AIR QUALITY PERMIT

Issued To: Schellinger Construction Co., Inc.
P.O. Box 39
Columbia Falls, MT
59912-0039

Permit #3045-02
Application Complete: 03/10/03
Preliminary Determination Issued: 04/08/03
Department's Decision Issued: 04/24/03
Permit Final: 05/10/02
AFS: #777-3045

An air quality permit, with conditions, is hereby granted to Schellinger Construction Co., Inc. (Schellinger), pursuant to Section 75-2-204 and 211 of the 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

Schellinger operates a portable drum mix asphalt plant and associated equipment at various locations throughout Montana. Permit #3045-02 applies while operating in any location within Montana, except within those areas having a Department of Environmental Quality (Department) approved permitting program. *A Missoula County air quality permit will be required for locations within Missoula County*. A complete list of the permitted equipment is contained in Section I.A of the permit analysis.

B. Current Permit Action:

On February 12, 2003, Schellinger submitted a Montana Air Quality Permit Application to the Department to modify Permit #3045-01 to include the addition of a 113-kilowatt (kW) diesel generator. In addition, Schellinger requested to burn waste oil in the asphalt plant. The application was deemed complete on March 10, 2003, upon submittal of additional information. The current Permit action adds the 113-kW diesel generator to the permit and also provides Schellinger the operational flexibility to burn natural gas, distillate oil, or waste oil in the hot mix asphalt dryer and the asphalt heater.

Section II: Limitations and Conditions

A. Emission Limitations

1. Asphalt plant particulate matter emissions shall be limited to 0.04 gr/dscf (ARM 17.8.340, ARM 17.8.752, and 40 CFR 60, Subpart I).

2. Schellinger 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. Schellinger 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. Schellinger 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 and ARM 17.8.752).

5. Schellinger 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. The asphalt plant production shall be limited to 1,000,000 tons during any 12-month rolling time period (ARM 17.8.749).

7. Once a stack test is performed, the asphalt production rate shall be limited to the average production rate during the last source test demonstrating compliance (ARM 17.8.749).

8. Schellinger shall only use natural gas, distillate oil (diesel), or waste oil to fire the hot mix asphalt dryer and the asphalt heater (ARM 17.8.749).

9. Schellinger shall not operate more than two diesel generators at any given time and the combined maximum capacity shall not exceed 748-kW (ARM 17.8.749).

10. The hours of operation of each of the two diesel generators shall not exceed 4500 hours during any rolling 12-month time period (ARM 17.8.1204).

11. A baghouse for air pollution control, with a device to measure the pressure drop (magnehelic gauge, manometer, etc.), must be installed and maintained. Pressure drop must be measured in inches of water. Temperature indicators at the control device inlet and outlet must be installed and maintained (ARM 17.8.749).

12. Schellinger shall comply with all applicable standards, limitations, and the reporting, record keeping, testing, and notification requirements contained in 40 CFR Part 60, Subpart I for the asphalt plant (ARM 17.8.340 and 40 CFR 60).

13. If the permitted equipment is used in conjunction with any other equipment owned or operated by Schellinger, 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. Within 60 days after achieving maximum production rate, but no later than 180 days after Permit #3045 becomes final, an EPA Methods 1-5 source test shall be performed on the asphalt plant to demonstrate compliance with Section II.A.1 and an EPA Method 9 opacity test shall be performed in conjunction with all particulate tests to demonstrate compliance with the conditions specified in Sections II.A.2 and II.A.3 (ARM 17.8.105 and ARM 17.8.749).

2. The initial EPA Methods 1-5, and 9 source test shall be performed while burning waste oil in the hot mix asphalt dryer (ARM 17.8.749).

3. An EPA Methods 1-5 and 9 source test must be performed on the asphalt plant every 4 years after the initial source test to demonstrate compliance with the conditions specified in Sections II.A.1, II.A.2, and II.A.3 (ARM 17.8.105 and ARM 17.8.749).

4. Pressure drop on the control device and temperature must be recorded daily and kept on site according to Section II.C.5 (ARM 17.8.749).

5. Pressure drop on the control device and temperatures must be recorded during the test and reported as part of the test results (ARM 17.8.749).

6. All compliance source tests must be conducted in accordance with the Montana Source Test Protocol and Procedures Manual (ARM 17.8.106).

7. 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 (ARM 17.8.749).

8. Schellinger may retest at any time in order to test at a higher production rate (ARM 17.8.749).

9. 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. In addition, 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 Intent to Transfer form and 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 17.8.765).

2. Schellinger 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.

3. 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 units as required by the Department (ARM 17.8.505).

4. Schellinger shall notify the Department of any construction or improvement project conducted pursuant to ARM 17.8.745(1) that would include 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).

5. Schellinger 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 Schellinger 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).

6. Schellinger shall document, by month, the production of the asphalt plant. By the 25th day of each month, Schellinger shall total the monthly throughput of the asphalt plant during the previous 12 months to verify compliance with the 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).

7. Schellinger shall document, by month, the hours of operation of each of the two diesel generators. By the 25th day of each month, Schellinger shall total the hours of operation of each of the two diesel generators during the previous 12 months to verify compliance with the limitation in Section II.A.10. A written report of the compliance verification shall be submitted along with the annual emissions inventory (ARM 17.8.749).

8. Schellinger shall annually certify, as required by ARM 17.8.1204(3)(b), that its actual emissions are less than those that would require the source to obtain an air quality Title V operating permit. The annual certification shall comply with the certification requirements of ARM 17.8.1207. The annual certification shall be submitted no later than March 1 and may be submitted with the annual emission inventory information (ARM 17.8.1204).

Section III: Addendum

Schellinger shall comply with all of the conditions contained in Addendum #3 to Permit #3045-02, as appropriate (ARM 17.8.749).

Section IV: General Conditions

A. Inspection - Schellinger shall allow the Department's representatives access to the source at all reasonable times for the purpose of making inspections, 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 the recipient fails to appeal as indicated below.

