

Montana Department of
ENVIRONMENTAL QUALITY

Judy Martz, Governor

P.O. Box 200901 • Helena, MT 59620-0901 • (406) 444-2544 • www.deq.state.mt.us

January 16, 2002

Charles A. Pisk
LHC, Inc.
P.O. Box 7338
Kalispell, MT 59904-0338

Dear Mr. Pisk:

Air Quality Permit #3049-02 is deemed final as of January 16, 2002, by the Department of Environmental Quality (Department). This permit is for the modification of Permit #3049-01. 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,

David L. Klemp
Air Permitting Supervisor
Air & Waste Management Bureau
(406) 444-3490

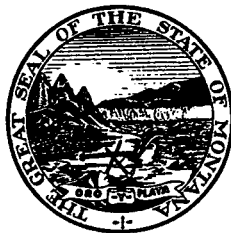
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Enclosure

Montana Department of Environmental Quality
Permitting and Compliance Division

Air Quality Permit #3049-02

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

January 16, 2002



AIR QUALITY PERMIT

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

Permit: #3049-02
Modification Request Received: 12/03/01
Department Decision on Modification: 12/31/01
Permit Final: 01/16/02
AFS: #777-3049

An air quality permit, with conditions, is hereby granted to LHC, Inc. (LHC), pursuant to Section 75-2-204 and 211 of the Montana Code Annotated (MCA), as amended, and Administrative Rules of Montana (ARM) 17.8.701, *et seq.*, as amended, for the following:

Section I: Permitted Facilities

A. Location

LHC operates a portable generator at various locations throughout the State of Montana including sites located in or within 10 kilometers (km) of the Libby, Whitefish, Kalispell, Columbia Falls, Thompson Falls, and Butte PM₁₀ non-attainment areas (NAAs) during the summer months. Permit #3049-02 applies while operating at any location within the State of 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 list of the permitted equipment is contained in Section I.A of the permit analysis.

B. Current Permit Action

On December 3, 2001, LHC requested that Permit #3049-01 be modified to allow the permitted equipment to operate in or within 10 km of certain PM₁₀ NAAs during the summer months (April 1 through September 30) and the Kalispell and Thompson Falls NAAs during the winter months (October 1 through March 31). Wintertime operations would be at Sections 25 and 26, Township 29 North, Range 22 West, Flathead County and Section 13, Township 21 North, Range 29 West, in Sanders County, Montana.

Section II: Limitations and Conditions

A. Operational Requirements

1. All visible emissions from the generator may not exhibit an opacity of 20% or greater averaged over 6 consecutive minutes (ARM 17.8.304).
2. LHC shall not cause or authorize the use of any street, road, or parking lot without taking reasonable precautions to control emissions of airborne particulate matter (ARM 17.8.308).
3. LHC shall treat all unpaved portions of the haul roads, access roads, parking lots, or the general plant area with water and/or chemical dust suppressant as necessary to maintain compliance with the reasonable precautions limitation in Section II.A.2 (ARM 17.8.715).
4. The maximum size of any generator operated under this permit shall not exceed 625 KW (838 hp).
5. Total particulate emissions from this generator, in conjunction with the total particulate emissions from any additional equipment at any individual site, shall be less than 250 tons during any rolling 12-month time period. Any calculations used to establish production levels shall be approved by the Department (ARM 17.8.710).

B. Testing Requirements

1. All compliance source tests shall conform to the requirements of the Montana Source Test Protocol and Procedures Manual (ARM 17.8.106).
2. The Department may require testing (ARM 17.8.105).

C. Reporting Requirements

1. If the generator 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 where 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 17.8.734).
2. LHC shall maintain on-site records showing daily hours of operation and daily production rates for the last 12 months. All records compiled in accordance with this permit shall be maintained by LHC 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 site for inspection by the Department (ARM 17.8.710).
3. LHC shall supply the Department with annual production information for all emission points, as required by the Department, in the annual emissions inventory request. The request will include, but is not limited to, all sources of emissions 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 generator, and/or to verify compliance with permit limitations (ARM 17.8.505).

