

ENVIRONMENTAL ASSESSMENT

On an Application for an OPENCUT MINING PERMIT

The Montana Department of Environmental Quality (DEQ) prepared this Environmental Assessment (EA) in accordance with requirements of the Montana Environmental Policy Act (MEPA). An EA functions to identify, disclose, and analyze the impacts of a proposed action. This document may disclose impacts that have no legislatively required mitigation measures, or over which there is no regulatory authority.

The state law that regulates gravel mining operations in Montana is the Opencut Mining Act. This law and the rules adopted thereunder place operational guidance and limitations on a project during its lifetime, and provide for the reclamation of land affected by opencut mining operations.

Local governments and other state agencies may have authority over different resources and activities under their regulations. Approval or denial of this Opencut Application will be based on a determination of whether or not the proposed operation complies with the Opencut Mining Act and the rules adopted thereunder. The DEQ approval of this application would not relieve the operator from the obligation to comply with any other applicable federal, state, or county statutes, regulations, or ordinances. The operator is responsible for obtaining any other permits, licenses, approvals, etc. that are required for any part of the proposed operation.

APPLICANT: Helena Sand and Gravel Inc.

COUNTY: Meagher

SITE NAME: Johnston

DATE: May 2011

LOCATION: Section 13, T 12 N, R 04 E

PROPOSAL: The applicant proposes to permit a new, short-term gravel pit to mine, crush, stockpile and transport 25,000 cubic yards of gravel from a 5.4-acre site located 20 miles northwest of White Sulphur Springs. A reclamation bond would be held by DEQ to ensure that final reclamation of the site to grassland would be completed by November 2012. This application contains all items required by the Opencut Mining Act and its implementing rules. Proponent commits to properly conducting opencut operations and would be legally bound by the permit.

IMPACTS ON THE PHYSICAL ENVIRONMENT

| RESOURCE | POTENTIAL IMPACTS AND MITIGATION MEASURES |
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| 1. TOPOGRAPHY, GEOLOGY AND SOIL QUALITY, STABILITY AND MOISTURE: | <p>The site is located between the Smith River and the foothills of the Big Belt Mountains on a gently sloping to hilly river terrace dissected by wide gullies. Onsite soils consist of Crago loam and Musselshell loam with variable amounts of gravel and cobble in the surface horizons. The operator will replace 9 inches of soil and 8 inches of overburden. The site receives approximately 16 inches of precipitation per year.</p> <p><i>Impacts:</i> An irreversible and irretrievable removal of gravel from the site would occur. A small impact to the quantity and quality of soils from salvaging, stockpiling, and resoiling activities also would occur, but this would not impair the capacity of the soils to support full reclamation. There are no unusual topographic, geologic, soil, or special reclamation considerations that would prevent reclamation success.</p> |
| 2. WATER QUALITY, QUANTITY AND DISTRIBUTION | <p>The site is adjacent to the Smith River. Approximately 2,000 gallons per day of water will be used for dust control for the crushing operations. Water will be obtained from a private well located 100 feet south of the site.</p> |

| IMPACTS ON THE PHYSICAL ENVIRONMENT | |
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| RESOURCE | POTENTIAL IMPACTS AND MITIGATION MEASURES |
| | <p><i>Impacts:</i> The proposed activities would have a minimal effect on the quantity and quality of the surface and groundwater resources.</p> <p><i>Cumulative:</i> Cumulative impacts for this site would be negligible.</p> |
| 3. AIR QUALITY | <p>Air quality standards are based upon the Clean Air Act of Montana and pursuant rules and are administered by the DEQ Air Resources Management Bureau (ARMB). Its program is approved by the Environmental Protection Agency (EPA). These rules and standards are designed to be protective of human health and the environment.</p> <p>Air quality permits would be required on the processing equipment before installment. Machinery, such as generators, crushers and asphalt plants, are individually permitted for allowable emissions. Best Available Control Technology (BACT) is the usual standard applied.</p> <p>Fugitive dust is that which blows off the pit floor, stockpiles, gravel roads, farm fields, etc. It is considered to be a nuisance but not harmful to health.</p> <p><i>Impacts:</i> Air quality standards as set by the federal government and enforced by the ARMB would allow minimal detrimental air impacts.</p> |
| 4. VEGETATION COVER, QUANTITY AND QUALITY | <p>There are no known rare or sensitive plants or cover types present in the site area. Onsite vegetation consists of wheatgrasses, needlegrass, sagebrush and forbs, and provides approximately 80% cover. The vegetation would be removed as soil is stripped and the site would be replanted with plant species compatible with the proposed reclaimed use.</p> <p><i>Impacts:</i> No long term detrimental impacts to the vegetation would occur.</p> |
| 5. TERRESTRIAL, AVIAN AND AQUATIC LIFE AND HABITATS: | <p>Although the area is used primarily for pasture, it also supports populations of deer, rodents, song birds, coyotes, foxes, raptors, insects and various other animal species. Population numbers for these species are not known.</p> <p><i>Impacts:</i> The proposed mine is expected to temporarily displace some individual species and it is likely that the site would be re-inhabited following reclamation to similar habitat.</p> |
| 6. UNIQUE, ENDANGERED, FRAGILE OR LIMITED ENVIRONMENTAL RESOURCES: | <p>The Montana Natural Heritage Program (MNHP) lists the following 5 species of concern in the vicinity of the site:</p> <p>Bald eagle (<i>Haliaeetus leucocephalus</i>) is a bird of prey found in North America that is most recognizable as the national bird and symbol of the United States of America. This sea eagle has two known sub-species and forms a species pair with the white-tailed eagle. Its range includes most of Canada and Alaska, all of the contiguous United States and northern Mexico. It is found near large bodies of open water with an abundant food supply and old-growth trees for nesting.</p> <p>Westslope Cutthroat Trout (<i>Oncorhynchus clarkii lewisi</i>) is one of two subspecies of native cutthroat found in the state. It has been designated as Montana's state fish. Westslope cutthroat trout require cold water and seek out gravel substrates in riffles and pool crests for spawning habitat.</p> <p>Gray wolf (<i>Canus lupus</i>) is the largest of the wild dogs. In Montana, its range is predominately the western mountainous portion of the state. This species is not migratory but may move seasonally following migrating ungulates within its territory. The gray wolf exhibits no particular habitat preference except for the presence of native ungulates within its territory on a year round basis.</p> |