C. Compliance with Statutes and Regulations - Nothing in this permit shall be construed as relieving the permittee 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 Department's decision on the application is not final unless 15 days have elapsed and there is no request for a hearing under this section. The filing of a request for a hearing postpones the effective date of the Department's decision until the conclusion of the hearing and issuance of a final decision by the Board.

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 Fees - Pursuant to Section 75-2-220, MCA, as amended by the 1991 Legislature, the continuing validity of this permit is conditional upon the payment by the permittee of an annual operation fee as required by that section and rules adopted thereunder by the Board.

H. 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.

I. Schellinger shall comply with the conditions contained in this permit while operating at any location in Montana, except within those areas having a Department approved permitting program.

Permit Analysis
Schellinger Construction Co., Inc.
Permit #3045-02

I. Introduction/Process Description

A. Permitted Equipment

Schellinger Construction Co., Inc. (Schellinger), owns and operates a portable 1999 CMI PTD-400 Drum Mix Asphalt Plant (maximum production rate of 400 tons per hour). Emissions from the asphalt plant are controlled with a baghouse. A 635-kilowatt (kW) Caterpillar Diesel Generator and a 113-kW Caterpillar Diesel Generator provide power to the plant. Associated equipment at the asphalt plant includes, but is not limited to, a lime silo, elevators, screens, bins, and mixers. Permit #3045-02 applies while operating at various locations throughout Montana, except within those areas having a Department of Environmental Quality (Department) approved permitting program. *A Missoula County air quality permit will be required for locations within Missoula County*

B. Source Description

A typical operation for the drum mix asphalt plant begins by loading the gravel into the feed bin. The gravel is then conveyed to the asphalt plant drum mixer. The gravel is mixed with hot oil in the asphalt plant to create asphalt. Hot asphalt then exits the plant and is transported to the current project site.

C. Permit History

On May 5, 1999, Blahnik Construction, Inc. (Blahnik) was issued Permit **#3045-00** to operate a portable 1999 CMI PTD-400 Drum Mix Asphalt Plant (maximum production rate of 500 TPH). Emissions from the plant were controlled with a baghouse. The permit also included a 635 kW Caterpillar Diesel Generator and associated equipment. The facility was originally permitted at the Bill Bokma pit located 3 miles north of Conrad and south of Dry Forks Road in the Southeast ¼ of the Southeast ¼ of Section 32, Township 29 North, Range 3 West, and the Northeast ¼ of the Northeast ¼ of Section 5, Township 29 North, Range 3 West, in Pondera County, Montana. Blahnik also requested a summer month addendum, Addendum **#1**, to Permit #3045-00 for operations in or near certain PM_{10} nonattainment areas through September 30, 1999.

On January 10, 2001, Schellinger submitted a request to update Permit #3045-00 to reflect the transfer of ownership of the plant from Blahnik to Schellinger. Additionally, on January 25, 2001, Schellinger submitted a request for a summertime addendum allowing Schellinger to operate the plant in or within 10 kilometers (km) of certain PM_{10} nonattainment areas during the summer season (April 1 through September 30). This permit action updated the permit to reflect the transfer of ownership and Addendum **#2** was established. In addition, the permit was updated to reflect the current language and rule references used by the Department. Permit **#3045-01** replaced Permit #3045-00 and Addendum #2 replaced Addendum #1.

D. Current Permit Action

On February 12, 2003, Schellinger submitted a Montana Air Quality Permit Application to the Department requesting to modify Permit #3045-01 to include the addition of a 113-kW Caterpillar Diesel Generator. In addition, Schellinger requested to burn waste oil in

the asphalt plant. The application was deemed complete on March 10, 2003, upon submittal of additional information. The current permit action adds the 113-kW Caterpillar Diesel Generator to the permit and also provides Schellinger the operational flexibility to burn natural gas, distillate oil, or waste oil in the hot mix asphalt dryer and the asphalt heater. Permit **#3045-02** replaces Permit #3045-01 and Addendum **#3** replaces Addendum #2.

E. Additional Information

Additional information, such as applicable rules and regulations, Best Available Control Technology (BACT) determinations, air quality impacts, and environmental assessments, is included in the permit 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 Administrative Rules of Montana (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 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.

   An initial source test requirement was established requiring an EPA Methods 1-5 and 9 source test to be performed within 60 days after achieving the maximum production rate, but no later than 180 days after Permit #3045-02 becomes final because Schellinger requested the permit to allow them the flexibility to burn waste oil as fuel for the asphalt plant. In addition, a condition was established to require the initial source test be conducted while waste oil is being used as fuel for the asphalt plant to ensure that the asphalt plant is in compliance while burning waste oil as fuel.

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).

   Schellinger 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 which, 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:

The following ambient air quality standards or requirements may apply, 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 PM_{10}

Schellinger 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 20% for all fugitive emission sources and that reasonable precautions be taken to control emissions of airborne particulate matter. (2) Under this rule, Schellinger 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, 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 rule 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 Standard of Performance for New Stationary Sources. This rule incorporates, by reference, 40 CFR Part 60, Standards of Performance for New Stationary Sources (NSPS). Schellinger's 1999 CMI Drum Mix Asphalt Plant is considered an NSPS affected facility under 40 CFR 60 and is subject to the requirements of Subpart A - General Provisions, and Subpart I - Hot Mix Asphalt Facilities.

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. Schellinger submitted the appropriate permit application fee for the current permit action.

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 that a Montana Air Quality Permit be obtained for asphalt plants that have the potential to emit greater than 15 tons per year of any regulated air pollutant. The Schellinger asphalt plant has the potential to emit more than 15 tons per year of PM_{10}, NO_X, CO, and VOC; therefore, a 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 are not subject to the Montana Air Quality Permit Program.

5. ARM 17.8.748 New or Modified Emitting Units--Permit Application Requirements. This rule requires that a permit application be submitted prior to installation, alteration or use of a source. Schellinger submitted the required permit application for the current permit action. (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. Schellinger submitted an affidavit of publication of public notice for the January 31, 2003, issue of the Great Falls Tribune, a newspaper of general circulation in the Town of Great Falls in Cascade County, as proof of compliance with the public notice requirements.

