



Montana Department of
ENVIRONMENTAL QUALITY

Brian Schweitzer, Governor

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August 18, 2008

Ms. Jacqueline Flikkema
Knife River Corporation
P.O. Box 80066
Billings, MT 59108-0066

Dear Ms. Flikkema:

Air Quality Permit #2788-03 is deemed final as of August 16, 2008, by the Department of Environmental Quality (Department). This permit is for a portable crushing/screening plant. All conditions of the Department's Decision remain the same. Enclosed is a copy of your permit with the final date indicated.

For the Department,

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

Christine A. Weaver
Air Quality Specialist
Air Resources Management Bureau
(406) 444-5287

VW:cw
Enclosure

Montana Department of Environmental Quality
Permitting and Compliance Division

Air Quality Permit #2788-03

Knife River Corporation
P.O. Box 80066
Billings, MT 59108-0066

August 16, 2008



AIR QUALITY PERMIT

Issued To: Knife River Corporation
P.O. Box 9
Belgrade, MT 59714

Permit #2788-03
Administrative Amendment (AA)
Request Received: 01/24/08
Department Decision on AA Issued: 07/31/08
Permit Final: 08/16/08
AFS #777-2788

A Montana air quality permit, with conditions, is hereby granted to Knife River Corporation (Knife River), pursuant to Sections 75-2-204 and 211, Montana Code Annotated (MCA), as amended, and the Administrative Rules of Montana (ARM) 17.8.740, *et seq.*, as amended, for the following:

SECTION I: Permitted Facilities

A. Plant Location

Knife River operates a portable crushing/screening facility that will initially be located at the SW ¼ of Section 7, Township 1 South, Range 5 East, in Gallatin County, Montana. However, Permit #2788-03 would apply while operating at any location in Montana, except within those areas having a Department of Environmental Quality (Department)-approved permitting program, those areas considered tribal lands, or those areas in or within 10 kilometers (km) of certain particulate matter with an aerodynamic diameter of 10 microns or less (PM₁₀) nonattainment areas. An addendum to this air quality permit will be required if Knife River intends to locate in or within 10 km of certain PM₁₀ nonattainment areas. *A Missoula County air quality permit will be required for locations within Missoula County.* A list of the permitted equipment is contained in Section I.A of the permit analysis.

B. Current Permit Action

On January 24, 2008, the Department received a request to change the permittee name from JTL Group, Inc. to Knife River. The current permit action is an administrative amendment pursuant to ARM 17.8.764 that changes the permittee name as requested. In addition to accounting for this name change, the permit updates the rule references, permit format, and emissions inventory, including correcting the permit to reflect the generator engine horsepower (hp) as opposed to the generator output in kilowatts, and correcting the permit to reflect the maximum hourly and annual crushing and screening throughput.

SECTION II: Limitations and Conditions

A. Operational Limitations and Conditions

1. Knife River shall not cause or authorize to be discharged into the atmosphere from any Standards of Performance for New Stationary Sources (NSPS)-affected crusher, any visible emissions that exhibit an opacity of 15% or greater averaged over 6 consecutive minutes (ARM 17.8.340, ARM 17.8.752, and 40 CFR 60, Subpart OOO).
2. Knife River shall not cause or authorize to be discharged into the atmosphere from any other NSPS-affected equipment, such as screens or conveyor transfers, any visible emissions that exhibit an opacity of 10% or greater averaged over 6 consecutive minutes (ARM 17.8.340, ARM 17.8.752, and 40 CFR 60, Subpart

OOO).