4. LHC shall notify the Department of any construction or improvement project conducted, pursuant to ARM 17.8.705(l)(r), 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 startup or use of the proposed de minimis change, or as soon as reasonably practicable in the event of an unanticipated circumstance causing the de minimis change, and must include the information requested in ARM 17.8.705(l)(r)(iv). (ARM 17.8.705)

D. Notification

The make, model, size and year of manufacture of the generator shall be submitted to the Department according to the following schedule (ARM 17.8.340 and ARM 17.8.710).

1. Commencement of construction of the generator within 30 days of commencement of construction.
2. Anticipated start-up date of the generator between 30 and 60 days prior to the anticipated start-up date.
3. Actual start-up date of the generator within 30 days after the actual start-up date.

Section III: Addendum

LHC shall comply with the conditions of this permit and all conditions in Addendum 3 to this permit as appropriate (ARM 17.8.710).

Section IV: General Conditions

- A. Inspection - The recipient shall allow the Department's representatives access to the source at all reasonable times for the purpose of making inspections or surveys, collecting samples, obtaining data, auditing any monitoring equipment (CEMS, CERMS) or observing any monitoring or testing, and otherwise conducting all necessary functions related to this permit.
- B. Waiver - The permit and all the terms, conditions, and matters stated herein shall be deemed accepted if 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 17.8.701, *et seq.* (ARM 17.8.717).
- 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 17.8.716, 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. Construction Commencement - Construction must begin within 3 years of permit issuance and proceed with due diligence until the project is complete or the permit shall be revoked.
- H. 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.
- I. The Department may modify the conditions of this permit based on local conditions of any future site. These factors may include, but are not limited to, local terrain, meteorological conditions, proximity to residences, etc.
- J. LHC shall comply with the conditions contained in this permit while operating in any location in the State of Montana, except within those areas having a Department approved permitting program.

PERMIT ANALYSIS
LHC Inc.
Permit Number 3049-02

I. Introduction/Process Description

A. Permitted Equipment

LHC, Inc. (LHC) operates a portable generator set in various locations throughout the State of Montana. This permit allows the operation of one diesel generator set of up to 625 kW (838 hp).

B. Source Description

LHC operates a portable generator set at various locations throughout the State of Montana, including in or within 10 kilometers (km) of the Libby, Whitefish, Kalispell, Columbia Falls, Thompson Falls, and Butte PM₁₀ nonattainment areas (NAAs). The generator set is normally used with other LHC permitted equipment (screens, crushers, etc.).

C. Permit History

On April 6, 1999, LHC submitted an application for the operation of a 625-kW generator. The generator is to be used in conjunction with various sand and gravel operations currently performed by LHC. LHC requested the permit be general enough in nature to allow renting of any make or model generator as long as the capacity never exceeded 625 kW (838 hp). **Permit #3049-00 and Addendum 1** was issued on May 30, 1999.

On February 26, 2001, LHC requested a renewal of their addendum for operation of a portable generator in or within 10 km of the Libby, Whitefish, Kalispell, Columbia Falls, Thompson Falls, and Butte PM₁₀ NAAs during the summer months (April 1, 2001, through September 30, 2001). **Permit #3049-01** replaced **Permit #3049-00** and **Addendum 2** replaced **Addendum 1**.

D. Current Permit Action

On December 3, 2001 LHC requested that **Permit #3049-01** be modified to allow the permitted facility to operate in or within 10 km of certain PM₁₀ NAAs during the summer months (April 1 through September 30) and the Kalispell and Thompson Falls NAAs during the winter months (October 1 through March 31). Wintertime operations would be at Sections 25 and 26, Township 29 North, Range 22 West, Flathead County and Section 13, Township 21 North, Range 29 West, in Sanders County, Montana. **Permit #3049-02** will replace **Permit #3049-01** and **Addendum 3** will replace **Addendum 2**.

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 permit analysis associated with each change to the permit.

II. Applicable Rules and Regulations

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

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

1. 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.
2. ARM 17.8.106 Source Testing Protocol. The requirements of this rule apply to any emission source testing conducted by the Department, any source, or other entity as required by any rule in this chapter, or any permit or order issued pursuant to this chapter, or the provisions of the Clean Air Act of Montana, 75-2-101, *et seq.*, Montana Code Annotated (MCA).

LHC shall comply with 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.