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 Schellinger 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 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).

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

14. ARM 17.8.765 Transfer of Permit. 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 sub-chapter.

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 since it is not a listed source and the facility's potential to emit is below 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) Major Source under Section 7412 of the FCAA is defined as any stationary source having:

a. Potential to Emit (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 a 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. 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 #3045-02 for Schellinger, the following conclusions were made:

a. The facility's PTE is less than 100 tons/year for all criteria pollutants.

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 PM_{10} nonattainment area.

d. The facility is subject to current NSPS standards 40 CFR 60 Subparts A – General Provisions and Subpart I – Hot Mix Asphalt Facilities.

e. This facility is not subject to any current NESHAP standards.

f. This source is neither a Title IV affected source nor a solid waste combustion unit.

g. This source is not an EPA designated Title V source.

Schellinger's asphalt plant does not need a Title V Operating Permit because federally enforceable limitations have been established in the Montana Air Quality Permit that limit the source's potential to emit below the major source threshold. However, if minor sources subject to NSPS are required to obtain a Title V Operating Permit, Schellinger may be required to obtain an operating permit.

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 that limit that source's potential to emit.

i. In applying for an exemption under this rule, the owner or operator of the source shall certify to the Department that the source's potential to emit does not require the source to obtain an air quality operating permit.

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

The Department determined that the annual reporting requirements contained in the permit are sufficient to satisfy this requirement.

3. ARM 17.8.1207 Certification of Truth, Accuracy, and Completeness.

The compliance certification submittal required by ARM 17.8.1204(3) shall contain certification by a responsible official of truth, accuracy, and completeness. 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. Emission Inventory

Source	Tons/Year					
	PM	PM_{10}	NO_X	VOC	CO	SO_X
1999 CMI PVM Drum Mix Asphalt Plant w/ Baghouse	16.46	8.23	27.50	16.00	65.00	29.00
Elevator, Sceens, Bins, and Mixer	18.75	15.00	0.00	0.00	0.00	0.00
Cold Aggregate Handling	25.00	20.00	0.00	0.00	0.00	0.00
Asphalt Heater	N/A	N/A	0.69	0.00	N/A	0.50
Diesel Generator (635 kW)	4.22	4.22	59.39	4.81	12.80	3.93
Diesel Generator (113 kW)	0.75	0.75	10.57	0.86	2.28	0.70
Haul Roads	2.74	1.23	0.00	0.00	0.00	0.00
Total	67.91	49.43	98.15	21.66	80.08	34.12

* Waste Oil Emission Factors were used to calculate Asphalt Plant and Asphalt Heater Emissions.
* Emission Factors for diesel generators < 600 Hp were used to calculate emissions from both diesel generators.
* Production limit applied to limit PM_{10} emissions below PM_{10} modeling threshold.
* Generator limit applied to limit NO_x emissions below Title V threshold.
* A complete emission inventory for Permit #3045-02 is on file with the Department.

IV. BACT Determination

Hot Mix Asphalt Drum Dryer and Asphalt Heater (Fuel Combustion)

Schellinger proposed that the permit provide operational flexibility to allow Schellinger the ability to utilize natural gas, distillate oil, or waste oil as fuel in the hot mix asphalt drum dryer and the asphalt heater. To be conservative, the Department utilized emission factors based on burning the worst-case fuel (waste oil) to determine the emissions from the facility. Due to the relatively small change in emissions that results from burning waste oil as fuel (compared to burning natural gas) in the hot mix asphalt drum dryer and asphalt heater, and because of the corresponding cost of controlling NO_x, VOC, CO, and SO_x emissions from the hot mix asphalt drum dryer and asphalt heater, add-on pollution control equipment would be cost prohibitive. In addition, due to the relatively small amount of particulate emissions from the asphalt heater, and because of the corresponding cost of controlling the particulate emissions from the asphalt heater, add-on pollution control equipment would be cost prohibitive. Therefore, the Department determined that proper operation and maintenance with no additional controls will constitute BACT for NO_x, VOC, CO, and SO_x emissions from the hot mix asphalt drum dryer in this case, and that proper operation and maintenance with no additional controls will constitute BACT for NO_x, VOC, CO, SO_x, and particulate emissions from the asphalt heater in this case, regardless of whether natural gas, distillate oil, or waste oil is utilized to fuel the equipment.

Schellinger proposed to control particulate emissions from the hot mix asphalt drum dryer with a baghouse. All visible emissions from the hot mix asphalt drum dryer including 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 are limited to 20% opacity. In addition, all asphalt particulate emissions are limited to 0.04 gr/dscf. Further, Schellinger must take reasonable precautions to limit the fugitive emissions of airborne particulate matter on haul roads, access roads, parking lots, and the general plant area. Reasonable precautions include treating 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 meet the fugitive dust opacity requirements. The Department determined that using and properly maintaining a baghouse to maintain compliance with the limitations in Sections II.B.1, II.B.2, and II.B.3 of the permit, and using water and/or chemical dust suppressant to comply with the reasonable precautions limitation will constitute BACT for particulate emissions from the hot mix asphalt drum dryer in this case.

113 kW Diesel Generator

Due to the relatively small amount of particulate emissions, NO_x, VOC, CO, and SO_x emissions resulting from the operation of the 113 kW diesel generator and the cost of controlling the pollutants, add-on pollution control equipment would be cost prohibitive. Therefore, the Department determined that proper operation and maintenance with no additional controls will constitute BACT for the 113 kW diesel generator in this case.