3. Knife River shall not cause or authorize to be discharged into the atmosphere, from any non-NSPS affected equipment, any visible emissions that exhibit an opacity of 20% or greater averaged over 6 consecutive minutes (ARM 17.8.308 and ARM 17.8.752).
4. Water and water spray bars shall be available on site at all times and operated, as necessary, to maintain compliance with the opacity limitations in Sections II.A.1, II.A.2, and II.A.3 (ARM 17.8.752).
5. Knife River shall not cause or authorize to be discharged into the atmosphere from any street, road, or parking lot any visible fugitive emissions that exhibit opacity of 20% or greater averaged over 6 consecutive minutes and must take reasonable precautions to control emissions of airborne particulate matter (ARM 17.8.308 and ARM 17.8.752).
6. Knife River shall treat all unpaved portions of the haul roads, access roads, parking lots, or general plant area with water and/or chemical dust suppressant as necessary to maintain compliance with the reasonable precautions limitation in Section II.A.5 (ARM 17.8.749).
7. Knife River shall not operate more than two crushers at any given time and the maximum rated design capacity of the two crushers shall not exceed 660 tons per hour (TPH) (ARM 17.8.749).
8. Knife River shall not operate more than three screens at any given time and the maximum rated design capacity of the three screens shall not exceed 1,875 TPH (ARM 17.8.749).
9. Knife River shall not operate more than one diesel generator at any given time and the maximum rated design capacity of the generator's engine shall not exceed 676 hp (ARM 17.8.749).
10. If the permitted equipment is used in conjunction with any other equipment owned or operated by Knife River, at the same site, production shall be limited to correspond with an emission level that does not exceed 250 tons of emissions during any rolling 12-month time period. Any calculations used to establish production levels shall be approved by the Department (ARM 17.8.749).
11. Knife River shall comply with all applicable standards and limitations, and the reporting, recordkeeping, testing, and notification requirements contained in 40 CFR 60, Subpart OOO (ARM 17.8.340 and 40 CFR 60, Subpart OOO).
12. Knife River shall comply with all applicable standards and limitations, and the reporting, recordkeeping, and notification requirements contained in 40 CFR 60, Subpart IIII, Standards of Performance for Stationary Compression Ignition Internal Combustion Engines and 40 CFR 63, Subpart ZZZZ, National Emissions
13. Standards for Hazardous Air Pollutants for Stationary Reciprocating Internal Combustion Engines, for any applicable diesel engine (ARM 17.8.340; 40 CFR 60, Subpart IIII; ARM 17.8.342; and 40 CFR 63, Subpart ZZZZ).

B. Testing Requirements

1. Within 60 days after achieving the maximum production rate, but no later than 180 days after initial startup, an Environmental Protection Agency (EPA) Method 9 opacity test and/or other methods and procedures, as specified in 40 CFR Part 60.675, must be performed on any NSPS-affected equipment to demonstrate compliance with the emissions limitations contained in Sections II.A.1 and II.A.2 (ARM 17.8.340, 40 CFR Part 60, Subpart A and Subpart OOO).
2. All compliance source tests shall conform to the requirements of the Montana Source Test Protocol and Procedures Manual (ARM 17.8.106).
3. The Department may require additional testing (ARM 17.8.105).

C. Operational Reporting Requirements

1. If this portable crushing/screening plant is moved to another location, an Intent to Transfer form must be sent to the Department and a Public Notice Form for Change of Location must be published in a newspaper of general circulation in the area to which the transfer is to be made, at least 15 days prior to the move. The proof of publication (affidavit) of the Public Notice Form for Change of Location must be submitted to the Department prior to the move. These forms are available from the Department (ARM 17.8.749 and ARM 17.8.765).
2. Knife River shall supply the Department with annual production information for all emission points, as required by the Department in the annual emission inventory request. The request will include, but not be limited to, all sources of emissions identified in the emission inventory contained in the permit analysis.

Production information shall be gathered on a calendar-year basis and submitted to the Department by the date required in the emission inventory request. Information shall be in the units required by the Department. This information may be used for calculating operating fees, based on actual emissions from the facility, and/or to verify compliance with permit limitations (ARM 17.8.505).
3. Knife River shall notify the Department of any construction or improvement project conducted, pursuant to ARM 17.8.745, that would include *the addition of a new emissions unit*, change in control equipment, stack height, stack diameter, stack flow, stack gas temperature, source location, or fuel specifications, or would result in an increase in source capacity above its permitted operation. The notice must be submitted to the Department, in writing, 10 days prior to startup or use of the proposed de minimis change, or as soon as reasonably practicable in the event of an unanticipated circumstance causing the de minimis change, and must include the information requested in ARM 17.8.745(l)(d) (ARM 17.8.745).
4. Knife River shall maintain on-site records showing daily hours of operation and daily production rates for the last 12 months. All records compiled in accordance with this permit shall be maintained by Knife River as a permanent business record for at least 5 years following the date of the measurement, must be submitted to the Department upon request, and must be available at the plant site for inspection by the Department (ARM 17.8.749).

