Montana Department of
ENVIRONMENTAL QUALITY
Brian Schweitzer, Governor
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May 5, 2009

Mr. Keith Engebretson
LHC, Inc.
1179 Stillwater Road
P.O. Box 7338
Kalispell, MT 59904-0338

Dear Mr. Engebretson:

Air Quality Permit #2925-08 is deemed final as of May 5, 2009, by the Department of Environmental Quality (Department). This permit is for a portable crushing/screening facility. 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) 444-9741

Skye Hatten, P.E.
Environmental Engineer
Air Resources Management Bureau
(406) 444-5287

VW:sh
Enclosure

Montana Department of Environmental Quality
Permitting and Compliance Division

Air Quality Permit #2925-08

LHC, Inc.
1179 Stillwater Road
P.O. Box 7338
Kalispell, MT 59904-0338

May 5, 2009

MONTANA AIR QUALITY PERMIT

Issued To: LHC, Inc.
P.O. Box 7338
Kalispell, MT 59904-0338

MAQP: #2925-08
Administrative Amendment (AA)
Request Received: 03/11/09
Department's Decision on AA: 04/17/09
Permit Final: 05/05/09
AFS: #777-2925

A Montana Air Quality Permit (MAQP), with conditions, is hereby granted to LHC, Inc. (LHC) pursuant to Sections 75-2-204 and 211 of the Montana Code Annotated (MCA), as amended, and Administrative Rules of Montana (ARM) 17.8.740, *et seq.*, as amended, for the following:

Section I: Permitted Facilities

A. Location

LHC operates a portable crushing/screening facility, which will initially be located in the NE¼ of the NW¼ of Section 25 and Section 26, Township 29 North, Range 22 West, in Flathead County, Montana. However, MAQP #2925-08 applies while operating at any location in Montana, except within those areas having a Department of Environmental Quality (Department)-approved permitting program, areas considered tribal lands, or areas in or within 10 kilometers (km) of certain particulate matter with an aerodynamic diameter of 10 microns or less (PM_{10}) nonattainment areas. *A Missoula County air quality permit will be required for locations within Missoula County, Montana.* Addendum #9 applies to the LHC facility while operating at any location in or within 10 km of certain PM_{10} nonattainment areas during the summer months (April 1 – September 30) and at sites approved by the Department during the winter months (October 1 – March 31).

B. Current Permit Action:

On February 4, 2009, the crushing and screening unit permitted under MAQP #2925-07 was destroyed by fire. On March 11, 2009, LHC submitted a de minimis request for the replacement of the destroyed crushing and screening unit. Based on review of the de minimis request and supplemental information, the project was determined to meet the definition of de minimis under ARM 17.8.745. The current permit action amends MAQP #2925-07 to include the new crushing and screening unit and updates the rule references, permit format, and the emissions inventory.

Section II: Limitations and Conditions

A. Operational

1. All visible emissions from any Standards of Performance for New Stationary Source (NSPS)-affected crusher shall not exhibit an opacity of 15% or greater averaged over 6 consecutive minutes (ARM 17.8.340 and 40 Code of Federal Regulations (CFR) Part 60, Subpart OOO).

2. All visible emissions from any other NSPS-affected equipment, such as screens or conveyor transfers, shall not exhibit an opacity of 10% or greater averaged over 6 consecutive minutes (ARM 17.8.340 and 40 CFR 60, Subpart OOO).

3. All visible emissions from any non-NSPS affected equipment shall not exhibit an opacity of 20% or greater averaged over 6 consecutive minutes (ARM 17.8.304).

4. Water and 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 17.8.749).

5. LHC 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 (ARM 17.8.308).

6. LHC shall treat all unpaved portions of the haul roads, access roads, parking lots, or the 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. LHC shall not operate more than one crusher at any given time and the maximum throughput of that crusher shall not exceed 300 tons per hour (TPH) (ARM 17.8.749).

8. Crushing production is limited to 2,628,000 tons during any rolling 12-month time period (ARM 17.8.749).

9. LHC shall not operate more than one screen at any given time and the maximum throughput of that screen shall not exceed 300 TPH (ARM 17.8.749).

10. Screening production is limited to 2,628,000 tons during any rolling 12-month time period (ARM 17.8.749).

11. LHC shall not operate more than one diesel fuel-fired engine/generator at any given time and the maximum rated design capacity of the engine/generator shall not exceed 610 horsepower (hp) (ARM 17.8.749).

