



Montana Department of  
**ENVIRONMENTAL QUALITY**

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July 12, 2011

Mr. Dan Claridge  
Thompson River Lumber Company  
Thompson Falls Sawmill  
P.O. Box 279  
Thompson Falls, MT 59873

Dear Mr. Claridge:

The Department of Environmental Quality (Department) has made its decision on the Montana Air Quality Permit application for Thompson River Lumber Company. The application was given permit number 4643-00. The Department's decision may be appealed to the Board of Environmental Review (Board). A request for hearing must be filed by August 11, 2011. This permit shall become final on July 28, 2011, unless the Board orders a stay on the permit.

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 before the final date stated above. 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.

Conditions: See attached.

For the Department,

Vickie Walsh  
Air Permitting Program Supervisor  
Air Resources Management Bureau  
(406) 444-3490

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Environmental Engineering Specialist  
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VW:JO:KW  
Enclosures

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

*Issued To:* Thompson River Lumber (TRL)

*Montana Air Quality Permit Number:* 4643-00

*Preliminary Determination Issued:* June 24, 2011

*Department Decision Issued:* July 12, 2011

*Permit Final:*

1. *Legal Description of Site:* TRL's operation is located in Section 13, Township 21 North, Range 29 West, in Thompson Falls, Sanders County.
2. *Description of Project:* TRL owns and operates a wood products facility. Permitted equipment at TRL includes: a Wood-fired boiler (1988 Hurst hogged fuel boiler, Model HR500) with a maximum steam production of 40,000 pounds hour (60 MMBtu/hr) equipped with a electrified filter bed in series with multi-cyclones; two propane boilers (Cleaver Brooks and York Shipley); lumber drying kilns; sawmill building and associated equipment; and planer and chipper load-out operations with associated cyclones. The fugitive dust emission sources include, but are not limited to, debarkers, hog fuel and chips handling, and vehicle traffic.
3. *Objectives of Project:* The objective of the project would be to permit new and existing equipment and the existing sawmill.
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 TRL 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 #4643-00.
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

Any impacts resulting from the proposed project to terrestrial and aquatic life and habitats would be minor because all proposed activities would take place within the defined property boundary, at an existing industrial site. Further, minor impact to the surrounding area from the air emissions (see Section VI of the permit analysis) would be realized due to dispersion of pollutants.

Terrestrials (such as deer, antelope, rodents, and insects) would use the general area of the facility. The area around the facility would be fenced to limit access to the facility. The fencing would likely not restrict access from all animals that frequent the area, but it may discourage some animals from entering the facility property. Further, because other industrial sources, including the Thompson River Power Company (TRP) and a solid waste disposal facility are located directly adjacent to the proposed TRL property boundary, terrestrials that routinely inhabit the area are accustomed to the industrial character of the site. Therefore, any impacts to terrestrial and aquatic life and habits due to the proposed operation would have minor and typical impacts.

B. Water Quality, Quantity and Distribution

Any impacts resulting from the proposed project to water quality, quantity, and distribution would be minor because all proposed activities would take place within the defined TRL property boundary, an existing industrial site. Further, minor impact to the surrounding area from the air emissions (see Section VI of the permit analysis) would be realized due to dispersion of pollutants. Overall, any impacts to water quality, quantity, and distribution from TRL’s proposed permit would be minor.

C. Geology and Soil Quality, Stability and Moisture

Any impacts resulting from the proposed project to geology and soil quality, stability, and moisture would be minor because all proposed activities with respect to limits and practices associated would take place within the defined TRL property boundary, an existing industrial site. Further, minor impact to the surrounding area from the air emissions (see Section VI of the permit analysis) would be realized due to dispersion of pollutants.

#### D. Vegetation Cover, Quantity, and Quality

The Department contacted the Montana Natural Heritage Program (MNHP) in an effort to identify any species of special concern associated with the proposed site location. Search results concluded there are several in the area. The area, in this case, would be defined by the township and range of the TRL, with an additional one-mile buffer. The species of special concern identified by MNHP include the Diamond Clarkia, a vascular plant. However, any impacts resulting from the proposed project to vegetation cover, quantity, and quality would be minor because the MAQP is for an existing facility. Further, minor impact to the surrounding area from the air emissions (see Section VI of the permit analysis) would be realized due to dispersion of pollutants.

#### E. Aesthetics

Minor impacts to the aesthetic nature of the area would result from the proposed permit because all proposed activities would take place within the TRL, an existing industrial site. Any changes in operational practices to minimize those emissions may be visible from locations around the TRL site. However, the TRL is a previously disturbed industrial location near Thompson River Power and a solid waste transfer station. Any aesthetic impacts would be minor and consistent with current industrial land use of the area.

