



Montana Department of
ENVIRONMENTAL QUALITY

Brian Schweitzer, Governor

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March 11, 2009

Knife River Corporation
P.O. Box 80066
Billings, Montana 59108

Dear Ms. Flikkema:

Air Quality Permit #3133-02 is deemed final as of March 11, 2009, by the Department of Environmental Quality (Department). This permit is for a Knife River Corporation asphalt 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

W. Scott McDonald
Environmental Science Specialist
Air Resources Management Bureau
(406) 444-5265

VW:SM
Enclosure

Montana Department of Environmental Quality
Permitting and Compliance Division

Air Quality Permit #3133-02

Knife River Corporation
P.O. Box 80066
Billings, Montana 59108

March 11, 2009



MONTANA AIR QUALITY PERMIT

Issued To: Knife River Corporation
P.O. Box 80066
Billings, Montana 59108

Permit: #3133-02
Administrative Amendment (AA) Request
Received: 1/28/08
Department Decision on AA: 02/24/09
Final Permit: March 11, 2009
AFS #777-3133

An air quality permit, with conditions, is hereby granted to Knife River Corporation (Knife River) 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. Original Facility Location

Knife River operates an asphalt plant at various locations throughout the State of Montana. The asphalt plant and associated equipment originally located at 445 Sugar Avenue in Billings, Montana. The legal location of the facility is the E½ of Section 6, Township 1 North, Range 27 East in Yellowstone County, Montana. However, Knife River operates the portable asphalt plant and associated equipment in various locations throughout the State of Montana. Permit #3133-02 applies while operating in any location within the State of 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 (PM₁₀) nonattainment areas. *A Missoula County air quality permit will be required for locations within Missoula County, Montana.* An addendum will be required for locations in or within 10 km of certain PM₁₀ nonattainment areas. A complete list of permitted equipment is included in the permit analysis.

B. Current Permit Action

On January 24, 2008, the Department received a request to change the permittee name from Empire Sand and Gravel Company (Empire) 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, and permit format.

Section II: Limitations and Conditions

A. Emission Limitations

1. Asphalt plant particulate matter (PM) emissions shall be limited to 0.10 grains per dry standard cubic foot (gr/dscf) (ARM 17.8.749).
2. Knife River shall not cause or authorize to be discharged into the atmosphere, from the asphalt plant, stack emissions that exhibit 20% opacity or greater averaged over 6 consecutive minutes (ARM 17.8.304 and ARM 17.8.752).

3. Knife River shall not cause or authorize to be discharged into the atmosphere from systems for screening, handling, storing, and weighing hot aggregate; systems for loading, transferring, and storing mineral filler; systems for mixing hot mix asphalt; and the loading, transfer, and storage systems associated with emission control systems, any visible emissions that exhibit opacity of 20% or greater averaged over 6 consecutive minutes (ARM 17.8.308 and ARM 17.8.752).
4. 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 PM (ARM 17.8.308 and ARM 17.8.752).
5. Knife River shall treat all unpaved portions of the haul roads, access roads, and 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.4 (ARM 17.8.752).
6. Plant production shall be limited to 575,500 tons during any rolling 12-month time period (ARM 17.8.749 and ARM 17.8.1204).
7. A baghouse for air pollution control, with a device to measure the pressure drop (magnehelic gauge, manometer, etc.), must be installed and maintained. Temperature indicators at the control device inlet and outlet must be installed and maintained. Pressure drop on the control device and temperature must be recorded daily and kept on site according to Section II.C.3 (ARM 17.8.752).
8. Once a stack test is performed, the asphalt plant production rate shall be limited to the average production rate during the last source test demonstrating compliance (ARM 17.8.752).
9. 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 during any rolling 12-month time period. Any calculations used to establish production levels shall be approved by the Department (ARM 17.8.749).