Summary

The Department determined that proper operation and maintenance with no additional controls constitutes BACT for NO_x, VOC, CO, and SO_x emissions from the hot mix asphalt drum dryer. In addition, the Department determined that using and properly maintaining a baghouse to maintain compliance with the limitations in Sections II.B.1, II.B.2, and II.B.3 of the permit will constitute BACT for particulate emissions from the asphalt drum dryer. The Department also determined that using water and/or chemical dust suppressant to comply with the reasonable precautions limitation will constitute BACT for fugitive emissions from the hot mix asphalt plant. Further, the Department determined that proper operation and maintenance with no additional controls will constitute BACT for NO_x, VOC, CO, SO_x, and particulate emissions from the asphalt heater, as well as for the 113 kW diesel generator. The control options selected are comparable to other recently permitted similar sources and are capable of achieving the appropriate emission standards.

Addendum #3
Schellinger Construction Co., Inc.
Permit #3045-02

An addendum to air quality Permit #3045-02, with conditions, is hereby granted to Schellinger Construction Co., Inc. (Schellinger) pursuant to Section 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:

I. Permitted Equipment

Schellinger owns and operates a portable 1999 CMI PTD-400 Drum Mix Asphalt Plant (maximum production rate of 400 tons per hour). Emissions from the asphalt plant are controlled with a baghouse. A 635-kilowatt (kW) Caterpillar Diesel Generator and a 113-kW Caterpillar Diesel Generator provide power to the plant. Associated equipment at the asphalt plant includes, but is not limited to, a lime silo, elevators, screens, bins, and mixers.

II. Seasonal and Site Restrictions

Addendum #3 to Permit #3045-02 applies while operating in or within 10 kilometers (km) of the following PM_{10} nonattainment areas: Libby, Thompson Falls, Kalispell, Whitefish, Columbia Falls, and Butte. Additionally, seasonal and site restrictions apply to the facility as follows:

A. During the winter season (October 1-March 31), Schellinger is not allowed to operate in or within 10 km of certain PM_{10} nonattainment areas, including, but not limited to Libby, Thompson Falls, Kalispell, Whitefish, Columbia Falls, and Butte.

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

C. Schellinger shall comply with the limitations and conditions contained in Addendum #3 to Permit #3045-02 while operating in or within 10 km of any of the previously listed PM_{10} nonattainment areas. Addendum #3 shall be valid until revoked or modified. The Department of Environmental Quality (Department) reserves the authority to modify Addendum #3 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

A. Operational

1. Asphalt plant particulate matter emissions shall be limited to 0.04 gr/dscf (ARM 17.8.340, ARM 17.8.752, and 40 CFR 60, Subpart I).

2. All visible emissions from the asphalt plant stack shall not exhibit an opacity of 10% or greater averaged over 6 consecutive minutes (ARM 17.8.749).

3. Schellinger shall not cause or authorize to be discharged into the atmosphere from any equipment, such as 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 an opacity of 10% or greater averaged over 6 consecutive minutes (ARM 17.8.749).

4. Schellinger shall not cause or authorize to be discharged into the atmosphere from haul roads, access roads, parking lots, or the general plant area, any visible emissions that exhibit an opacity of 10% or greater averaged over 6 consecutive minutes (ARM 17.8.749).

5. Schellinger shall treat all unpaved portions of the haul roads, 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 contained in Section III.A.4 (ARM 17.8.749).

6. Asphalt plant production shall not exceed 5,472 tons during any rolling 24-hour time period (ARM 17.8.749).

7. The hours of operation of the two diesel generators shall not exceed 13 hours each during any rolling 24-hour time period (ARM 17.8.749).

B. Reporting Requirements

1. Schellinger shall provide the Department with written notification of job completion within 10 working days of job completion (ARM 17.8.749).

2. Schellinger shall provide written notice of relocation of the permitted equipment at least 15 days prior to the physical transfer of equipment (ARM 17.8.765).

3. Production information for the sites covered by this addendum shall be submitted to the Department within 30 days after completion of the project. The information shall include (ARM 17.8.749):

   a. Tons of asphalt produced

   b. Hours of operation

   c. Type and amount of fuel used for the plant (hot mix dryer and asphalt heater)

   d. Gallons of diesel fuel used for the diesel generators

   e. Fugitive dust information consisting of a listing of all plant vehicles, including the following for each vehicle type:

      i. Number of vehicles
      ii. Vehicle type
      iii. Vehicle weight, loaded
      iv. Vehicle weight, unloaded
      v. Number of tires on vehicle
      vi. Average trip length
      vii. Number of trips per day per vehicle
      viii. Average vehicle speed
      ix. Area of activity
      x. Vehicle fuel usage (gasoline or diesel) annual total

   f. Fugitive dust control for haul roads and general plant area:

      i. Hours of operation of water trucks; and
      ii. Application schedule for chemical dust suppressant, if applicable.

4. Schellinger shall document, by day, the production of the asphalt plant. Schellinger shall total the amount of material produced by the asphalt plant during the previous 24 hours to verify compliance with the limitation in Section III.A.6. A written report of the compliance verification shall be submitted to the Department no later than March 15 and may be submitted along with the annual emission inventory (ARM 17.8.749).

5. Schellinger shall document, by day, the hours of operation of each of the two diesel generators. Schellinger shall total, daily, the hours of operation of each of the two diesel generators to verify compliance with the limitation in Section III.A.7. A written report of compliance verification shall be submitted to the Department no later than March 15 and may be submitted along with the annual emission inventory (ARM 17.8.749).

Addendum 3 Analysis
Schellinger Construction Co., Inc.
Permit #3045-02

I. Permitted Equipment

Schellinger Construction Co., Inc. (Schellinger), owns and operates a portable 1999 CMI PTD-400 Drum Mix Asphalt Plant (maximum production rate of 400 tons per hour). Emissions from the asphalt plant are controlled with a baghouse. A 635-kilowatt (kW) Caterpillar diesel generator and a 113-kW Caterpillar diesel generator provide power to the plant. Associated equipment at the asphalt plant includes, but is not limited to, a lime silo, elevators, screens, bins, and mixers.

II. Source Description

A typical operation for the drum mix asphalt plant begins by loading the gravel into the feed bin. The gravel is then conveyed to the asphalt plant drum mixer. The gravel is mixed with hot oil in the asphalt plant to create asphalt. Hot asphalt then exits the plant and is transported to the current project site.