12. If the permitted equipment is used in conjunction with any other equipment owned or operated by LHC, at the same site, production shall be limited to correspond with an emission level that does not exceed 250 tons during any rolling 12-month period. Any calculations used to establish production levels shall be approved by the Department (ARM 17.8.749).

13. LHC shall comply with all applicable standards and limitations, and the reporting, recordkeeping, testing, and notification requirements contained in 40 CFR 60, Subpart OOO, *Standards of Performance for Nonmetallic Mineral Processing Plants* (ARM 17.8.340 and 40 CFR 60, Subpart OOO).

14. LHC 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 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 maximum production, but no later than 180 days after initial start-up, an Environmental Protection Agency (EPA) Method 9 opacity test and/or other methods and procedures as specified in 40 CFR 60.675 must be performed on all NSPS-affected equipment to demonstrate compliance with the emission limitations contained in Section II.A.1 and II.A.2 (ARM 17.8.340 and 40 CFR 60, Subpart A and Subpart OOO).

2. All compliance source tests shall be conducted in accordance with 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 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. LHC 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. LHC 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. LHC shall maintain on-site records showing daily hours of operation and daily production rates for the last 12 months. The records compiled in accordance with this permit shall be maintained by LHC as a permanent business record for at least 5 years following the date of the measurement, must be available at the plant site for inspection by the Department, and must be submitted to the Department upon request (ARM 17.8.749).

5. LHC shall document, by month, the crushing production from the facility. By the 25th day of each month, LHC shall calculate the crushing production from the facility for the previous month. The monthly information will be used to verify compliance with the rolling 12-month limitation in Section II.A.8. The information for each of the previous months shall be submitted along with the annual emission inventory (ARM 17.8.749).

6. LHC shall document, by month, the screening production from the facility. By the 25th day of each month, LHC shall calculate the screening production from the facility for the previous month. The monthly information will be used to verify compliance with the rolling 12-month limitation in Section II.A.10. The information for each of the previous months shall be submitted along with the annual emission inventory (ARM 17.8.749).

Section III: Addendum

LHC shall comply with all conditions in Addendum 9 to MAQP #2925-08, as appropriate (ARM 17.8.749).

Section IV: General Conditions

A. Inspection – LHC 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 LHC fails to appeal as indicated below.

C. Compliance with Statutes and Regulations - Nothing in this permit shall be construed as relieving LHC 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, failure to pay the annual operation fee by LHC may be grounds for revocation of this permit, as required by that section and rules adopted thereunder by the Board.

H. Duration of Permit – Construction or installation must begin or contractual obligations entered into that would constitute substantial loss within 3 years of permit issuance and proceed with due diligence until the project is complete or the permit shall expire (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. LHC 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
LHC, Inc.
MAQP #2925-08

I. Introduction/Process Description

A. Permitted Equipment

LHC, Inc. (LHC) operates a portable cone crusher (up to 300 tons per hour (TPH)); a portable screen (up to 300 TPH); a portable conveyor; a portable diesel fuel-fired generator (up to 610 horsepower (hp) maximum capacity); and associated equipment.

B. Process Description

LHC proposes to use this crushing/screening plant and associated equipment to crush and sort sand and gravel materials to be used in various construction operations. For a typical operational setup, materials are crushed, screened, and conveyed to a stockpile for future use.

C. Permit History

On May 31, 1996, **Montana Air Quality Permit (MAQP) #2925-00** was issued to LHC to operate a 1996 Allis H-3000 cone crusher, and associated equipment. The facility originally operated at the NE¼ of the NW¼ of Section 25 and Section 26, Township 29 North, Range 22 West, in Flathead County, Montana. This location is within 10 kilometers (km) of the Kalispell particulate matter with an aerodynamic diameter of 10 microns or less (PM_{10}) nonattainment area; therefore, conditions were added to the permit to keep the crusher impacts on the nonattainment area at a minimum. **Addendum 1** contained conditions for operation in or within 10 km of the Kalispell PM_{10} nonattainment area through September 1996, and the Whitefish PM_{10} nonattainment area (SW ¼ of the NW ¼ of Section 1, Township 30 North, Range 22 West, in Flathead County, Montana) through March 31, 1997.

On March 19, 1997, **MAQP #2925-01** was issued to LHC to operate in or within 10 km of the Kalispell PM_{10} nonattainment area (Section 25 and 26, Township 29 North, Range 22 West, in Flathead County, Montana) from September 1997, through March 31, 1998. MAQP #2925-01 replaced MAQP #2925-00 and **Addendum 2** replaced Addendum 1.