SECTION III: General Conditions

- A. Inspection – Knife River shall allow the Department's representatives access to the source at all reasonable times for the purpose of making inspections or surveys, collecting samples, obtaining data, auditing any monitoring equipment (CEMS, CERMS) or observing any monitoring or testing, and otherwise conducting all necessary functions related to this permit.
- B. Waiver – The permit and all the terms, conditions, and matters stated herein shall be deemed accepted if Knife River fails to appeal as indicated below.
- C. Compliance with Statutes and Regulations – Nothing in this permit shall be construed as relieving Knife River of the responsibility for complying with any applicable federal or Montana statute, rule, or standard, except as specifically provided for in ARM 17.8.740, *et seq.* (ARM 17.8.756)
- D. Enforcement – Violations of limitations, conditions and requirements contained herein may constitute grounds for permit revocation, penalties or other enforcement as specified in Section 75-2-401, *et seq.*, MCA.
- E. Appeals – Any person or persons jointly or severally adversely affected by the Department's decision may request, within 15 days after the Department renders its decision, upon affidavit setting forth the grounds therefore, a hearing before the Board of Environmental Review (Board). A hearing shall be held under the provisions of the Montana Administrative Procedures Act. The filing of a request for a hearing does not stay the Department's decision, unless the Board issues a stay upon receipt of a petition and a finding that a stay is appropriate under Section 75-2-211(11)(b), MCA. The issuance of a stay on a permit by the Board postpones the effective date of the Department's decision until conclusion of the hearing and issuance of a final decision by the Board. If a stay is not issued by the Board, the Department's decision on the application is final 16 days after the Department's decision is made.
- F. Permit Inspection – As required by ARM 17.8.755, Inspection of Permit, a copy of the air quality permit shall be made available for inspection by Department personnel at the location of the permitted source.
- G. Permit Fee – Pursuant to Section 75-2-220, MCA, as amended by the 1991 Legislature, failure to pay the annual operation fee by Knife River may be grounds for revocation of this permit, as required by that section and rules adopted thereunder by the Board.
- H. Construction Commencement – Construction must begin within 3 years of permit issuance and proceed with due diligence until the project is complete or the permit shall be revoked (ARM 17.8.762).
- I. The Department may modify the conditions of this permit based on local conditions of any future site. These factors may include, but are not limited to, local terrain, meteorological conditions, proximity to residences, etc.
- J. Knife River shall comply with the conditions contained in this permit while operating in any location in Montana, except within those areas that have a Department-approved permitting program or areas considered tribal lands.

PERMIT ANALYSIS
Knife River Corporation
Permit #2788-03

I. Introduction/Process Description

Knife River Corporation (Knife River) owns and operates a portable crushing/screening plant that operates in various locations around Montana. The original location was SW ¼ of Section 7, Township 1 South, Range 5 East, in Gallatin County, Montana.

A. Permitted Equipment

Knife River operates the following equipment:

- Two crushers (maximum capacity 660 tons per hour (TPH)),
- Three screens (maximum capacity 1875 TPH),
- Diesel-fired generator (powered by a 676 horsepower (hp) engine), and
- Associated equipment.

B. Process Description

Knife River uses this crushing/screening plant and associated equipment to crush and screen sand and gravel materials for use in various construction operations. For a typical operational setup, materials are loaded into the crushing/screening plant by a hopper and transferred by conveyor to and passed through two crushers. Materials are crushed by the crushers and sent to the three screens. Material is screened, separated, and sent to stockpile for sale and use in construction operations.

C. Permit History

On May 6, 1993, Pioneer Ready Mix, Inc. (Pioneer) was issued **Permit #2788-00** to operate a portable 1989 Universal impact crusher (maximum capacity 450 TPH), a 1985 Barmac II Vertical Shaft impact crusher (maximum capacity 250 TPH), and associated equipment. Subsequently, on September 29, 1995, a letter was submitted to clarify that Pioneer had changed their name to JTL Group, Inc. (JTL).