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| RESOURCE | POTENTIAL IMPACTS AND MITIGATION MEASURES |
| | <p>Wolverine (<i>Gulo gulo</i>) is a bear-like mustelid with massive limbs and long, dense, dark brown pelage, paler on the head, with two broad yellowish stripes extending from the shoulders and joining on the rump. Wolverines are limited to alpine tundra, and boreal and mountain forests in the western mountains. They feed on a variety of roots, berries, small mammals, birds' eggs and young, fledglings, and fish. They may attack moose, caribou, and deer hampered by deep snow.</p> <p>Canada Lynx (<i>Lynx Canadensis</i>) is a medium sized cat with silver-gray to grayish-brown upperparts and a white belly and throat. Lynx have long legs and a relatively short, compact body. Lynx inhabit subalpine forests and avoid large openings, but often hunt along edges in areas of dense cover. The Lynx's primary food consists of the snowshoe hare, although they also diet on squirrels and other small mammals.</p> <p><i>Impacts:</i> None of the listed species have been found on this site. Even if suitable habitat did exist on this site, the disturbance area would be small and large areas of similar or identical habitat surrounds the site. The possible impact to these species would be minimal.</p> |
| 7. HISTORICAL AND ARCHAEOLOGICAL SITES | <p>The Montana State Historic Preservation Office (SHPO) was notified of the application. It reported there have been a few previously recorded historic or archaeological sites within the designated search locale. The historic Camp Baker site lies just north of the proposed project area. Based on the probability of historic and or archaeological sites in the area, the lack of inventory in the project area, and the ground disturbance required, SHPO recommends that a cultural resource inventory be conducted to determine whether or not sites exist and if they will be impacted. A pedestrian survey of the area by DEQ personnel did not reveal any artifacts or signs of occupation.</p> <p><i>Impacts:</i> If during operations resources were to be discovered, activities would be temporarily moved to another area or halted until SHPO was contacted and the importance of the resources was determined.</p> |
| 8. DEMANDS ON ENVIRONMENTAL RESOURCES OF LAND, WATER, AIR OR ENERGY | <p>There are no unusual demands on land, water, air or energy anticipated as a result of this project.</p> <p><i>Impacts:</i> Negligible impacts to land, water, air, or energy would occur.</p> |

| IMPACTS ON THE HUMAN POPULATION | |
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| RESOURCE | POTENTIAL IMPACTS AND MITIGATION MEASURES |
| 9. LOCALLY ADOPTED ENVIRONMENTAL PLANS AND GOALS | County zoning clearance has been obtained. The site location is not zoned. |
| 10. DENSITY AND DISTRIBUTION OF POPULATION AND HOUSING | <p>As seen on the aerial photo of the surrounding area, there is one ranch house and outbuildings adjacent to the site and another ranch house 1,200 feet to the northeast. The Camp Baker campground area and boat launch are approximately 0.5 mile from the site.</p> <p><i>Impact:</i> This commercial pit is being sited in this area because of the location of the resource, and to maintain the roads in this area of the county.</p> |