On January 2, 1998, LHC was issued **MAQP #2925-02**, which modified MAQP #2925-01 to allow the permitted facility to operate in or within 10 km of the Columbia Falls PM_{10} nonattainment area (Section 36, Township 30 North, Range 21 West, Lot 3, Flathead County, Montana) through September 30, 1998. MAQP #2925-02 replaced MAQP #2925-01 and **Addendum 3** replaced Addendum 2.

On February 7, 1998, LHC was issued a modification to MAQP #2925-02 to allow the permitted facility to operate in or within 10 km of the Thompson Falls PM_{10} nonattainment area (Section 13, Township 21 North, Range 29 West, P.M.M., Sanders County, Montana, lying south of Montana Highway 200 and north of the Burlington Northern Railroad right-of-way), through September 30, 1998. LHC was also allowed to operate in or within 10 km of the Columbia Falls PM_{10} nonattainment area (Section 36, Township 30 North, Range 21 West, Lot 3, Flathead County, Montana) through September 30, 1998. LHC was also allowed to operate in or within 10 km of the Kalispell PM_{10} nonattainment area (Sections 25 and 26, Township 29 North, Range 22 West, Flathead County, Montana) through September 30, 1998. The Department of Environmental Quality (Department) conducted modeling for the winter locations and determined that LHC would not adversely affect the Thompson Falls, Columbia Falls, or Kalispell PM_{10} nonattainment areas. **MAQP #2925-03** replaced MAQP #2925-02, and **Addendum 4** replaced Addendum 3.

On November 5, 1998, LHC requested that MAQP #2925-03 be modified to allow the permitted facility to operate at Section 25 and 26, Township 29 North, Range 22 West, Flathead County, Montana through September 30, 1999. LHC was also allowed to operate in or within 10 km of certain PM_{10} nonattainment areas from April 1, 1999, through September 30, 1999. **MAQP #2925-04** replaced MAQP #2925-03 and **Addendum 5** replaced Addendum 4.

On October 6, 1999, LHC requested that MAQP #2925-04 be modified to allow the permitted facility to operate at the following locations during the winter months of October 1, 1999, through March 31, 2000: 1) the Kalispell home pit located at Sections 25 and 26, Township 29 North, Range 22 West, in Flathead County, Montana; and 2) the Thompson Falls pit located at Section 13, Township 21 North, Range 29 West, in Sanders County, Montana. The plant was initially located at the Kalispell home pit. Because the Kalispell home pit was located within 10 km of the Kalispell PM_{10} nonattainment area and the Thompson Falls pit was located within 10 km of the Thompson Falls PM_{10} nonattainment area, SCREEN3 modeling was conducted to establish site-specific conditions to demonstrate compliance with ambient standards. **MAQP #2925-05** replaced MAQP #2925-04, and **Addendum 6** replaced Addendum 5.

On February 7, 2001, LHC requested that MAQP # 2925-05 be modified to allow the permitted facility to operate at the following locations during the winter months of October 1, 2000, through March 31, 2001: 1) the Kalispell home pit located at Sections 25 and 26, Township 29 North, Range 22 West, in Flathead County, Montana; and 2) the Whitefish pit located in the SW ¼ of the NW ¼ of Section 1, Township 30 North, Range 22 West, in Flathead County, Montana. The plant was initially located at the Kalispell home pit. Because both the Kalispell home pit and the Whitefish pit are located within 10 km of the PM_{10} nonattainment area, SCREEN3 modeling was conducted to establish site specific conditions to demonstrate compliance with ambient standards for operating at the two wintertime locations.

In addition to wintertime operations, the facility was also allowed to operate in or

within 10 km of certain PM_{10} nonattainment areas during the summer months (April 1, 2001, through September 30, 2001). **MAQP #2925-06** replaced MAQP #2925-05, and **Addendum 7** replaced Addendum 6.

On December 3, 2001, LHC requested that MAQP #2925-06 be modified to allow the permitted facility to operate in or within 10 km of the Kalispell and Whitefish PM_{10} nonattainment areas during the winter season (October 1 through March 31). In addition, LHC also requested to operate the permitted facility in or within 10 km of other PM_{10} nonattainment areas in the State of Montana during the summer season (April 1 through September 30). **MAQP #2925-07** replaced MAQP #2925-06 and **Addendum 8** replaced Addendum 7.