3. 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.
4. 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 that would otherwise violate an air pollution control regulation. No equipment that may produce emissions shall be operated or maintained in such a manner that a public nuisance is created.

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

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

LHC must comply with the applicable ambient air quality standards.

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

1. ARM 17.8.304 Visible Air Contaminants. This rule requires that no person may cause or authorize emissions to be discharged to an outdoor atmosphere from any source installed after November 23, 1968, that exhibit an opacity of 20% or greater averaged over 6 consecutive minutes.
2. ARM 17.8.308 Particulate Matter, Airborne. Under this section, LHC shall not cause or authorize the use of any street, road, or parking lot without taking reasonable precautions to control emissions of airborne particulate matter.
3. ARM 17.8.340 Standard of Performance for New Stationary Sources. The owner or operator of any stationary source or modification, as defined and applied in 40 CFR Part 60, shall comply with the standards and provisions of 40 CFR Part 60. This generator is not a Standard of Performance for New Stationary Sources (NSPS) affected source because there is currently no NSPS for portable generators of this size.

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. LHC shall 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. LHC was not required to submit a 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 Sub-Chapter 7, Permit, Construction and Operation of Air Contaminant Sources, including, but not limited to:

1. ARM 17.8.704 General Procedures for Air Quality Preconstruction Permitting. An air quality preconstruction permit shall contain requirements and conditions applicable to both construction and subsequent use of the permitted equipment.
2. ARM 17.8.705 When Permit Required--Exclusions. Permits are required for sources that have the potential to emit greater than 25 tons per year of any pollutant. LHC has the potential to emit more than 25 tons per year of NO_x; therefore, a permit is required.
3. ARM 17.8.706 New or Altered Sources and Stacks--Permit Application Requirements. This rule requires that an application for an air quality permit be submitted for a new or altered source or stack. LHC was not required to submit a permit application for the current permitting action.
4. ARM 17.8.710 Conditions for Issuance of Permit. This rule requires that the source demonstrate compliance with applicable rules and standards before a permit can be issued. Also, a permit may be issued with such conditions as are necessary to assure compliance with all applicable rules and standards. LHC has demonstrated compliance with applicable rules and standards as required for permit issuance.
5. ARM 17.8.715 Emission Control Requirements. LHC is required to install on a new or altered source the maximum air pollution control capability which is technically practicable and economically feasible, except that BACT shall be utilized. A BACT review is contained in Section IV of the permit analysis.
6. ARM 17.8.716 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.
7. ARM 17.8.717 Compliance with Other Statutes and Rules. This rule states that nothing in the permit shall be construed as relieving LHC of the responsibility for complying with any applicable federal or Montana statute, rule, or standard, except as specifically provided in ARM 17.8.701, *et seq.*
8. ARM 17.8.720 Public Review of Permit Applications. This rule requires that LHC notify the public by means of legal publication in a newspaper of general circulation in the area affected by the application for a permit. The current permit action is considered an administrative permit action and does not require a public notice.
9. ARM 17.8.731 Duration of Permit. An air quality permit shall be valid until revoked or modified, as provided in this sub-chapter, 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.

10. ARM 17.8.733 Modification of Permit. An air quality permit may be modified 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 in emissions because 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.
11. ARM 17.8.734 Transfer of Permit. (1) An air quality permit may be transferred from one location to another if written notice of Intent to Transfer is sent to the Department. (2) An air quality permit may be transferred from one person to another if a written notice of Intent to Transfer, including the names of the transferor and 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 Federal Clean Air Act (FCAA) that it would emit, except as this sub-chapter would otherwise allow.

This generator is not a major stationary source because it is not listed and does not have the potential to emit more than 250 tons per year (excluding fugitive emissions) of any air pollutant. Therefore, the New Source Review (NSR) program does not apply.

G. ARM 17.8, Sub-Chapter 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.
 - c. Sources with the PTE > 70 tons/year of PM₁₀ in a serious PM₁₀ non-attainment 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 #3049-02 for LHC, 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 ton/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 NESHAP standards.
 - e. This source is not a Title IV affected source nor a solid waste combustion unit.

- f. This source is not an EPA designated Title V source.

