emission control requirements. Also, the project would not result in excess noise from normal operations.

F. Air Quality:

The proposed project would result in the emission of various pollutants to the ambient air in the proposed project area. However, as detailed in Section V and Section VI of the permit analysis, any air quality impacts from the proposed project would be minor. UMW conducted air dispersion modeling to determine the ambient air quality impacts from the project. Stack parameters and emission rates used in the model are contained in Section VI of the permit analysis and are on file with the Department. The modeling results for UMW's proposed wood-fired boiler demonstrate that the project, as proposed, would comply with the applicable National and Montana Ambient Air Quality Standards. Overall, any impacts to air quality in the proposed project area would be minor.

G. Unique Endangered, Fragile, or Limited Environmental Resources:

Emissions from the proposed project would affect unique, endangered, fragile, or limited environmental resources located in the proposed project area. However, as detailed in Section V and Section VI of the permit analysis, any emissions and resulting impacts from the project would be minor due to the low concentration of those pollutants emitted.

Further, the wood-fired boiler and all other existing facility emitting units would operate in a previously disturbed area (college campus), so the limited amount of construction and operating disturbance required for the project would not change the typical character of the area. Overall, any impact to any existing unique, endangered, fragile, or limited environmental resources in the proposed project area would be minor.

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

The proposed project would result in minor demands on environmental resources of water and air as discussed in Section 7.B and 7.F, respectively, of this EA. Further, as detailed in Section V and Section VI of the permit analysis, project impacts on air resources in the proposed project area would be minor due to dispersion characteristics and the low concentration of those pollutants emitted. Finally, because the project is small by industrial standards, little energy would be required for operation and the resulting impact on energy resources would be minor.

I. Historical and Archaeological Sites:

The proposed project would not result in any impact on historical and archaeological sites in the proposed project area. The wood-fired boiler would operate within an addition to an existing building located in a previously disturbed area (college campus) and would only require a limited amount of additional construction and no new ground disturbance.

According to previous correspondence from the Montana State Historic Preservation Office, there is low likelihood of any disturbance to any known archaeological or historic site, given previous disturbance within the area. Therefore, the operation would have no effect on any known historic or archaeological site that may be located within or near the proposed operating site.

J. Cumulative and Secondary Impacts:

Overall, the cumulative and secondary impacts from this project on the physical and biological environment in the immediate area would be minor due to the relatively small size and potential environmental impact of the proposed project. The Department believes that this facility could be expected to operate in compliance with all applicable rules and regulations as outlined in Permit #3829-00.

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 ECENOMIC AND SOCIAL EFFECTS: The Department has prepared the following comments.

- A. Social Structures and Mores:
 B. Cultural Uniqueness and Diversity:

The proposed project would not have any affect on the social structures or mores of the proposed area of operation because the project is small by industrial standards and operations would take place within a previously disturbed area (college campus). The predominant use of the surrounding area would not change as a result of the proposed project.

- C. Local and State Tax Base and Tax Revenue:

The proposed project would have a minor impact on the local and state tax base and tax revenue. The project is small by industrial standards, thus, any economic impact to the area would be minor. Further, the project would require only a minor amount of new construction and a limited amount of employees/operators for normal operations.

- D. Agricultural or Industrial Production:

Because the proposed project would operate within a previously disturbed area (college campus), the project would not affect or displace any land used for agricultural production and would require only a limited amount of additional industrial construction. Further, the nature of the project (campus heating) would dictate that no additional industrial production would result from the proposed project.

- E. Human Health:

Permit #3829-00 would include limits and conditions to ensure the 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 III of the permit analysis, the air

emissions from the proposed facility would be minimized by the use of Best Available Control Technology (BACT) as required by Permit #3829-00. Overall, only minor impacts would be expected on human health from the proposed operations.

F. Access to and Quality of Recreational and Wilderness Activities:

Because the proposed project would operate within a previously disturbed area (college campus) the project would not affect any access to or quality of any recreation or wilderness activities in the area.

G. Quantity and Distribution of Employment:

H. Distribution of Population:

The proposed project would require only a limited amount of employees/operators for normal operations. Therefore, the proposed project would have only a minor impact on the quantity and distribution of population and employment in the area.

I. Demands for Government Services:

Government services would be required for acquiring the appropriate permits from government agencies. In addition, the permitted source of emissions would be subject to periodic inspections by government personnel. Demands for government services would be minor.

J. Industrial and Commercial Activity:

The proposed project would result in only a minor impact on local industrial and commercial activity because the proposed project would operate within a previously disturbed area (college campus), would require only a limited amount of additional industrial construction, and would not result in additional industrial production.

K. Locally Adopted Environmental Plans and Goals:

The Department is not aware of any locally adopted environmental plans or goals in the immediate area affected by the proposed project. The state standards would be protective of the proposed project area.

L. Cumulative and Secondary Impacts:

Overall, cumulative and secondary impacts from this project would result in minor impacts to the economic and social environment in the immediate area due to the relatively small size of the operation. The Department believes that this facility could be expected to operate in compliance with all applicable rules and regulations as would be outlined in Permit #3829-00.

Recommendation: No EIS is required.

If an EIS is not required, explain why the EA is an appropriate level of analysis: The current permit action is for the construction and operation of a wood-fired boiler. Permit #3829-00 includes conditions and limitations to ensure the facility would operate in compliance with all applicable rules and regulations. In addition, as detailed in the above EA there are no significant impacts associated with the proposed project.

Other groups or agencies contacted or which may have overlapping jurisdiction: Department of Administration – Architecture and Engineering, Department of Natural Resources and Conservation, 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: M. Eric Merchant, MPH
Date: August 15, 2006