B. Testing Requirements

1. EPA Methods 1-5 and 9 source tests must be performed on the asphalt plant every 4 years after the initial source test to demonstrate compliance with the conditions specified in Section II.A.I, II.A.2 and II.A.3. The initial source test for the facility was conducted in June 1998. The testing shall continue on an every-4-year basis or according to another testing/monitoring schedule as may be approved by the Department (ARM 17.8.105 and ARM 17.8.749).
2. Pressure drop on the baghouse control device and process temperatures must be recorded during the compliance source test and reported as part of the test results as specified in Section II.C.2 (ARM 17.8.749).
3. All compliance source tests shall conform to the requirements of the Montana Source Test Protocol and Procedures Manual (ARM 17.8.106).
4. Since asphalt production will be limited to the average production rate during the test, it is suggested the test be performed at the highest production rate practical. Knife River may retest at any time in order to test at a higher production rate

(ARM 17.8.749).

5. The Department may require further testing (ARM 17.8.105).

C. Operational Reporting Requirements

1. If this asphalt 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 is not limited to, all sources identified in the most recent emission inventory report and sources identified in Section I.A of 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 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*, a 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 or the addition of a new emission unit. The notice must be submitted to the Department, in writing, 10 days prior to start up 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(1)(d) (ARM 17.8.745).
4. Knife River shall maintain on-site records showing daily hours of operation, daily production rates, and daily pressure drop and temperature readings for the last 12 months. The 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, shall be submitted to the Department upon request, and shall be available at the plant for inspection by the Department (ARM 17.8.749).
5. Knife River shall document, by month, the asphalt production from the facility. By the 25th of each month, Knife River shall total the production of asphalt from the facility during the previous month. The monthly information will be used to verify compliance with the rolling 12-month limitation in Section II.A.6. A written report of the compliance verification shall be submitted along with the annual emissions inventory (ARM 17.8.749).
6. Knife River shall annually certify that its actual emissions are less than those that would require the source to obtain an air quality operating permit as required by ARM 17.8.1204(3)(b). The annual certification shall comply with the certification requirements of ARM 17.8.1207. The annual certification shall be

submitted with the annual emission inventory information (ARM 17.8.749 and ARM 17.8.1204).

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 (continuous emission monitoring system (CEMS), continuous emission rate monitoring system (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 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. 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. Knife River shall comply with the conditions contained in this permit while operating in any location in Montana, except within those areas having a Department-approved permitting program or areas considered tribal lands.

Permit Analysis
Knife River Corporation
Permit #3133-02

I. Introduction/Process Description

Knife River Corporation (Knife River) owns and operates a portable asphalt plant and associated equipment in various locations throughout Montana.

A. Permitted Equipment

Knife River operates a portable 1956 Cedar Rapids batch mix asphalt plant (maximum capacity 300 tons per hour (TPH)) and associated equipment. Particulate emissions are controlled with a 1992 Gencor-Bituma baghouse.

B. Source Description

For a typical operational setup, asphalt cement is mixed with aggregate in the rotary mixer then stored in a silo until needed. Knife River utilizes an electrical power drop from a power pole for power generation to the asphalt batch mix plant.

C. Permit History

The original permit action was a transfer of permitting authority from Yellowstone County to the State of Montana. The facility did not change its operation or configuration, but the existing Yellowstone County permit needed to be re-issued as a State permit. **Permit #3133-00** replaced all Yellowstone County air quality permits for this facility and any other air quality permits held by Empire Sand and Gravel Company, Inc. for this equipment.

On March 30, 2001, Empire Sand and Gravel Company, Inc. requested to change the permittee name to Empire Sand and Gravel Company (Empire). The permit was also updated to reflect the current permit language and rule references used by the Department of Environmental Quality (Department). **Permit #3133-01** replaced Permit #3133-00.

D. Current Permit Action

On January 24, 2008, the Department received a request to change the permittee name from Empire to Knife River. The current permit action is an administrative amendment (AA) pursuant to the 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, and permit format. **Permit #3133-02** replaces Permit #3133-01.