D. Current Permit Action

On February 4, 2009, the crushing and screening unit permitted under MAQP #2925-07 was destroyed by fire. On March 11, 2009, LHC submitted a de minimis request for the replacement of the destroyed crushing and screening unit. Based on review of the de minimis request and supplemental information, the project was determined to meet the definition of de minimis under Administrative Rules of Montana (ARM) 17.8.745. The current permit action amends ARM #2925-07 to include the new crushing and screening unit and updates the rule references, permit format, and the emissions inventory. **MAQP #2925-08** replaces MAQP #2925-07 and **Addendum 9** replaces Addendum 8.

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 location 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 includes a list of applicable definitions used in this chapter, 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).

   LHC shall comply with the 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 that, without resulting in reduction of 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 as to create a public nuisance.

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;
2. ARM 17.8.212 Ambient Air Quality Standards for Carbon Monoxide;
3. ARM 17.8.220 Ambient Air Quality Standard for Settled Particulate; and
4. ARM 17.8.223 Ambient Air Quality Standard for PM_{10}.

LHC shall maintain compliance 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 to an 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, LHC 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 section.

4. ARM 17.8.310 Particulate Matter, Industrial Process. This rule requires that no person shall cause or authorize to be discharged into the atmosphere particulate matter in excess of the amount set forth in this section.

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 section.

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 Standard of Performance for New Stationary Sources. This rule incorporates, by reference, 40 Code of Federal Regulations (CFR) Part 60, Standards of Performance for New Stationary Sources (NSPS). LHC 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 LHC, the portable crushing equipment to be used under MAQP #2925-08 is subject to this subpart as the crusher, screen, and associated equipment were manufactured after August 31, 1983.

c. 40 CFR 60, Subpart IIII Standards of Performance for Compression Ignition Internal Combustion Engines. NSPS-affected engines at the BML facility include any new or reconstructed stationary compression ignition (CI) internal combustion engines (ICE) that commence construction after July 11, 2005, where the stationary CI ICE are manufactured after April 1, 2006, and are not fire pump engines, and stationary CI ICE that modify or reconstruct their stationary CI ICE after July 11, 2005 (40 CFR 60, Subpart IIII). None of the currently proposed engines are subject to 40 CFR 60, Subpart IIII because they have not been manufactured or reconstructed after April 1, 2006, or July 11, 2005, respectively. However, because this permit is written in a de minimis-friendly manner, this regulation may apply to future engines at the facility.

8. ARM 17.8.342 Emission Standards for Hazardous Air Pollutants for Source Categories. This rule incorporates, by reference, 40 CFR Part 63, National Emission Standards for Hazardous Air Pollutants (NESHAP). The affected sources, as defined and applied in 40 CFR Part 63, shall comply with the requirements of 40 CFR Part 63, as described below.

a. 40 CFR 63, Subpart A – General Provisions apply to all equipment or facilities subject to a NESHAP Subpart as listed below:

b. 40 CFR 63, Subpart ZZZZ National Emission Standards for Hazardous Air Pollutants From Reciprocating Internal Combustion Engines. The proposed facility contains engines which are affected sources under 40 CFR 63 Subpart ZZZZ; however, because the engines are existing compression ignition engines at an area source of HAPs they qualify for an exemption within Subpart ZZZZ that excludes them from the maximum achievable control technology standards and reporting requirements in 40 CFR Part 63. No initial notification is required. However, because this permit is written in a de minimis-friendly manner, substantive portions of this regulation may apply to future engines at the facility.

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 an applicant 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; the air quality 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 modification to construct, modify, or use any asphalt plant, crusher or screen that has the potential to emit (PTE) greater than 15 tons per year of any pollutant. LHC has a PTE greater than 15 tons per year of particulate matter (PM), nitrogen oxides (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 LHC 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 17.8.762 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 modified 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.

11. ARM 17.8.763 Revocation of Permit. An air quality permit may be revoked upon written request of the permittee, 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).

12. 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.

13. 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 Modification--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 the facility's PTE is less than 250 tons per year of any pollutant (excluding fugitive emissions).