III. Permit History

On May 5, 1999, Blahnik Construction, Inc. (Blahnik) was issued Permit **#3045-00** to operate a portable 1999 CMI PTD-400 Drum Mix Asphalt Plant (maximum production rate of 500 TPH). Emissions from the plant were controlled with a baghouse. The permit also included a 635 kW Caterpillar Diesel Generator and associated equipment. The facility was originally permitted at the Bill Bokma pit located 3 miles north of Conrad and south of Dry Forks Road in the Southeast ¼ of the Southeast ¼ of Section 32, Township 29 North, Range 3 West, and the Northeast ¼ of the Northeast ¼ of Section 5, Township 29 North, Range 3 West, in Pondera County, Montana. Blahnik also requested a summer month addendum, Addendum **#1**, to Permit #3045-00 for operations in or near certain PM_{10} nonattainment areas through September 30, 1999.

On January 10, 2001, Schellinger submitted a request to update Permit #3045-00 to reflect the transfer of ownership of the plant from Blahnik to Schellinger. Additionally, on January 25, 2001, Schellinger submitted a request for a summertime addendum allowing Schellinger to operate the plant in or within 10 kilometers (km) of certain PM_{10} nonattainment areas during the summer season (April 1 through September 30). This permit action updated the permit to reflect the transfer of ownership and Addendum **#2** was established. In addition, the permit was updated to reflect the current language and rule references used by the Department. Permit **#3045-01** replaced Permit #3045-00 and Addendum 2 replaced Addendum 1.

IV. Current Permit Action

On February 12, 2003, Schellinger submitted a Montana Air Quality Permit Application to the Department of Environmental Quality (Department) requesting to modify Permit #3045-01 to include the addition of a 113-kW Caterpillar Diesel Generator. In addition, Schellinger requested to burn waste oil in the asphalt plant. The application was deemed complete on March 10, 2003, upon submittal of additional information. The current Permit action adds the 113-kW Caterpillar Diesel Generator to the permit and also provides Schellinger the operational flexibility to burn natural gas, distillate oil, or waste oil in the hot mix asphalt dryer and the asphalt heater. Permit **#3045-02** replaces Permit #3045-01 and Addendum **#3** replaces Addendum #2.

V. 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. 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 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. Schellinger demonstrated compliance with all applicable rules and standards as required for permit issuance.

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 public notice is 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.

Schellinger shall submit proof of compliance with the transfer and public notice requirements when Schellinger transfers to any of the locations covered by this addendum and will only be allowed to stay in the new location for a period of less than 1 year. Also, the conditions and limitations in Addendum #3 to Permit #3045-02 will prevent Schellinger from having a significant impact on PM_{10} nonattainment areas.

VI. Emission Inventory

	Lbs/day					
Source	**PM**	**PM_{10}**	**NO_X**	**VOC**	**CO**	**SO_X**
1999 CMI PVM Drum Mix Asphalt Plant w/ Baghouse	180.58	125.86	300.96	175.10	711.36	317.38
Elevator, Sceens, Bins, and Mixer	205.20	164.16	0.00	0.00	0.00	0.00
Cold Aggregate Handling	273.60	218.88	0.00	0.00	0.00	0.00
Asphalt Heater	N/A	N/A	13.20	0.07	N/A	9.54
Diesel Generator (635 kW)	24.35	24.35	343.17	27.79	73.95	22.69
Diesel Generator (113 kW)	4.33	4.33	61.07	4.94	13.16	4.04
Haul Roads	15.00	6.75	0.00	0.00	0.00	0.00
Total	703.06	544.33	718.40	207.90	798.47	353.65

* Waste Oil Emission Factors were used to calculate Asphalt Plant and Asphalt Heater Emissions.
* Emission Factors for diesel generators < 600 Hp were used to calculate emissions from both diesel generators.
* Production limit and generator limit applied to limit PM_{10} emissions below modeling threshold.
* A complete emission inventory for Addendum #3 to Permit #3045-02 is on file with the Department.

VII. Existing Air Quality

On July 1, 1987, the Environmental Protection Agency (EPA) promulgated new National Ambient Air Quality Standards (NAAQS) for 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 have been 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 (SIPs). 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.

Addendum #3 to Permit #3045-02 sets conditions and limitations that allow for this portable asphalt plant to locate in or within 10 km of the Libby, Thompson Falls, Kalispell, Whitefish, Columbia Falls, and Butte PM_{10} nonattainment areas during the summer months (April through September). The conditions contained in the addendum will be protective of existing air quality within the PM_{10} nonattainment areas.

VIII. Air Quality Impacts

In the view of the Department, the amount of controlled emissions generated by the operation of the asphalt plant will not exceed any set ambient standard. In addition, Addendum #3 to Permit #3045-02 contains limitations and conditions that will be protective of the PM_{10} nonattainment areas.

IX. Taking or Damaging Implication Analysis

As required by 2-10-101 through 2-10-105, MCA, the Department conducted a private property taking and damaging assessment and determined that there are no taking or damaging implications.

X. Environmental Assessment

An environmental assessment, required by the Montana Environmental Policy Act, was completed for this project. A copy is attached.

DEPARTMENT OF ENVIRONMENTAL QUALITY
Permitting and Compliance Division
Air and Waste Management Bureau
P.O. Box 200901, Helena, Montana 59620
(406) 444-3490

FINAL ENVIRONMENTAL ASSESSMENT (EA)

Issued For: Schellinger Construction Co., Inc.
P.O. Box 39
Columbia Falls, MT 59912-0039

Air Quality Permit Number: 3045-02

Preliminary Determination Issued: 04/08/03
Department Decision Issued: 04/24/03
Permit Final: 05/10/03

1. *Legal Description of Site:* The portable asphalt plant would originally locate in the Southwest ¼ of the Southeast ¼ of Section 31, Township 22 North, Range 1 East, in Cascade County, Montana. However, the portable asphalt plant would operate at various locations within Montana. Permit #3045-02 would allow the portable asphalt plant to operate in areas not in or within 10 km of PM_{10} nonattainment areas. Addendum #3 to Permit #3045-02 would allow the portable asphalt plant to operate in or within 10 km of certain PM_{10} nonattainment areas (Libby, Kalispell, Whitefish, Columbia Falls, Thompson Falls, and Butte) during the summer season (April 1-September 30).