On December 27, 1998, JTL was issued **Permit #2788-01** to operate a portable 1989 Universal impact crusher (maximum capacity 450 TPH), a 1985 Barmac II Vertical Shaft impact crusher (maximum capacity 250 TPH), and associated equipment. The initial location was identified as the SW ¼ of Section 7, Township 1 South, Range 5 East, in Gallatin County, Montana. Permit 2788-01 replaced Permit #2788-00.

On March 10, 2004, JTL submitted a complete permit application for the removal of a 1989 Universal impact crusher (maximum capacity 450 TPH) and the addition of a 1996 Nordberg cone crusher (maximum capacity 410 TPH), a 1993 Seco (8'x20') screen (maximum capacity 425 TPH), a 2001 Deister (8'x20') screen (maximum capacity 1000 TPH), a 1999 Deister (8'x20') screen (maximum capacity 450 TPH), a diesel generator (400 hp), and associated equipment. JTL also requested that the permit be generalized during the update. In addition, the permit was updated to reflect the current language and rule references used by the Department of Environmental Quality (Department). **Permit #2788-02** replaced Permit #2788-01.

D. Current Permit Action

On January 24, 2008, the Department received a request to change the permittee name from JTL to Knife River. The current permit action is an administrative amendment pursuant to Administrative Rules of Montana (ARM) 17.8.764 that changes the permittee name as requested. In addition to accounting for this name change, the permit updates the rule references, permit format, and emissions inventory, including correcting the permit to reflect the generator engine horsepower as opposed to the generator output in kW and correcting the permit to reflect the maximum hourly and annual crusher and screening throughput. **Permit #2788-03** replaces Permit #2788-02.

E. Additional Information

Additional information, such as applicable rules and regulations, Best Available Control Technology (BACT)/Reasonably Available Control Technology (RACT) determinations, air quality impacts, and environmental assessments, is included in the analysis associated with each change to the permit.

II. Applicable Rules and Regulations

The following are partial explanations of some applicable rules and regulations that apply to the facility. The complete rules are stated in the ARM and are available, upon request, from the Department. Upon request, the Department will provide references for locations of complete copies of all applicable rules and regulations or copies where appropriate.

A. ARM 17.8, Subchapter 1 - General Provisions, including, but not limited to:

1. ARM 17.8.101 Definitions. This rule is a list of applicable definitions used in this subchapter, unless indicated otherwise in a specific subchapter.
2. ARM 17.8.105 Testing Requirements. Any person or persons responsible for the emission of any air contaminant into the outdoor atmosphere shall, upon written request of the Department, provide the facilities and necessary equipment (including instruments and sensing devices) and shall conduct tests, emission or ambient, for such periods of time as may be necessary using methods approved by the Department.
3. ARM 17.8.106 Source Testing Protocol. The requirements of this rule apply to any emission source testing conducted by the Department, any source, or other entity as required by any rule in this chapter, or any permit or order issued pursuant to this chapter, or the provisions of the Clean Air Act of Montana, 75-2-101, *et seq.*, Montana Code Annotated (MCA).

Knife River shall comply with all requirements contained in the Montana Source Test Protocol and Procedures Manual, including, but not limited to, using the proper test methods and supplying the required reports. A copy of the Montana Source Test Protocol and Procedures Manual is available from the Department upon request.

4. ARM 17.8.110 Malfunctions. (2) The Department must be notified promptly by telephone whenever a malfunction occurs that can be expected to create emissions in excess of any applicable emission limitation or to continue for a period greater than 4 hours.

5. ARM 17.8.111 Circumvention. (1) No person shall cause or permit the installation or use of any device or any means which, without resulting in reduction in the total amount of air contaminant emitted, conceals or dilutes an emission of air contaminant that would otherwise violate an air pollution control regulation. (2) No equipment that may produce emissions shall be operated or maintained in such a manner that a public nuisance is created.