The facility is visible from MT Highway 200 (approximately ¼ mile to the north), a small residential subdivision (approximately ¾ mile west/southwest), an individual residence (approximately ½ mile west), and may be visible from the Clark Fork River (approximately ¼ mile south and located in the river valley below the proposed site). Overall, any impacts to the aesthetic nature of the project area from TRL's proposed permit would be minor.

#### F. Air Quality

The air quality impacts from the current permit action would be minor because MAQP #4643-00 would include conditions and limitations for the source.

In addition, the Department determined, based on the ambient air quality dispersion modeling analysis conducted for MAQP #4643-00, that the operation of the TRP under the conditions associated with MAQP #4643-00 would not cause or contribute to a violation of any ambient air quality standard. The Clean Air Act, which was last amended in 1990, requires the U.S. Environmental Protection Agency (EPA) to set NAAQS for pollutants considered harmful to public health and the environment (Criteria Pollutants: carbon monoxide (CO), NO<sub>x</sub>, Ozone (O<sub>3</sub>), Lead (Pb), PM<sub>10</sub>, PM<sub>2.5</sub> and SO<sub>2</sub>). In addition, Montana has established equally protective or, in some cases, more stringent standards for these pollutants termed Montana Ambient Air Quality Standards (MAAQS). The Clean Air Act established two types of NAAQS, Primary and Secondary. Primary Standards set limits to protect public health, including, but not limited to, the health of "sensitive" populations such as asthmatics, children, and the elderly. Secondary Standards set limits to protect public welfare, including, but not limited to, protection against decreased visibility, damage to animals, crops, vegetation, and buildings. The air quality classification for the immediate area of proposed TRL operation is considered "Unclassifiable or Better than National Standards" (40 CFR 81.327) for all pollutants. The closest nonattainment area is the Thompson Falls PM<sub>10</sub> nonattainment area located approximately 1.2 miles (2.0 kilometers (km)) from the TRL site location.

Overall, any impacts to the air quality of the project area from TRL's proposed permit, including construction activities, normal operations resulting in air emissions, and deposition of air emissions would be minor and in compliance with all applicable MAAQS and NAAQS.

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

The Department contacted the Montana Natural Heritage Program (MNHP) in an effort to identify any species of special concern associated with the proposed site location. Search results concluded there are several in the area. The area, in this case, would be defined by the township and range of the TRL, with an additional one-mile buffer. The species of special concern identified by MNHP include the Lewis' woodpecker, Clark's Nutcracker, Lake trout, and the millipede. MNHP also listed several 'sensitive species' that might potentially locate, including the Westslope Cutthroat Trout, Fringed Myotis, Townsend's Big-eared Bat, Gray Wolf, Grizzly Bear, Fisher, and the Wolverine. Additionally, the Bull Trout and the Canada Lynx were listed a 'special status' that might potentially located in the area.

The TRL site has historically been used for industrial/commercial purposes. Because industrial operations have been ongoing within the existing facility for an extended period of time and potential permitted emissions from TRL show compliance with all applicable air quality standards, it is unlikely that any of these species of special concern would be affected by the proposed project. Overall, any impacts to any unique endangered, fragile, or limited environmental resources would be minor.

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

Demands on environmental resources of water, air, and energy would be minor. As previously discussed, the proposed permit would allow an increase allowable air emissions of NO<sub>x</sub> and SO<sub>2</sub>; however, air dispersion modeling demonstrated compliance with the MAAQS/NAAQS. Therefore, any impacts to air resources in the area would be minor and would be in compliance with applicable standards. Any impacts to the local air resource would be minor as demonstrated through the ambient air quality impact analysis conducted for the proposed permit modification.

Regarding impacts to the environmental resource of water, this permit action does not include any increase in the demand for water. Therefore, any impacts to the demand for water resources in the affected area associated with TRL would be minor.

With respect to energy, TRL's proposed boilers would allow for more efficient operation of the sawmill and kilns. Additionally, TRL had previously operated a boiler for this purpose, prior to the fire at the facility. Therefore, this permit action would not change, in general, the overall amount of power used or produced.

Overall, any impacts to the demands on the environmental resources of water, air, and energy from TRL's proposed permit would be minor.

#### I. Historical and Archaeological Sites

In an effort to identify any historical and archaeological sites near the proposed project area, the Department contacted the Montana Historical Society, State Historic Preservation Office (SHPO). It is SHPO's position that any structure over fifty years of age would be considered historic and would be potentially eligible for listing on the National Register of Historic Places. If any structures are to be altered and are over fifty years old we would recommend that they be recorded and a determination of their eligibility be made. Because TRL would not disturb or alter any structure over fifty years of age, SHPO determined that there would be a low likelihood that cultural properties would be impacted. Therefore, SHPO believes 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 SHPO should be contacted and the site investigated.