LHC is not subject to Title V Operating Permit requirements because the source's potential emissions are less than the Title V threshold. However, if minor sources subject to NSPS are required to obtain a Title V Operating Permit, LHC will be required to obtain an Operating Permit.

III. Emission Inventory

Ton/year						
	PM	PM ₁₀	NO _x	CO	SO _x	VOC
625-kW Generator	2.57	2.57	88.10	2.35	20.19	7.42
Total	2.57	2.57	88.10	2.35	20.19	7.42

* A complete emission inventory for Permit #3049-02 is on file with the Department.

IV. BACT Analysis

A BACT determination is required for each new or altered source. LHC shall install on the new or altered source the maximum air pollution control capability which is technically practicable and economically feasible, except that BACT shall be utilized. A BACT analysis was not required for the current permit action because no new or altered sources are being permitted at this time.

Addendum 3
LHC, Inc.
Permit #3049-02

An addendum to air quality Permit #3049-02 is issued to LHC, Inc. (LHC), pursuant to Section 75-2-204 and 211 of the Montana Code Annotated (MCA), as amended, and Administrative Rules of Montana (ARM) 17.8.734, as amended, for the following:

I. Permitted Equipment

On December 31, 2001, Addendum 3 to Permit #3049-02 was issued to LHC to operate a generator in or within 10 kilometers (km) of the following PM₁₀ Nonattainment Areas (NAAs): Libby, Thompson Falls, Kalispell, Whitefish, Columbia Falls, and Butte.

II. Seasonal and Site Restrictions

Addendum 3 Applies to the LHC facility while operating at any location in or within 10 km of certain PM₁₀ NAAs. Additionally, seasonal and site restrictions apply to the facility as follows.

- A. During the winter season (October 1-March 31) - The only location(s) in or within 10 km of a PM₁₀ NAA where LHC may operate is Sections 25 and 26, Township 29 North, Range 22 West, Flathead County and Section 13, Township 21 North, Range 29 West, Sanders County, Montana.
- B. During the summer season (April 1-September 30) - LHC may operate at any location within 10 km of certain PM₁₀ NAAs, including, but not limited to Libby, Thompson Falls, Kalispell, Whitefish, Columbia Falls, and Butte.
- C. LHC shall comply with the limitations and conditions contained in Addendum 3 to Permit #3049-02 while operating in or within 10 km of any of the previously listed PM₁₀ NAAs. Addendum 3 shall be valid until revoked or modified. The 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

The Department of Environmental Quality (Department) conducted SCREEN VIEW air dispersion modeling, an EPA approved modeling program, to determine the maximum allowable plant production rate that would maintain compliance with the National Ambient Air Quality Standards (NAAQS) and the Montana Ambient Air Quality Standards (MAAQS) for PM₁₀. The NAAQS and MAAQS are designed to be protective of human health and public welfare. The Department established production limits in Addendum 3 based on the modeling analysis.

A. Operational

- 1. All visible emissions from the generator may not exhibit an opacity of 10% or greater averaged over 6 consecutive minutes (ARM 17.8.710).
- 2. LHC shall not cause or authorize to be discharged into the atmosphere from haul roads, access roads, parking lots, or the general plant property any visible fugitive emissions that exhibit an opacity of 10% or greater (ARM 17.8.710).
- 3. LHC shall treat all unpaved portions of the access roads, parking lots, and general plant area with water and/or chemical dust suppressant as necessary to maintain compliance with the 10% opacity limitation (ARM 17.8.710).

B. Reporting Requirements

1. LHC shall provide the Department with written notification of job completion within 10 working days of job completion (ARM 17.8.710).
2. LHC shall provide written notice of relocation of the permitted equipment within 15 working days of physical transfer of equipment (ARM 17.8.734).
3. Production information for the sites covered by this addendum must be submitted to the Department within 30 days of completion of the project. The information must include (ARM 17.8.710):
 - a. Gallons of diesel used at each site.
 - b. Daily hours of operation at each site.