   Typically, portable asphalt plants would locate in areas previously used for such activities. Facilities of this nature usually would locate in relatively close proximity to open cut pits. Asphalt plants require aggregate that would be supplied by crushing/screening operations that would typically be located in the open cut pits. Therefore, asphalt plants would normally locate in the same locations as for previous projects conducted within the same area.

2. *Description of Project:* The current permit action would allow Schellinger the ability to use natural gas, distillate oil, or waste oil for fuel for the hot mix asphalt dryer and the asphalt heater. In addition, the current permit action would allow Schellinger to use a second generator (113 kW) to provide power to the facility. The project would allow Schellinger the ability to continue to operate at various locations throughout Montana, including locations in or within 10 km of certain PM_{10} nonattainment areas during the summer season (April 1-September 30). The project is a method of operating the existing asphalt plant facility and the process description of the asphalt plant would be discussed in Section I.B. of the permit analysis of Permit #3045-02.

3. *Objectives of the Project:* The objective of the project would be to generate additional business and revenue for the company while providing more operational flexibility to the facility. Permit #3045-02 would allow Schellinger to continue to operate the permitted equipment at various locations within Montana. Addendum #3 to Permit #3045-02 would allow Schellinger to continue to operate the permitted equipment in or within 10 km of certain PM_{10} nonattainment areas during the summer season (April 1-September 30). The asphalt plant would be used to supply asphalt for various road paving construction projects.

4. *Alternatives Considered:* In addition to the proposed action, the Department also considered the "no-action" alternative. The "no-action" alternative would deny issuance of the air quality preconstruction permit to the proposed facility. However, the Department does not consider the "no-action" alternative

to be appropriate because Schellinger demonstrated compliance with all applicable rules and regulations as required for permit issuance. Therefore, the "no-action" alternative was eliminated from further consideration.

5. *A Listing of Mitigation, Stipulations, and Other Controls:* A listing of the enforceable permit conditions and a permit analysis, including a BACT analysis, would be contained in Permit #3045-02. In addition, Addendum #3 would contain more stringent operational limitations, which would apply to the portable asphalt plant when the facility locates in or within 10 km of certain PM_{10} nonattainment areas.

6. *Regulatory Effects on Private Property:* The Department considered alternatives to the conditions imposed in this permit as part of the permit development. The Department determined that the permit conditions would be reasonably necessary to ensure compliance with applicable requirements and demonstrate compliance with those requirements and would not unduly restrict private property rights.

7. The following table summarizes the potential physical and biological effects of the proposed project on the human environment. The "no-action" alternative was discussed previously.

Potential Physical and Biological Effects							
		Major	Moderate	Minor	None	Unknown	Comments Included
A.	Terrestrial and Aquatic Life and Habitats			X			yes
B.	Water Quality, Quantity and Distribution			X			yes
C.	Geology and Soil Quality, Stability and Moisture			X			yes
D.	Vegetation Cover, Quantity and Quality			X			yes
E.	Aesthetics			X			yes
F.	Air Quality			X			yes
G.	Unique Endangered, Fragile or Limited Environmental Resource			X			yes
H.	Demands on Environmental Resource of Water, Air and Energy			X			yes
I.	Historical and Archaeological Sites			X			yes
J.	Cumulative and Secondary Impacts			X			yes

SUMMARY OF COMMENTS ON POTENTIAL PHYSICAL AND BIOLOGICAL EFFECTS: The following comments have been prepared by the Department.

A. Terrestrial and Aquatic Life and Habitats

Terrestrials would use the areas in which the portable asphalt plant would operate. Aquatic life may also be present in areas that the portable asphalt plant would operate. While deposition of pollutants from the asphalt plant would increase as a result of the proposed project, as explained in Section 7.F of this EA, due to the relatively small amount of emissions and the temporary nature of the operation, dispersion characteristics of pollutants and the atmosphere, and conditions that would be placed in Permit #3045-02 and Addendum #3, any impacts from the deposition of pollutants would be minor.

In addition, as explained in Section 1 of this EA, asphalt plants typically locate in areas that were previously used for such activities. Therefore, only minor additional physical effects on terrestrial and aquatic life and habitats would be expected from site disturbance. Overall, any impacts on terrestrial and aquatic life and habitats would be minor.

B. Water Quality, Quantity, and Distribution

Although the proposed project would increase air emissions in the areas where the asphalt plant would operate, there would be little, if any, impacts on the water quality, quantity, and distribution because of the relatively small amount of emissions and temporary nature of the operation. While deposition of pollutants would occur, the Department determined that any impacts from the deposition of pollutants would be minor. As explained in Section 7.F. of this EA, due to the relatively small amount of emissions and the temporary nature of the operation, and conditions that would be placed in Permit #3045-02 and Addendum #3, any impacts on water quality from deposition of pollutants would be minor.

Further, water would not be required to control emissions from the proposed project, but water would be required for dust suppression for the asphalt facility. However, because of the relatively small size and temporary nature of the operation, only minor amounts of water would be required for adequate dust suppression; therefore, any impacts on water quantity or distribution would be minor. Overall, any impacts to water quality, quantity, and distribution would be minor.

C. Geology and Soil Quality, Stability and Moisture

There would be minor impacts on the geology and soil quality, stability, and moisture in the areas the asphalt plant would operate due to facility construction, (bringing the asphalt plant on site and setting it up for operation), increased vehicle traffic (employees coming to and from work, haul trucks leaving and returning to the site, and mobile equipment used to move material around the site), the use of water to control dust, and deposition of pollutants resulting from the operation of the asphalt plant. As explained in Section 7.F of this EA, the relatively small size and temporary nature of the operation, dispersion characteristics of pollutants and the atmosphere, and conditions that would be placed in Permit #3045-02 and Addendum #3 would minimize the impacts from deposition. In addition, as explained in Section 1 of this EA, asphalt plants would typically locate in areas that were previously used for such activities. Therefore, only minor additional physical effects on geology and soil quality, stability, and moisture would be expected from site disturbance. Overall, any impacts on geology and soil quality, stability, and moisture would be minor.