#### J. Cumulative and Secondary Impacts

Overall, any cumulative and secondary impacts from the proposed permit on the physical and biological resources of the human environment in the immediate area would be minor due to the fact that the predominant use of the surrounding area would not change as a result of the proposed project. 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 #4643-00.

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

B. Cultural Uniqueness and Diversity

The proposed permit would not cause a disruption to any native or traditional lifestyles or communities (social structures or mores) or impact the cultural uniqueness and diversity of the area because the current permit action takes place at an existing facility. TRL operation would essentially remain the same except that the facilities potential to emit has exceeded the permit threshold. Therefore the facility requested a Montana Air Quality Permit. As a result, the predominant use of the surrounding area would not change as a result of the permit action. In addition, the overall industrial nature of the surrounding area, as a whole, would not be altered by the proposed TRL permit, as the area currently facilitates other industrial sources including the TRP’s operation and a solid waste transfer station both of which are located directly adjacent to the TRL site, as well as an existing gravel pit in the greater surrounding area.

C. Local and State Tax Base and Tax Revenue

Any impacts to the local and state tax base and tax revenue would be minor because TRL would remain responsible for all appropriate state and county taxes imposed upon the business operation. By obtaining an air quality permit, TRL would not be required to hire and does not expect an increase in employees. Therefore, the Department believes there would be minor changes to the local and State Tax Base and Tax Revenue.

D. Agricultural or Industrial Production

The current permit action would not displace or otherwise affect any agricultural land or practices. TRL would continue to operate the existing sawmill. The sawmill experienced a fire a few years ago that took out their boiler. Adding boilers to the facility, requires TRL to obtain an air quality permit. Overall, the sawmill would become more efficient with the increased boiler capacity. The Department believes there would be no change to agricultural or industrial production in the area. r

#### E. Human Health

There would be minor potential effects on human health due to minimized air emissions. In addition, MAQP #4643-00 would include conditions to ensure that the facility would be operated in compliance with all applicable rules and standards. These rules and standards are designed to be protective of human health.

As detailed in Section 7.F of this EA, the Clean Air Act established two types of NAAQS, Primary and Secondary. Primary Standards set limits to protect public health, including, but not limited to, the health of “sensitive” populations such as asthmatics, children, and the elderly. Under MAQP #4643-00, TRL conducted an ambient air quality impact analysis demonstrating that TRL operations would comply with all applicable ambient air quality standards thereby protecting human health. Overall, the Department determined that any impact to public health would be minor.

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

The proposed permit and overall TRL operations would not affect access to any recreational or wilderness activities in the area. The TRL operation is an existing sawmill operation and the location of the facility would remain the same. The area is comprised of private property with no public access and would continue in this state. Therefore, the Department believes there would be minor, if any, changes to access to and quality of recreational and wilderness activities.

#### G. Quantity and Distribution of Employment

#### H. Distribution of Population

The current permit action would result in no impacts to the quantity and distribution of employment in the area and/or the distribution of population in the area because the project would not require any additional employees.

#### I. Demands for Government Services

Demands on government services from the proposed permit would be minor because TRL would be required to procure the appropriate permits (including a state air quality permit) and any permits for the associated activities of the project. Further, compliance verification with those permits would also require minor services from the government.

As the TRL site is within an existing industrial location, employee water and sewage disposal facilities would continue as they have in the past. Overall, any demands on government services resulting from the proposed permit would be minor.

#### J. Industrial and Commercial Activity

The current permit action would not result in an overall change in facility’s purpose; therefore, the proposed permit action would not impact any industrial or commercial activity in the area beyond those impacts already realized by TRL’s operation. The Department believes the permit would not result in a change to industrial or commercial activity in the area.

#### K. Locally Adopted Environmental Plans and Goals

The City of Thompson Falls is a PM<sub>10</sub> nonattainment area. However, the PM<sub>10</sub> nonattainment area boundary is located approximately 1.2 miles (2.0 kilometers (km)) from the TRL facility. TRL conducted an ambient air quality impact analysis demonstrating that TRL operations would comply with all applicable ambient air quality standards thereby protecting human health. The Department is unaware of any other locally adopted Environmental plans or goals. The state air quality standards would protect air quality at the proposed site and the environment surrounding the site.

#### L. Cumulative and Secondary Impacts

Overall, cumulative and secondary impacts from the proposed permit on the economic and social resources of the human environment in the immediate area would be minor due to the fact that the predominant use of the surrounding area would not change as a result of the proposed project. 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 #4643-00.

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 sawmill and associated equipment. MAQP #4643-00 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: Jenny O'Mara  
Date: 06/16/2011