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 is 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.*, 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. 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. No person shall cause or permit the installation or use of any device or any means that, without resulting in reduction in the total amount of air contaminant emitted, conceals or dilutes an emission of air contaminant which would otherwise violate an air pollution control regulation. 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,
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, and
5. ARM 17.8.223 Ambient 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. This section requires an opacity limitation of 20% for all fugitive emission sources and that reasonable precautions be taken to control emissions of airborne particulate matter.
 3. ARM 17.8.309 Particulate Matter, Fuel Burning Equipment. This section requires that no person shall cause, allow, or permit 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 section requires that no person shall cause, allow, or permit 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. Commencing July 1, 1971, no person shall burn any gaseous fuel containing sulfur compounds in excess of 50 grains per 100 cubic feet of gaseous fuel, calculated as hydrogen sulfide at standard conditions.
 6. ARM 17.8.340 Standards 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). This plant consists of a 1956 batch asphalt plant (maximum production rate 300 TPH) and associated equipment. NSPS (40 CFR 60, Subpart I, Hot Mix Asphalt Facilities) does not apply because the asphalt plant was constructed prior to June 11, 1973.
- D. ARM 17.8, Sub-Chapter 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 prorate the required fee amount.

- E. ARM 17.8, Sub-Chapter 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. Knife River has a PTE greater than 15 tons per year of particulate matter (PM), particulate matter with an aerodynamic diameter less than 10 microns (PM₁₀), 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 17.8.760 Additional Review of Permit Applications. This rule describes the Department's responsibilities for processing permit applications and making permit decisions on those applications that require an environmental impact statement.
 12. 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.
 13. 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).
 14. 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.
 15. 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, Sub-Chapter 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 sub-chapter.
 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 sub-chapter 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 PM₁₀ in a serious PM₁₀ non-attainment 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 #3133-02 for Knife River, 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 of any one HAP and less than 25 tons/year of all HAPs.
- c. This source is not located in a serious PM₁₀ non-attainment area.
- d. This facility is not subject to any current NSPS.
- e. This facility is not subject to any current National Emission Standards for Hazardous Air Pollutants (NESHAP) standards.
- 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 has determined that the Knife River asphalt batch plant is a minor source of emissions as defined under Title V because Knife River has requested federally enforceable limits to remain below the Title V threshold.

- h. ARM 17.8.1204(3). The Department may exempt a source from the requirement to obtain an air quality operating permit by establishing federally enforceable limitations which limit that source's PTE.
 - i. In applying for an exemption under this section the owner or

operator of the facility shall certify to the Department that the source's PTE does not require the source to obtain an air quality operating permit.

- ii. Any source that obtains a federally enforceable limit on PTE shall annually certify that its actual emissions are less than those that would require the source to obtain an air quality operating permit.

- 3. ARM 17.8.1207 Certification of Truth, Accuracy, and Completeness. The compliance certification submittal required by ARM 17.8.1204(3) shall contain a certification of truth, accuracy, and completeness by a responsible official. This certification and any other certification required under this subchapter shall state that, based on information and belief formed after reasonable inquiry, the statements and information in the document are true, accurate, and complete.

III. BACT Determination

A BACT determination is required for each new or modified source. Knife River 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

Source	(tons/yr)					
	PM	PM-10	NO _x	VOC	CO	SO _x
Asphalt Plant w/ Baghouse	20.93	10.46	6.94	4.72	94.35	1.39
Hot Elevator, Screens, Bins	10.41	8.33	0.00	0.00	0.00	0.00
Cold Aggregate Handling	18.50	14.80	0.00	0.00	0.00	0.00
Asphalt Heater	0.00	0.00	21.79	1.73	4.69	1.43
Haul Roads	2.74	1.23	0.00	0.00	0.00	0.00
TOTAL	52.58	34.82	28.73	6.45	99.04	2.82

Oxides of Nitrogen (NO_x); Volatile Organic compounds (VOC); Oxides of Sulfur (SO_x)

A complete emission inventory for permit #3133-02 is on file with the Department.

V. Existing Air Quality

Permit #3133-02 is issued for the continued operation of a gravel asphalt plant. The area surrounding the facility is mainly rural. In the view of the Department, the amount of controlled emissions generated by the continued operation of the asphalt plant will not exceed any set ambient standard.

VI. Air Quality Impacts

This permit is for a portable asphalt batch plant to be located in various locations around Montana. The amount of controlled particulate emissions generated by this project should not cause concentrations of PM₁₀ in the ambient air that exceed any set standard. In addition, this source is portable and any air quality impacts will be short-lived.

VII. Ambient Air Impact Analysis

The Department determined, based on ambient air modeling, 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.

Analysis Prepared By: W. Scott McDonald
Date: 1/13/2009