D. Vegetation Cover, Quantity, and Quality

There would be minor impacts on the vegetation cover, quantity, and quality because small amounts of vegetation would likely be disturbed for the asphalt plant operation. However, as explained in Section I of this EA, asphalt plants would typically locate in areas that were previously used for such activities. Therefore, only minor additional physical effects on vegetation cover, quantity, and quality would be expected from site disturbance. While deposition of pollutants would occur, the Department determined that any impacts from deposition would be minor. As explained in Section 7.F. of this EA, due to the relatively small amount of emissions and conditions that would be placed in Permit #3045-02 and Addendum #3, the impacts from the air emissions from the project would be minor. Overall, any impacts to vegetation cover, quantity, and quality would be minor.

E. Aesthetics

The portable asphalt plant would be visible and would create additional noise in the areas where it would operate. Permit #3045-02 and Addendum #3 would include conditions to control emissions (including visible emissions) from the project. In addition, as explained in Section I of this EA,

asphalt plants would typically locate in areas that were previously used for such activities. Because the asphalt plant is relatively small, temporary, and seasonal, and the fact that asphalt plants typically locate in areas used for such activities, any aesthetic impact would be minor and would likely reflect impacts that would be common to a given area.

F. Air Quality

Air quality impacts from the project would be minor because the proposed project would only increase emissions from the asphalt plant by a relatively small amount and the asphalt plant would remain a relatively small and temporary source. Deposition of pollutants would increase as a result of the project. However, the Department determined that any air quality impacts from deposition would be minor due to dispersion characteristics of pollutants (stack height, stack temperature, etc.), the atmosphere (wind speed, wind direction, ambient temperature, etc.), and conditions that would be placed in Permit #3045-02 and Addendum #3. Permit #3045-02 and Addendum #3 would include conditions limiting the opacity from hot mix asphalt dryer, the asphalt heater, and the 113 kW generator. Permit #3045-02 and Addendum #3 would also limit the asphalt production of the plant, as well as the hours of operation of the generator. Permit #3045-02 and Addendum #3 would also limit total emissions from the asphalt plant and any additional Schellenger equipment operated at the same site to 250 tons per year or less. In addition, emissions from the project were calculated utilizing emission factors based on continually burning the worst-case fuel (waste oil); however, cleaner fuels (natural gas and distillate oil) may also be used to fuel the hot mix asphalt dryer and the asphalt heater. Further, the Department determined that the asphalt plant, after the additional emissions from the proposed project, would remain a minor source of emissions as defined under the Title V Operating Permit Program.

G. Unique Endangered, Fragile, or Limited Environmental Resources

The proposed project would increase emissions in the areas where the asphalt plant would operate, which could result in minor impacts to existing unique endangered, fragile, or limited environmental resources in any given area of operation. However, as explained in Section 1 of this EA, asphalt plants would typically locate in areas that were previously used for such activities. Due to the seasonal and portable nature of the operations, the relatively small size of the facility, conditions that would be placed in Permit #3045-02 and Addendum #3, and the fact that the areas where the facility would typically operate are usually used for such activities, any impacts to unique endangered, fragile, or limited environmental resources would be minor.

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

The portable asphalt plant would require only small quantities of water and air for proper operation due to the relatively small size and portable nature of the facility and conditions that would be placed in Permit #3045-02 and Addendum #3. Small amounts of water would be used for dust control on the surrounding roadways and the associated job site. In addition, as described in Section 7.F. of this EA, air emissions generated from the facility would have minor impacts on air quality in the immediate and surrounding area. However, the operation of the asphalt plant is seasonal. Seasonal operations would result in fewer demands on the environmental resource of water and air. Further, the facility utilizes a diesel generator to provide power to the facility; therefore, there would be no impact on energy demand in any given area of operation. While the demand on the non-renewable resource of diesel fuel/natural gas would increase, any impacts would be minor due to the seasonal nature of the operations and the relatively small size of the facility. Overall, the demands on the environmental resource of water, air, and energy would be minor.

I. Historical and Archaeological Sites

The proposed project would increase emissions in the areas where the asphalt plant would operate, which could result in minor impacts to existing historical and archaeological sites in any given area of operation. However, as explained in Section 1 of this EA, asphalt plants would typically locate in areas that were previously used for such activities. According to past correspondence from the Montana Historical Society, State Historic Preservation Office (SHPO), there would be a low likelihood of disturbance to any known archaeological or historical site given any previous industrial disturbance in the area of operation. Given the seasonal and portable nature of the operations, the relatively small size of the facility, and the fact that the areas where the facility would operate typically would have been used for such operations, the Department determined that any impacts to historical and archaeological sites in any given area of operation would be minor.

J. Cumulative and Secondary Impacts

The proposed project would cause minor effects on the physical and biological aspects of the human environment because the facility would generate emissions of particulate matter, PM_{10}, NO_x, CO, SO_x, and VOC. Conditions that would be placed in Permit #3045-02 and Addendum #3 would ensure that no air quality impacts, other than minor air quality impacts, would occur. Noise impacts would be minor due the seasonal and portable nature of the operation and the relatively small size of the facility. Impacts from noise would be seasonal and temporary because the asphalt facility is permitted as a portable source so the facility would typically move to other locations. Limitations would be established in Permit #3045-02 and Addendum #3 to minimize air pollution.

There is potential for other operations (such as gravel crushers and screens) to locate at the same sites that the asphalt plant would locate. However, any operations would have to apply for and receive the appropriate permits from the Department prior to operation. These permits would address the environmental impacts associated with the operations at the proposed site. The asphalt plant would be limited by Permit #3045-02 and Addendum #3 to total emissions of 250 tons per year or less from non-fugitive emissions sources at any given site. Overall, any cumulative and secondary impacts to the physical and biological environment would be minor.