Addendum 3 Analysis
LHC, Inc.
Permit #3049-02

I. Permitted Equipment: One portable diesel generator of up to 625 kW (838 hp).

II. Permit History

On April 6, 1999, LHC submitted an application for the operation of a 625-kW portable generator. The generator is to be used in conjunction with various sand and gravel operations currently performed by LHC. LHC requested the permit be general enough in nature to allow renting of any make or model of generator as long as the power never exceeded 625 kW. LHC proposed to operate at the following sites during the summer months (April 1, 1999, through September 30, 1999): Sections 25 and 26, Township 29 North, Range 22 West, Flathead County, Montana; Section 13, Township 21 North, Range 29 West, Sanders County Montana; and Section 36, Township 30 North, Range 21 West, Lot 3, Flathead County Montana. **Permit #3049-00 with Addendum 1** was issued on May 30, 1999.

On February 26, 2001, LHC requested a renewal to their addendum for operation of a portable generator in or within 10 kilometers (km) of the Libby, Whitefish, Kalispell, Columbia Falls, Thompson Falls, and Butte PM₁₀ non-attainment areas (NAAs) during the summer months (April 1, 2001, through September 30, 2001). **Permit #3049-01** replaced Permit #3049-00 and **Addendum 2** replaced Addendum 1.

III. Current Permit Action

On December 3, 2001 LHC requested that Permit #3049-01 be modified to allow the permitted equipment to operate in or within 10 km of certain PM₁₀ NAAs during the summer months (April 1 through September 30) and the Kalispell and Thompson Falls NAAs during the winter months (October 1 through March 31). Wintertime operations would be at Sections 25 and 26, Township 29 North, Range 22 West, Flathead County and Section 13, Township 21 North, Range 29 West, in Sanders County, Montana. **Permit #3049-02** will replace Permit #3049-01 and **Addendum 3** will replace Addendum 2.

IV. Applicable Rules and Regulations

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

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

- A. ARM 17.8.710 Conditions for Issuance of Permit. This rule requires that the source demonstrate compliance with applicable rules and standards before a permit can be issued. Also, a permit may be issued with such conditions as are necessary to assure compliance with all applicable rules and standards. The source has demonstrated compliance with all applicable rules and standards as required for permit issuance.
- B. ARM 17.8.733 Modification of Permit. An air quality permit may be modified 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 in emissions because of the 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 17.8.734 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.

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

LHC will have to submit proof of compliance with the transfer and public notice requirements when they transfer 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 controls of this addendum will keep LHC from having a significant impact on certain PM₁₀ NAAs.

V. Emission Inventory--Addendum 3 to Permit #3049-02

	lb/day					
Source	PM	PM ₁₀	NO _x	VOC	CO	SO _x
Caterpillar Diesel Generator (625 kW)	14.08	14.08	482.76	12.87	110.63	40.63
Total	14.08	14.08	482.76	12.87	110.63	40.63

* A complete emission inventory for Addendum 3 to Permit #3049-02 is on file with the Department.

VI. Existing Air Quality

On July 1, 1987, the Environmental Protection Agency (EPA) promulgated new National Ambient Air Quality Standards (NAAQS) for particulate matter with an aerodynamic diameter of 10 microns or less (PM₁₀). Due to exceedances of the national standards for PM₁₀, the cities of Libby, Whitefish, Kalispell, Columbia Falls, Thompson Falls and Butte were designated by EPA as nonattainment for PM₁₀. As a result of this designation, EPA required the Department and the City-County Health Departments to submit PM₁₀ 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 PM₁₀ emissions.

This permit is for a portable generator to be located in any of the following PM₁₀ NAA; Libby, Kalispell, Whitefish, Columbia Falls, Thompson Falls, and Butte. Conditions in this addendum have been established to maintain compliance with the NAAQS and the SIPs.

VII. Taking or Damaging Analysis

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

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

Air Quality Permit Number: 3049-02
Department Decision on Modification: 12/31/01
Permit Final: 01/16/02