B. ARM 17.8, Subchapter 2 - Ambient Air Quality, including, but not limited to:

1. ARM 17.8.210 Ambient Air Quality Standards for Sulfur Dioxide
2. ARM 17.8.211 Ambient Air Quality Standards for Nitrogen Dioxide
3. ARM 17.8.212 Ambient Air Quality Standards for Carbon Monoxide
4. ARM 17.8.220 Ambient Air Quality Standard for Settled Particulate Matter
5. ARM 17.8.223 Ambient Air Quality Standard for PM₁₀

Knife River must comply with the applicable ambient air quality standards.

C. ARM 17.8, Subchapter 3 - Emission Standards, including, but not limited to:

1. ARM 17.8.304 Visible Air Contaminants. This rule requires that no person may cause or authorize emissions to be discharged into the outdoor atmosphere from any source installed after November 23, 1968, that exhibit an opacity of 20% or greater averaged over 6 consecutive minutes.
2. ARM 17.8.308 Particulate Matter, Airborne. (1) This rule requires an opacity limitation of less than 20% for all fugitive emission sources and that reasonable precautions be taken to control emissions of airborne particulate matter. (2) Under this rule, Knife River shall not cause or authorize the use of any street, road, or parking lot without taking reasonable precautions to control emissions of airborne particulate matter.
3. ARM 17.8.309 Particulate Matter, Fuel Burning Equipment. This rule requires that no person shall cause or authorize to be discharged into the atmosphere particulate matter caused by the combustion of fuel in excess of the amount determined by this rule.
4. ARM 17.8.310 Particulate Matter, Industrial Processes. This rule requires that no person shall cause or allow to be discharged into the atmosphere particulate matter in excess of the amount set forth in this rule.
5. ARM 17.8.322 Sulfur Oxide Emissions--Sulfur in Fuel. This rule requires that no person shall burn liquid, solid, or gaseous fuel in excess of the amount set forth in this rule.
6. ARM 17.8.324 Hydrocarbon Emissions--Petroleum Products. (3) No person shall load or permit the loading of gasoline into any stationary tank with a capacity of 250 gallons or more from any tank truck or trailer, except through a permanent submerged fill pipe, unless such tank truck or trailer is equipped with a vapor loss control device as described in (1) of this rule.
7. ARM 17.8.340 Standards of Performance for New Stationary Sources. This rule incorporates, by reference, 40 CFR Part 60, Standards of Performance for New Stationary Sources (NSPS). Knife River is considered an NSPS-affected facility under 40 CFR Part 60 and is subject to the requirements of the following subparts.

- a. 40 CFR 60, Subpart A – General Provisions apply to all equipment or facilities subject to an NSPS Subpart as listed below:
- b. 40 CFR 60, Subpart OOO – Standards of Performance for Nonmetallic Mineral Processing Plants. In order for a crushing plant to be subject to this subpart, the facility must meet the definition of an affected facility and, the affected equipment must have been constructed, reconstructed, or modified after August 31, 1983. Based on the information submitted by Knife River, the two crushers (currently the 1996 Nordberg cone crusher and 1985 Barmac II Vertical Shaft impact crusher) and three screens (currently the 1993 Seco screen, 2001 Deister screen, and 1999 Deister screen), are subject to NSPS requirements since they were constructed after the applicability date (40 CFR Part 60, Subpart A General Provisions, and Subpart OOO, Non-Metallic Mineral Processing Plants).
- c. 40 CFR 60, Subpart IIII - Stationary Compression Ignition Internal Combustion Engines, applies to any diesel generator manufactured after April 1, 2006, or modified or reconstructed after July 11, 2005. This NSPS will apply if the engine remains or will remain at the permitted location for more than 12 months, or a shorter period of time for an engine located at a seasonal source. A seasonal source remains at a single location on a permanent basis (at least 2 years) and operates 3 months or more each year.

The current diesel generator is not subject to this NSPS. However, since the permit is written in a de minimis-friendly manner to allow Knife River to operate any diesel generator powered by engines up to a total of 676-hp, this regulation may apply if the generator is replaced and remains on site for over the specified time frames.