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

1. ARM 17.8.1201 Definitions. (23) A 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; or

c. PTE > 70 tons/year of PM_{10} in a serious PM_{10} 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 MAQP #2925-08 for LHC, 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 tons/year of all HAPs.

c. This source is not located in a serious PM_{10} nonattainment area.

d. This facility is subject to a current NSPS (40 CFR 60, Subpart OOO and potentially Subpart IIII).

e. This facility is potentially subject to area source provisions of a current NESHAP standard (40 CFR 63, Subpart ZZZZ).

f. This source is not a Title IV affected source or a solid waste combustion unit.

g. This source is not an Environmental Protection Agency (EPA) designated Title V source.

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

III. BACT Determination

A BACT determination is required for each new or modified source. LHC shall install on the new or modified source the maximum air pollution control capability which is technically practicable and economically feasible, except that BACT shall be utilized.

A BACT determination was not required for the current permit action because the permit change is considered an administrative permit change.

IV. Emission Inventory

	tons/year					
Source	**PM**	**PM_{10}**	**NO_x**	**CO**	**VOC**	**SO_x**
Crusher (300 TPH)	1.58	0.70				
Screen (300 TPH)	2.89	0.96				
Truck Unloading	0.18	0.18				
Material Transfer	0.57	0.18				
Pile Forming	9.86	4.73				
Bulk Loading	0.04	0.04				
Diesel Generator	5.87	5.87	82.83	17.83	6.70	5.48
Haul Roads/Vehicle Traffic	5.53	1.41				
Total	**26.52**	**14.07**	**82.83**	**17.83**	**6.70**	**5.48**

- A complete emission inventory for Permit #2925-08 is on file with the Department.

V. Existing Air Quality

On July 1, 1987, the EPA promulgated new National Ambient Air Quality Standards (NAAQS) for PM_{10}. Due to exceedances of the NAAQS for PM_{10}, the cities of Kalispell (and the nearby Evergreen area), Columbia Falls, Butte, Whitefish, Libby, Missoula, and Thompson Falls were designated by EPA as nonattainment for PM_{10}. As a result of this designation, EPA required the Department and the City-County Health Departments to submit PM_{10} State Implementation Plans (SIP). The SIPs consisted of emission control plans that controlled fugitive dust emissions from roads, parking lots, construction, and demolition, since technical studies determined these sources to be the major contributors to PM_{10} emissions.

VI. Air Quality Impacts

MAQP #2925-08 will cover the operations of this portable crushing/screening facility while operating at those areas, within Montana, classified as being in attainment with federal ambient air quality standards and those areas still undefined (not yet classified). In addition, Addendum 9 to MAQP #2925-08 contains limitations and conditions that will be protective of the PM_{10} nonattainment areas for both summertime (April 1 - September 30) and wintertime (October 1 - March 31) operations. The addendum applies to operating the permitted equipment during the summer season (April 1 - September 30) at the Libby, Kalispell, Columbia Falls, Whitefish, Thompson Falls, and Butte PM_{10} nonattainment areas. The addendum also applies for operating the permitted equipment during the winter months (October 1 - March 31) at 8 specified locations in or within 10 km of the Kalispell and Whitefish PM_{10} nonattainment areas PM_{10} nonattainment areas. Screen View modeling was used to establish production limits while operating at these wintertime locations. Thus, the limitations and conditions established in Addendum 9 would further reduce emissions in these areas and would be protective of the ambient air quality standards. In addition, this source is portable and any air quality impacts will be minimal. Based on the information provided, and the conditions established in MAQP #2925-08 and Addendum 9, the amount of controlled emissions generated by this facility will not exceed any set ambient air quality standard for operating this permitted equipment in these areas.

VII. Ambient Air Impact Analysis

The Department determined that the impact from this permitting action will be minor. The Department believes it will not cause or contribute to a violation of any ambient air quality standard.

VIII. 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.

IX. 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.

Addendum 9
LHC, Inc.
MAQP #2925-08

An addendum to Montana Air Quality Permit #2925-08, with conditions, is hereby granted to LHC, Inc. (LHC) pursuant to Section 75-2-204 and 211 of the Montana Code Annotated (MCA), as amended, and Administrative Rules of Montana (ARM) 17.8.765, *et seq*., as amended, for the following:

I. Permitted Equipment

LHC operates a portable cone crusher (up to 300 tons per year (TPH)); a portable screen (up to 300 TPH); a portable conveyor; a portable diesel fuel-fired generator (up to 610 horsepower (hp) maximum capacity); and associated equipment.