1. Legal Description of Site: During the summer months (April 1 through September 30) at various locations throughout Montana, including any location in or within 10 kilometers (km) from the following PM₁₀ nonattainment areas (NAAs): Libby, Kalispell, Whitefish, Columbia Falls, Thompson Falls, and Butte. Wintertime operations would be during (October 1 through March 31) at Sections 25 and 26, Township 29 North, Range 22 West, Flathead County and Section 13, Township 21 North, Range 29 West, Sanders County, Montana.
2. Description of Project: This permit is an Addendum renewal for the operation of a portable generator in or within 10 km of the following PM₁₀ NAAs; Libby, Kalispell, Whitefish, Columbia Falls, Thompson Falls, and Butte.
3. Objectives of the Proposal: This generator would be used in conjunction with current sand and gravel operations performed by LHC. The proposal would allow LHC to generate business and revenue for the company.
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 LHC demonstrated compliance with all applicable rules and regulations as required for permit issuance. Therefore, the "no-action" alternative was eliminated from further consideration.
5. A Listing of Mitigation, Stipulations, and Other Controls: A list of enforceable conditions, including a Best Available Control Technology (BACT) analysis, would be contained in Permit #3049-02. More stringent operational limitations, applicable to operation in or within 10 km of certain PM-10 NAAs would be contained in Addendum 3.
6. Regulatory Effects on Private Property: The Department has considered alternatives to the conditions imposed in this permit as part of the permit development. The Department has determined that the permit conditions are reasonably necessary to ensure compliance with applicable requirements and do not unduly restrict private property rights.

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

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

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

A. Terrestrial and Aquatic Life and Habitats

Terrestrials would use the areas in which the generator operations occur. Aquatic life may also be present in the areas that the generator operations are utilized. Deposition of particles would occur in the areas where the generator operates. However, as explained in section 7.F of this EA, due to the relatively small size and temporary nature of the operation, dispersion characteristics of the particles, and conditions placed in Permit #3049-02 and Addendum 3, any impacts from the deposition of particles would be minor. Therefore, the generator would present only minor impacts to the terrestrial and aquatic life and habitats in the areas of operation.

B. Water Quality, Quantity, and Distribution

Although there would be an increase in air emissions in the area where the generator operations operate, there would be little, if any impacts on the water quality, quantity, and distribution because of the relatively small size and temporary nature of the operation. While deposition of particles would occur, the Department determined that any impacts from deposition of particles would be minor. As described in 7.F of this EA, due to the conditions placed in Permit #3049-02 and Addendum 3, the maximum impacts from the air emissions of this facility would be relatively minor.

The generator would not require the use of water; therefore, it would not have any impacts on water quality, quantity, or distribution. Any accidental spills or leaks from equipment would be handled according to the appropriate environmental regulations in an effort to minimize any potential adverse impact on the immediate and surrounding area. Overall, the generator would have very minimal impacts to water quality, quantity, and distribution.

C. Geology and Soil Quality, Stability, and Moisture

There would be minor impacts to the geology and soil quality, stability, and moisture in the area near the generator operations due to facility construction and deposition of particles from the generator operation. Any impacts to the geology and soil quality, stability, and moisture would be minor. As explained in Section 7.F of this EA, the relatively small size and temporary nature of the operation and conditions placed in Permit #3049-02 and Addendum 3, would minimize the impacts from deposition. As a result, particulate deposition would result in only minor disturbance to the soil. In many cases, the generator may move to a general site location or open cut pit, which has been previously permitted through the Industrial and Energy Minerals Bureau (IEMB). If this is the case, a more extensive EA would have been conducted and would be found in the Mined Land Reclamation Permit for that specific site.

D. Vegetation Cover, Quantity, and Quality

There would be minor impacts on the vegetative cover, quantity, and quality, because small amounts of vegetation would likely be disturbed from the generator. In addition, particle deposition would occur on the surrounding vegetation. However, as explained in section 7.F of this EA, the Department determined that, due to the relatively small size and temporary nature of the operation and conditions placed in Permit #3049-02 and Addendum 3, any impacts from the deposition of particles would be minor. Also, because the water usage would be minimal (as described in 7.B) and the associated soil disturbance would be minimal (as described in 7.C) corresponding vegetative impacts would also be minimal. In many cases, the crushing operation may move to a general site location or open cut pit, which has been previously permitted through the IEMB. If this is the case, a more extensive EA would have been conducted and would be found in the Mined Land Reclamation Permit for that specific site.

E. Aesthetics

The generator would be visible and would create additional noise in the area. Since the generator is small and temporary, any aesthetic impact would be minimal. Permit #3049-02 would include conditions to control emissions (include visible emissions) from the plant.