- 8. ARM 17.8.342 Emission Standards for Hazardous Air Pollutants for Source Categories. The source, as defined and applied in 40 CFR Part 63, shall comply with the requirements of 40 CFR Part 63, as listed below:
 - a. 40 CFR 63, Subpart A – General Provisions apply to all equipment or facilities subject to an NESHAPs Subpart as listed below:
 - b. 40 CFR 63, Subpart ZZZZ - National Emissions Standards for Hazardous Air Pollutants for Stationary Reciprocating Internal Combustion Engines. As an area source, any diesel RICE engine operated by Knife River that is new or reconstructed after June 12, 2006, will be subject to this MACT standard if the engine remains or will remain at the permitted location for more than 12 months, or a shorter period of time for an engine located at a seasonal source. A seasonal source remains at a single location on a permanent basis (at least 2 years) and operates 3 months or more each year.

As an area source, the diesel RICE at Knife River will be subject to this rule. However, although diesel RICE engines are an affected source, per 40 CFR 63.6590(b)(3) they do not have any requirements unless they are new or reconstructed after June 12, 2006. The current diesel generator does not have any requirements. However, since the permit is written to allow Knife River to operate any diesel generators powered by engines up to 676-hp, MACT requirements may apply if the engine is replaced, and remains on site for over the specified timeframes.

D. ARM 17.8, Subchapter 5 - Air Quality Permit Application, Operation, and Open Burning Fees, including, but not limited to:

1. ARM 17.8.504 Air Quality Permit Application Fees. This rule requires that Knife River submit an air quality permit application fee concurrent with the submittal of an air quality permit application. A permit application is incomplete until the proper application fee is paid to the Department. A permit fee is not required for the current permit action because the permit action is considered an administrative permit change.
2. ARM 17.8.505 Air Quality Operation Fees. An annual air quality operation fee must, as a condition of continued operation, be submitted to the Department by each source of air contaminants holding an air quality permit, excluding an open burning permit, issued by the Department. This operation fee is based on the actual or estimated actual amount of air pollutants emitted during the previous calendar year.

An air quality operation fee is separate and distinct from an air quality permit application fee. The annual assessment and collection of the air quality operation fee, described above, shall take place on a calendar-year basis. The Department may insert into any final permit issued after the effective date of these rules, such conditions as may be necessary to require the payment of an air quality operation fee on a calendar-year basis, including provisions that pro-rate the required fee amount.

E. ARM 17.8, Subchapter 7 - Permit, Construction and Operation of Air Contaminant Sources, including, but not limited to:

1. ARM 17.8.740 Definitions. This rule is a list of applicable definitions used in this chapter, unless indicated otherwise in a specific subchapter.
2. ARM 17.8.743 Montana Air Quality Permits--When Required. This rule requires a person to obtain an air quality permit or permit alteration to construct, alter, or use any asphalt plant, crusher, or screen that has the Potential to Emit (PTE) greater than 15 tons per year of any pollutant. Knife River has a PTE greater than 15 tons per year of total particulate matter (PM), particulate matter with an aerodynamic diameter of 10 microns or less (PM₁₀), oxides of nitrogen (NO_x), and carbon monoxide (CO); therefore, an air quality permit is required.
3. ARM 17.8.744 Montana Air Quality Permits--General Exclusions. This rule identifies the activities that are not subject to the Montana Air Quality Permit Program.
4. ARM 17.8.745 Montana Air Quality Permits—Exclusion for De Minimis Changes. This rule identifies the de minimis changes at permitted facilities that do not require a permit under the Montana Air Quality Permit Program.
5. ARM 17.8.748 New or Modified Emitting Units--Permit Application Requirements. (1) This rule requires that a permit application be submitted prior to installation, modification, or use of a source. A permit application was not required for the current permit action because the permit change is considered an administrative permit change. (7) This rule requires that the applicant notify the public by means of legal publication in a newspaper of general circulation in the

area affected by the application for a permit. An affidavit of publication of public notice was not required for the current permit action because the permit change is considered an administrative permit change.