8. The following table summarizes the potential social and economic effects of the proposed project on the human environment. The "no-action" alternative was discussed previously.

Potential Economic and Social Effects							
		Major	Moderate	Minor	None	Unknown	Comments Included
A.	Social Structures and Mores				X		yes
B.	Cultural Uniqueness and Diversity				X		yes
C.	Local and State Tax Base and Tax Revenue			X			yes
D.	Agricultural or Industrial Production				X		yes
E.	Human Health			X			yes
F.	Access to and Quality of Recreational and Wilderness Activities			X			yes
G.	Quantity and Distribution of Employment				X		yes
H.	Distribution of Population				X		yes
I.	Demands for Government Services				X		yes
J.	Industrial and Commercial Activity			X			yes
K.	Locally Adopted Environmental Plans and Goals				X		yes
L.	Cumulative and Secondary Impacts			X			yes

SUMMARY OF COMMENTS ON POTENTIAL SOCIAL AND ECONOMIC EFFECTS: The following comments have been prepared by the Department.

A. Social Structures and Mores

The asphalt operation would cause no disruption to native or traditional lifestyles or communities (Social Structures and Mores) of any potential site or area of operation because asphalt plants are not new to Montana and as explained in Section 1 of this EA, asphalt plants typically locate in areas that were previously used for such activities.

B. Cultural Uniqueness and Diversity

The asphalt operation would have no impact on the cultural uniqueness and diversity of any proposed area of operation because asphalt plants are not new to Montana and as explained in Section 1 of this EA, asphalt plants typically locate in areas that were previously used for such activities.

C. Local and State Tax Base and Tax Revenue

The proposed project would have little, if any effects on local and state tax base and tax revenue. The facility is a relatively small and temporary source and, therefore, would not remain at any site for any extended period of time. No full time permanent employment would be expected as a result of issuing Permit #3045-02 and any revenue created by the asphalt plant operating in a particular area would be for a relatively short time period.

D. Agricultural or Industrial Production

As explained in Section 1 of this EA, under normal circumstances, asphalt plants would typically locate in areas previously used for such operations. Therefore, the Department would not expect that the permitted operation would affect or displace any agricultural or industrial land or production. No agricultural land would be displaced and no change in industrial production would occur.

E. Human Health

Permit #3045-02 and Addendum #3 would incorporate conditions to ensure that the asphalt plant would be operated in compliance with all applicable rules and standards. These rules and standards are designed to be protective of human health. Deposition of pollutants would increase in the areas the asphalt plant would operate; however, as explained in Section 7.F of this EA, the relatively small size and temporary nature of the operation, dispersion characteristics of pollutants and the atmosphere, and conditions that would be placed in Permit #3045-02 and Addendum #3, any impacts to human health from the deposition of pollutants would be minor.

F. Access to and Quality of Recreational and Wilderness Activities

The asphalt plant would not affect any access to recreational and wilderness activities. However, minor affects to the quality of recreational activities may be created by noise from the permitted equipment. Any impacts from the asphalt plant would be minor due to the temporary, seasonal, and portable nature of asphalt plant operations. Overall, any impacts to access to and quality of recreational and wilderness activities would be minor.

G. Quantity and Distribution of Employment

Given the relatively small size and temporary nature of the operation, the quantity and distribution of employment in the area would not be affected. No full time permanent employment would be expected as a result of issuing Permit #3045-02.

H. Distribution of Population

Given the relatively small size and temporary nature of the operation, the operation of the asphalt facility would not disrupt the normal population distribution of any given area. The operation of the facility would not create new employment opportunities with Schellinger or with any surrounding businesses; therefore, the population distribution would not change.

I. Demands of Government Services

The proposed project would not impact the demands of government services. While government services would be required for acquiring the appropriate permits, ensuring compliance with the permits, and regulating traffic, the government services required would not increase beyond what is currently done for the existing permitted facility.

J. Industrial and Commercial Activity

The asphalt plant would represent only a minor increase in the industrial activity in any given area due to the relatively small size of the operation. No additional industrial or commercial activity would result solely from the operation of the asphalt facility. Any impacts to industrial and commercial activities of any given area would be minor due to the relatively small size and the portable and seasonal nature of the operation.

K. Locally Adopted Environmental Plans and Goals

Permit #3045-02 and Addendum #3 would allow the asphalt plant to operate in or within 10 km of certain PM_{10} nonattainment areas during the summer season (April 1-September 30). Permit #3045-02 and Addendum #3 would include conditions to ensure that ambient air quality standards are not exceeded in the areas that the facility would operate. Therefore, there would not be any impacts expected on locally adopted environmental plans and goals (nonattainment areas).

L. Cumulative and Secondary Impacts

Overall, the social and economic cumulative and secondary impacts of the human environment from the asphalt plant would be minor because asphalt plants are not new to Montana and as explained in Section 1 of this EA, asphalt plants typically locate in areas that were previously used for such activities. In addition, new businesses would not be drawn to the area and permanent jobs would not be created or lost due to the proposed project. Because no new employees would be hired for the proposed project, there would be no economic impacts from new employees. Further, any social and economic impacts would be minor and short-lived because of the relatively small size and the seasonal and temporary nature of the operation.

Recommendation: An EIS is not required.

If an EIS is not required, explain why the EA is an appropriate level of analysis: Because this asphalt plant is a relatively small portable source, and would be required to use pollution controls and reasonable precautions to control emissions, it is unlikely that there would be any impacts other than minor impacts.

Other groups or agencies contacted or which may have overlapping jurisdiction: Montana Natural Heritage Program, National Resource Information System (NRIS) and Montana Historical Society, State Historic Preservation Office (SHPO).

Individuals or groups contributing to this EA: Department of Environmental Quality Permitting and Compliance Division (Air and Waste Management Bureau), Montana Natural Heritage Program, State Historic Preservation Office.

EA prepared by: Dave Aguirre
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