II. Seasonal and Site Restrictions

Addendum 9 applies to the LHC facility while operating at any location in or within 10 kilometers (km) of certain particulate matter with an aerodynamic diameter of 10 microns or less (PM_{10}) nonattainment areas. Additionally, seasonal and site restrictions apply to the facility as follows:

A. During the winter season (October 1 - March 31) - The only locations in or within 10 km of a PM_{10} nonattainment area where LHC may operate are:

1. Sections 25 and 26, Township 29 North, Range 22 West, in Flathead County, Montana;

2. The SW ¼ of the NW ¼ of Section 1, Township 30 North, Range 22 West, in Flathead County, Montana; and

3. Any other site that may be approved, in writing, by the Department of Environmental Quality (Department).

B. During the summer season (April 1 - September 30) – LHC may operate at any location in or within 10 km of the Butte, Columbia Falls, Kalispell, Libby, Thompson Falls, and Whitefish PM_{10} nonattainment areas.

C. LHC shall comply with the limitations and conditions contained in Addendum 9 to MAQP #2925-08 while operating in or within 10 km of any of the previously listed PM_{10} nonattainment areas. Addendum 9 shall be valid until revoked or modified. The Department reserves the authority to modify Addendum 9 at any time based on local conditions of any future site. These conditions may include, but are not limited to, local terrain, meteorological conditions, proximity to residences or other businesses, etc.

III. Limitations and Conditions

The Department conducted Screen View air dispersion modeling, an EPA approved modeling program, to determine the maximum allowable plant production rate that would maintain compliance with the National Ambient Air Quality Standards (NAAQS) and the Montana Ambient Air Quality Standards (MAAQS) for PM_{10}. The NAAQS and MAAQS are designed to be protective of human health and public welfare. The Department established production limits in Addendum 9 based on the modeling analysis.

A. Operational Limitations and Conditions

1. Water spray bars must be available and operated, as necessary, on the crusher, screen, and all transfer points whenever the crushing/screening facility is in operation to maintain compliance with the opacity limitations in Sections III.A.2 and III.A.3 (ARM 17.8.749).

2. LHC shall not cause or authorize to be discharged into the atmosphere from any equipment, such as screens or transfer points, any visible emissions that exhibit an opacity of 10% or greater averaged over 6 consecutive minutes (ARM 17.8.749).

3. LHC shall not cause or authorize to be discharged into the atmosphere from haul roads, access roads, parking lots, or the general plant property any visible fugitive emissions that exhibit an opacity of 10% or greater (ARM 17.8.749).

4. LHC shall treat all unpaved portions of the access roads, parking lots, and general plant area with water and/or chemical dust suppressant as necessary to maintain compliance with the 10% opacity limitation (ARM 17.8.749).

5. LHC shall not operate more than one crusher at any one time. Total crusher production shall not exceed 7,200 tons per day (ARM 17.8.749).

6. LHC shall not operate more than one screen at any one time. Total screen production shall not exceed 7,200 tons per day (ARM 17.8.749).

B. Operational Reporting Requirements

1. If this crushing/screening plant is moved to another nonattainment 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. Production information for the sites covered by this addendum must be maintained for 5 years and submitted to the Department upon request. The information must include (ARM 17.8.749):

   a. Tons of material crushed by each crusher at each site (including amount of recirculated/rerun material),

   b. Tons of material screened by each screen at each site (including amount of recirculated/rerun material),

   c. Tons of bulk material loaded at each site (production),

   d. Daily hours of operation at each site,

   e. Gallons of diesel used by each generator at each site,

   f. Hours of operation and sizes for each generator at each site, and

   g. Fugitive dust information consisting of the total miles driven on unpaved roads for all plant vehicles.

3. LHC shall document, by day, the total crushing production. LHC shall sum the total crushing production for the previous day to verify compliance with the limitation in Section III.A.5. A written report of compliance and the emissions inventory shall be submitted to the Department annually. The report for the previous calendar year shall be submitted and may be submitted along with the annual emissions inventory (ARM 17.8.749).

4. LHC shall document, by day, the total screening production. LHC shall sum the total screening production for the previous day to verify compliance with the limitation in Section III.A.6. A written report of compliance and the emissions inventory shall be submitted to the Department annually. The report for the previous calendar year shall be submitted and may be submitted along with the annual emissions inventory (ARM 17.8.749).