6. ARM 17.8.749 Conditions for Issuance or Denial of Permit. This rule requires that the permits issued by the Department must authorize the construction and operation of the facility or emitting unit subject to the conditions in the permit and the requirements of this subchapter. This rule also requires that the permit must contain any conditions necessary to assure compliance with the Federal Clean Air Act (FCAA), the Clean Air Act of Montana, and rules adopted under those acts.
7. ARM 17.8.752 Emission Control Requirements. This rule requires a source to install the maximum air pollution control capability that is technically practicable and economically feasible, except that BACT shall be utilized. The required BACT analysis is included in Section III of this permit analysis.
8. ARM 17.8.755 Inspection of Permit. This rule requires that air quality permits shall be made available for inspection by the Department at the location of the source.
9. ARM 17.8.756 Compliance with Other Requirements. This rule states that nothing in the permit shall be construed as relieving Knife River of the responsibility for complying with any applicable federal or Montana statute, rule, or standard, except as specifically provided in ARM 17.8.740, *et seq.*
10. ARM 17.8.759 Review of Permit Applications. This rule describes the Department's responsibilities for processing permit applications and making permit decisions on those permit applications that do not require the preparation of an environmental impact statement.
11. ARM 17.8.762 Duration of Permit. An air quality permit shall be valid until revoked or modified, as provided in this subchapter, except that a permit issued prior to construction of a new or altered source may contain a condition providing that the permit will expire unless construction is commenced within the time specified in the permit, which in no event may be less than 1 year after the permit is issued.
12. ARM 17.8.763 Revocation of Permit. An air quality permit may be revoked upon written request of Knife River, or for violations of any requirement of the Clean Air Act of Montana, rules adopted under the Clean Air Act of Montana, the FCAA, rules adopted under the FCAA, or any applicable requirement contained in the Montana State Implementation Plan (SIP).
13. ARM 17.8.764 Administrative Amendment to Permit. An air quality permit may be amended for changes in any applicable rules and standards adopted by the Board of Environmental Review (Board) or changed conditions of operation at a source or stack that do not result in an increase of emissions as a result of those changed conditions. The owner or operator of a facility may not increase the facility's emissions beyond permit limits unless the increase meets the criteria in ARM 17.8.745 for a de minimis change not requiring a permit, or unless the owner or operator applies for and receives another permit in accordance with ARM 17.8.748, ARM 17.8.749, ARM 17.8.752, ARM 17.8.755, and ARM 17.8.756, and with all applicable requirements in ARM Title 17, Chapter 8, Subchapters 8, 9, and 10.

14. ARM 17.8.765 Transfer of Permit. (1) This rule states that an air quality permit may be transferred from one location to another if the Department receives a complete notice of Intent to Transfer location, the facility will operate in the new location for less than 1 year, the facility will comply with the FCAA and the Clean Air Act of Montana, and the facility complies with other applicable rules. (2) This rule states that an air quality permit may be transferred from one person to another if written notice of Intent to Transfer, including the names of the transferor and the transferee, is sent to the Department.

F. ARM 17.8, Subchapter 8 - Prevention of Significant Deterioration of Air Quality, including, but not limited to:

1. ARM 17.8.801 Definitions. This rule is a list of applicable definitions used in this subchapter.
2. ARM 17.8.818 Review of Major Stationary Sources and Major Modifications-- Source Applicability and Exemptions. The requirements contained in ARM 17.8.819 through ARM 17.8.827 shall apply to any major stationary source and any major modification with respect to each pollutant subject to regulation under the FCAA that it would emit, except as this subchapter would otherwise allow.

This facility is not a major stationary source because it is not a listed source and does not have a PTE greater than 250 tons per year (excluding fugitive emissions) of any air pollutant.