F. Air Quality

The air quality emissions impacts from the generator operations would be minor because Permit #3049-02 would include conditions limiting the opacity from the plant and other means to control air pollution. In addition, Addendum 3 to Permit #3049-02 would include more stringent limitations for any operations taking place in or within 10 km of certain PM₁₀ NAAs in Montana. Additionally, the facilities size is relatively small when compared to other similar permitted sources.

The operations would be limited by Permit #3049-02 to total particulate emissions of 250 ton/year or less from non-fugitive particulate sources at the plant, in addition to any other equipment at the site. However, since the facilities potential emissions are below 100 ton/year for any pollutant generated, the facility is recognized as a minor source of air pollution. Plant emission and emissions from the operational site would be limited to 10 % opacity while operating in or within 10 km of the listed PM₁₀ NAAs. Furthermore, the Department conducted SCREEN VIEW air dispersion modeling, an Environmental Protection Agency (EPA) approved modeling program, to determine the maximum allowable plant production rate that would maintain compliance with the National Ambient Air Quality Standards (NAAQS) and the Montana Ambient Air Quality Standards (MAAQS) for PM₁₀. The NAAQS and MAAQS are designed to be protective of human health and public welfare. The Department established that no hourly operational limits were necessary in Addendum 3 based on the SCREEN VIEW modeling analysis.

G. Unique Endangered, Fragile, or Limited Environmental Resources

The current permit action is in response to a request to renew an addendum for operation of a portable generator in or within 10 km of certain PM₁₀ NAAs during the summer months (April 1 through September 30) and at Sections 25 and 26, Township 29 North, Range 22 West, Flathead County and Section 13, Township 21 North, Range 29 West, in Sanders County, Montana during the winter months (October 1 through March 31). Deposition of particles would occur in the areas the generator operates. However, as explained in section 7.F of this EA, the relatively small size and temporary nature of the operation and conditions placed in Permit #3049-02 and Addendum 3, any impacts to unique endangered, fragile, or limited environmental resources from the deposition of particles would be minor. In many cases, the generator operation may move to a general site location or open cut pit, which has been previously permitted through the IEMB. If this were the case, a more extensive EA would have been conducted and would be found in the Mined Land Reclamation Permit for that specific site.

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

The generator would be used to produce energy to operate other equipment. The Department does not expect use of energy in association with the operation of this generator. However, water may be used on roads, parking lots, and streets if necessary to control dust resulting from indirect use of this generator. Also minor amounts of air would be used in generator operations and would be mixed with minor amounts of pollutant emissions. Generally, the operations are seasonal, and would result in smaller demands in environmental resources. Any impacts, therefore, would be minor.

I. Historical and Archaeological Sites

The operation of this generator would typically take place within a previously disturbed industrial location such as an open cut pit. According to the Montana State Historic Preservation Office, there is low likelihood of disturbance to any known archaeological or historic site given any previous industrial disturbance in the area. Therefore, the generator would not have any effect on any known historic or archaeological site.

In many cases, the generator operation may move to a general site location, or open cut pit, which has been previously permitted through the Industrial and Energy Minerals Bureau (IEMB). If this is the case, a more extensive EA would have been conducted and would be found in the Mined Land Reclamation Permit for that specific site.

J. Cumulative and Secondary Impacts

The generator would cause minor effects to the physical and biological environment. There is potential for other operations to locate at this site. 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 sites. The generator operations would be limited by Permit #3049-02 to total particulate emissions of 250 tons/year or less from non-fugitive generator operations and any other additional equipment used at any given site. In addition, Addendum 3, to Permit #3049-02 would outline specific conditions and restrictions applicable to operation in or within 10 km of certain PM₁₀ NAAs.

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 Social and Economic Effects							
		Major	Moderate	Minor	None	Unknown	Comments Attached
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

In the view of the Department, the generator operation would cause no disruption to native or traditional lifestyles or communities of any potential site or area of operation.

In many cases, the generator operation may move to a general site location or open cut pit, which has been previously permitted through the Industrial and Energy Minerals Bureau (IEMB). If this is the case, a more extensive EA would have been conducted and would be found in the Mined Land Reclamation Permit for that specific site.

B. Cultural Uniqueness and Diversity

In the view of the Department, the generator would not impact the cultural uniqueness and diversity of any proposed area of operation.