Addendum 9 Analysis
LHC, Inc.
MAQP #2925-08

I. Permitted Equipment:

LHC, Inc. (LHC) operates a portable cone crusher (up to 300 tons per hour (TPH); a portable screen (up to 300 TPH); a portable conveyor; a portable diesel fuel-fired generator (up to 610 horsepower (hp) maximum capacity); and associated equipment.

II. Source Description

LHC uses this crushing/screening plant to crush, screen, and sort sand and gravel materials for use in various construction operations. For a typical operational setup, unprocessed materials are loaded into the crushing/screening plant via a hopper and transferred by conveyor to the crusher. From the crusher, materials are sent to the screen, where they are separated and conveyed to stockpiles.

III. Applicable Rules and Regulations

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

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

A. ARM 17.8.749 Conditions for Issuance 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.

B. 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. A source may not increase its emissions beyond those found in its permit unless the source applies for and receives another permit.

C. ARM 17.8.765 Transfer of Permit. An air quality permit may be transferred from one location to another if:

1. Written notice of intent to transfer location and proof of public notice are sent to the Department;

2. The source will operate in the new location for a period of less than 1 year; and

3. The source will not have any significant impact on any nonattainment area or any Class I area.

IV. Emission Inventory

Summer and Winter Seasons (no winter restrictions necessary)

Source	lbs/day					
	PM	**PM_{10}**	**NO_x**	**CO**	**VOC**	**SO_x**
Crusher (300 TPH)	8.64	3.84				
Screen (300 TPH)	15.84	5.28				
Truck Unloading	0.96	0.96				
Material Transfer	3.12	0.96				
Pile Forming	54.00	25.92				
Bulk Loading	0.24	0.24				
Diesel Generator	32.16	32.16	453.84	97.68	36.72	30.00
Haul Roads/Vehicle Traffic	30.30	7.70				
Total	**145.26**	**77.06**	**453.84**	**97.68**	**36.72**	**30.00**

- A complete Emission inventory for Addendum 9 to Permit #2925-08 is on file with the Department.

V. Existing Air Quality

On July 1, 1987, the Environmental Protection Agency (EPA) promulgated new National Ambient Air Quality Standards (NAAQS) for particulate matter with an aerodynamic diameter of 10 microns or less (PM_{10}). Due to exceedances of the national standards for PM_{10}, the cities of Kalispell (and the nearby Evergreen area), Columbia Falls, Butte, Whitefish, Libby, Missoula, and Thompson Falls were designated by EPA as nonattainment for PM_{10}. As a result of this designation, the EPA required the Department and the City-County Health Departments to submit PM_{10} State Implementation Plans (SIP). The SIPs consisted of emission control plans that controlled fugitive dust emissions from roads, parking lots, construction, and demolition, since technical studies identified these sources to be the major contributors to PM_{10} emissions.

Montana Air Quality Permit (MAQP) #2925-08 and Addendum 9 are for a portable crushing/screening facility that will locate at sites in or within 10 kilometers (km) of certain PM_{10} nonattainment areas. The more stringent operating conditions contained in the addendum will minimize any potential impact on the nonattainment areas and will protect the national ambient air quality standards. Also, this facility is a portable source that would operate on an intermittent and temporary basis and any effects on air quality will be minor and short-lived.

VI. Air Quality Impacts

MAQP #2925-08 and Addendum 9 will cover the operations of this portable crushing/screening facility while operating at any location within Montana, excluding those counties that have a Department approved permitting program and those areas that are tribal lands.

Addendum 9 will cover the operations of this portable crushing/screening facility while operating in or within 10 km of the Kalispell and Whitefish PM_{10} nonattainment areas (specifically, Sections 25 and 26, Township 29 North, Range 22 West, in Flathead County, Montana and the SW ¼ of the NW ¼ of Section 1, Township 30 North, Range 22 West, in Flathead County, Montana) during the winter months (October 1 - March 31). Additionally, the facility will also be allowed to operate in or within 10 km of the Butte, Columbia Falls, Kalispell, Libby, Thompson Falls, and Whitefish PM_{10} nonattainment areas during the summer months (April 1 - September 30).

VII. Taking or Damaging Implication Analysis

As required by 2-10-101 through 105, Montana Code Annotated, the Department conducted a private property taking and damaging assessment (see permit analysis) and determined there are no taking or damaging implications.

VIII. Environmental Assessment

The current permit action is an administrative amendment and does not constitute a state action; therefore, an environmental assessment is not required for the proposed project.

Analysis Prepared By: Skye Hatten
Date: April 16, 2009