| IMPACTS ON THE HUMAN POPULATION | |
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| RESOURCE | POTENTIAL IMPACTS AND MITIGATION MEASURES |
| 11. AESTHETICS | <p>The site is located in a common grassland area. There would be a temporary alteration of aesthetics while mining is under way. However, reclamation would return the area to a visually acceptable landscape. This project is considered to be short-term, i.e., planned to take 2 years to complete.</p> <p>The operator is aware of the quiet and scenic setting on Camp Baker and the Smith River floating experience. The operator has responded to issues of the MT Fish, Wildlife & Parks by addressing aesthetic concerns and mitigating measures relating to visual screening, noise levels, hours of operations, and sediment contamination of the Smith River.</p> |
| 12. QUANTITY/ DISTRIBUTION OF EMPLOYMENT | <p>Existing employees would mainly be utilized for this operation. There is low potential that this project would create a significant number of new jobs.</p> <p><i>Impacts:</i> New employment opportunities would be limited.</p> |
| 13. INDUSTRIAL, COMMERCIAL, AGRICULTURAL ACTIVITIES AND PRODUCTION | <p>The acreage listed in the proposal would be taken out of grassland use. Upon completion of mining, the land would be reclaimed to grassland.</p> <p><i>Impacts:</i> Grassland production would be reduced as soil stripping and operations progress across the site. When the entire site is opened up for mining and mine-related activities, all grassland activities would cease.</p> |
| 14. LOCAL, STATE TAX BASE AND TAX REVENUES, PERSONAL AND COMMUNITY INCOME | <p>Local, state and federal governments would be responsible for appraising the property, setting tax rates, collecting taxes, etc., from the companies, employees, or landowners benefitting from this operation. Following reclamation, it is assumed the tax base would revert to pre-mine levels.</p> |
| 15. DEMAND FOR GOVERNMENT SERVICES | <p>Limited oversight by DEQ Opencut Program personnel would be conducted in concert with other area activity when in the vicinity.</p> |
| 16. HUMAN HEALTH AND SAFETY | <p>Any industrial activity will increase the opportunities for accidental injury. There are agencies that require specific safety measures are in place. If followed there is no reason to believe that significant safety issues would be present.</p> |
| 17. ACCESS TO AND QUALITY OF RECREATIONAL AND WILDERNESS ACTIVITIES | <p>This activity would not inhibit the use of the identified resources.</p> |
| 18. NATIVE CULTURAL CONCERNS | <p><i>Impacts:</i> None identified.</p> |

19. Alternatives Considered:

- A. Denial Alternative: The Department would deny an application that does not comply with the Act and Rules. No impacts to the natural or human environment would occur.
- B. Approval Alternative: The Department would approve an application that complies with the Act and Rules. Impacts of this application are addressed in the body of the EA.

20. Public Involvement, Agencies, Groups or Individuals contacted: Montana State Historic Preservation Office, Montana Natural Heritage Program, Montana Fish, Wildlife & Parks, Meagher County Roads Department, Bureau of Land Management and five other adjacent landowners.

PRIVATE PROPERTY ASSESSMENT ACT (PPAA) CHECKLIST

DOES THE PROPOSED AGENCY ACTION HAVE TAKINGS IMPLICATIONS UNDER THE PPAA?

| YES | NO | |
|-----|----|-----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| X | | 1. Does the action pertain to land or water management or environmental regulation affecting private real property or water rights? |
| | X | 2. Does the action result in either a permanent or indefinite physical occupation of private property? |
| | X | 3. Does the action deprive the owner of all economically viable uses of the property? |
| | X | 4. Does the action deny a fundamental attribute of ownership? |
| | X | 5. Does the action require a property owner to dedicate a portion of property or to grant an easement? (If answer is NO, skip questions 5a and 5b and continue with question 6.) |
| | | 5a. Is there a reasonable, specific connection between the government requirement and legitimate state interests? |
| | | 5b. Is the government requirement roughly proportional to the impact of the proposed use of the property? |
| | X | 6. Does the action have a severe impact on the value of the property? |
| | X | 7. Does the action damage the property by causing some physical disturbance with respect to the property in excess of that sustained by the public generally? (If the answer is NO, skip questions 7a-7c) |
| | | 7a. Is the impact of government action direct, peculiar, and significant? |
| | | 7b. Has the government action resulted in the property becoming practically inaccessible, waterlogged, or flooded? |
| | | 7c. Has the government action diminished property values by more than 30% and necessitated the physical taking of adjacent property or property across a public way from the property in question? |

Taking or damaging implications exist if YES is checked in response to question 1 and also to any one or more of the following questions: 2, 3, 4, 6, 7a, 7b, 7c; or if NO is checked in response to questions 5a or 5b.

If taking or damaging implications exist, the agency must comply with § 5 of the Private Property Assessment Act, to include the preparation of a taking or damaging impact assessment. Normally, the preparation of an impact assessment will require consultation with agency legal staff.