In many cases, the generator operation may move to a general site location or open cut pit, which has been previously permitted through the (IEMB). If this is the case, a more extensive EA would have been conducted and would be found in the Mined Land Reclamation Permit for that specific site.

C. Local and State Tax Base and Tax Revenue

The proposed generator operation would have little, if any, affect on local and state tax base and tax revenue. The facility is a relatively small and temporary source; therefore, it would not remain at any individual site for any extended period of time. No full time, permanent employee would be added as a result of issuing Permit #3049-02 and any revenue created by the generator operation in a particular area would be for a relatively short time period.

D. Agricultural or Industrial Production

Under normal circumstances, the generator operations would take place in a previously disturbed industrial area. Therefore, the Department does not expect that the permitted operation would affect or displace any agricultural land. Further, the generator operation is small by industrial standards and, thus, would have only a minor impact on any local industrial production.

E. Human Health

Permit #3049-02 and Addendum 3 would incorporate conditions to ensure that the generator would be operated in compliance with all applicable rules and standards. These rules and standards are designed to be protective of human health. As described in Section 7.F, the air emissions from this facility would be minimized by opacity limitations of the facility and surrounding operational area. Additionally, the facilities capacity is small in comparison to other similar sources that the Department permits. Therefore, any associated impacts to human health would be minor.

F. Access to and Quality of Recreational and Wilderness Activities

The generator would not affect any access to recreational and wilderness activities. However, minor effects on the quality of recreational activities might be created by the noise from the site. Any impacts from the site would be temporary, due to the portable nature of the generator.

In many cases, the generator operation may move to a general site location or open cut pit, which has been previously permitted through the Industrial and Energy Minerals Bureau (IEMB). If this is the case, a more extensive EA would have been conducted and would be found in the Mined Land Reclamation Permit for that specific site

G. Quantity and Distribution of Employment

Given the relatively small size and temporary nature of the operation, it is not expected that the activities from the generator operation would affect the quantity and distribution of employment. No full time, permanent employees would be expected as a result of issuing Permit #3049-02.

H. Distribution of Population

Given the relatively small size and temporary nature of the operation, it is not expected that the activities from the generator would disrupt the normal population distribution.

I. Demands of Government Services

Government services would be required for acquiring the appropriate permits from government agencies, however, the government services required by this operation would be minimal.

J. Industrial and Commercial Activity

The generator operation would represent only a minor increase in the industrial activity in any given area. No additional industrial or commercial activity would result from the generator operation.

K. Locally Adopted Environmental Plans and Goals

Certain areas proposed as potential operating sites are designated as PM₁₀ NAAs. Therefore, the Department has modeled the facility, based on a "worse case" PM₁₀ emissions from the facility, in order to allow operations in or within 10 km of the PM₁₀ NAAs. The Department used the modeling results to evaluate potential effects on air quality and establish the appropriate emissions limitations and conditions to protect the ambient air quality in these NAAs. The limitations would protect the proposed site and environment surrounding the site. Thus, the goal of protecting air quality in or within 10 km of these PM₁₀ NAAs would be met.

L. Cumulative and Secondary Impacts

The generator operations would cause a minor effect on the social and economic environment. There is a potential for other portable operations to locate at this site. However, any such operation 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 such operations at any site. The generator operations would be limited by Permit #3049-02 to total particulate emissions of 250 ton/year or less from non-fugitive generator operations and any other additional equipment that would be used at the site. In addition, Addendum 3, to Permit #3049-02, would outline specific conditions and restrictions applicable to operation in or within 10 km of certain PM₁₀ NAAs.

Recommendation: No EIS is required.

If an EIS is not required, explain why the EA is an appropriate level of analysis: Because this generator is a relatively small portable source and must use reasonable precautions to control emissions, it is unlikely there would be any significant impacts. Permit #3049-02 and Addendum 3 include conditions and limitations, which, if properly applied, will safeguard any potential environmental threat created by the proposed generator operation.

Other groups or agencies contacted or which may have overlapping jurisdiction: Montana Natural Heritage Program, State Historic Preservation Office (Montana Historical Society), and Industrial and Energy Minerals Bureau.

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

EA Prepared by: Ron Lowney
Date: 12/26/2001