G. ARM 17.8, Subchapter 12 - Operating Permit Program Applicability, including, but not limited to:

1. ARM 17.8.1201 Definitions. (23) Major Source under Section 7412 of the FCAA is defined as any stationary source having:
 - a. PTE > 100 tons/year of any pollutant.
 - b. PTE > 10 tons/year of any one Hazardous Air Pollutant (HAP), PTE > 25 tons/year of a combination of all HAPs, or lesser quantity as the Department may establish by rule.
 - c. PTE > 70 tons/year of PM₁₀ in a serious PM₁₀ nonattainment area.
2. ARM 17.8.1204 Air Quality Operating Permit Program Applicability. (1) Title V of the FCAA Amendments of 1990 requires that all sources, as defined in ARM 17.8.1204 (1), obtain a Title V Operating Permit. In reviewing and issuing Air Quality Permit #2788-03 for the Knife River facility, the following conclusions were made:
 - a. The facility's PTE is less than 100 tons/year for any pollutant.
 - b. The facility's PTE is less than 10 tons/year for any one HAP and less than 25 ton/year of all HAPs.
 - c. This source is not located in a serious PM₁₀ nonattainment area.
 - d. This facility is subject to current NSPS requirements (40 CFR 60, Subpart OOO and possibly Subpart IIII).
 - e. This facility is subject to area source provisions of a NESHAP standard

(40 CFR 63, Subpart ZZZZ).

- f. This source is not a Title IV affected source nor a solid waste combustion unit.
- g. This source is not an EPA designated Title V source.

Based on these facts, the Department determined that this facility would be a minor source of emissions, as defined under the Title V Operating Permit Program. However, if minor sources subject to NSPS are required to obtain a Title V Operating Permit, Knife River will be required to obtain a Title V Operating Permit.

III. BACT Analysis

A BACT determination is required for any new or altered source. Knife River shall install on the new or altered source the maximum air pollution control capability that is technologically practicable and economically feasible, except that BACT shall be used. A BACT determination was not required for the current permit action because the permit change is considered an administrative permit change.

IV. Emission Inventory

Source	Tons/Year					
	PM	PM ₁₀	NO _x	VOC	CO	SO _x
Crushers (2 total @ 660 TPH)	3.46	1.58				
Screens (3 total @ 1875 TPH)	18.09	6.09				
Truck Unloading	0.05	0.05				
Material Transfer (Conveyor/Stacker)	7.71	2.54				
Pile Forming	9.33	4.42				
Bulk Loading	0.05	0.05				
Diesel Generator (676 hp engine)	6.44	6.44	91.37	7.45	19.67	6.00
Haul Roads	12.68	3.60				
Total	57.81	24.77	91.37	7.45	19.67	6.00

- A complete emission inventory for Permit #2788-03 is on file with the Department.

V. Existing Air Quality

Permit #2788-03 will cover this portable crushing/screening plant while operating in areas classified as attainment or unclassified for ambient air quality standards, including for the proposed initial site location (the SW ¼ of Section 7, Township 1 South, Range 5 East, in Gallatin County, Montana). This facility is not currently allowed to operate in areas designated as nonattainment for PM₁₀.

VI. Air Quality Impacts

Based on the information provided by Knife River and the conditions established in Permit #2788-03, the amount of controlled emissions generated by this facility will not exceed any set ambient air quality standards. In addition, this source is portable and any air quality impacts will be minimal. Included in this permit are operational conditions and limitations that would protect air quality for this site and the surrounding area. Also, this facility is a portable source that would operate on an intermittent and temporary basis and any effects to air quality will be minor and short-lived.

VII. Taking or Damaging Implication Analysis

As required by 2-10-105, MCA, the Department conducted the following private property taking and damaging assessment.

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 deny a fundamental attribute of ownership? (ex.: right to exclude others, disposal of property)
	X	4. Does the action deprive the owner of all economically viable uses of the property?
	X	5. Does the action require a property owner to dedicate a portion of property or to grant an easement? [If no, go to (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? (consider economic impact, investment-backed expectations, character of government action)
	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?
	X	7a. Is the impact of government action direct, peculiar, and significant?
	X	7b. Has government action resulted in the property becoming practically inaccessible, waterlogged or flooded?
	X	7c. Has government action lowered 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?
	X	Takings or damaging implications? (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; the shaded areas)

Based on this analysis, the Department determined there are no taking or damaging implications associated with this permit action.

VIII. Environmental Assessment

This permitting action will not result in an increase of emissions from the facility and is considered an administrative action; therefore, an environmental assessment is not required.

Analysis Prepared By: Christine Weaver
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