



State Revolving Fund Loan Programs

Drinking Water, Clean Water, Nonpoint Source

ENVIRONMENTAL ASSESSMENT AND FINDING OF NO SIGNIFICANT IMPACT

CITY OF VALPARAISO WATER SYSTEM IMPROVEMENTS PHASE 3 SRF PROJECT DW23496401

DATE: April 1, 2024

TARGET PROJECT APPROVAL DATE: May 1, 2024

I. INTRODUCTION

The above entity has applied to the Drinking Water State Revolving Fund (SRF) Loan Program for a loan to finance all or part of the drinking water project described in the accompanying Environmental Assessment (EA). As part of facilities planning requirements, an environmental review has been completed which addresses the project's impact on the natural and human environment. This review is summarized in the attached EA, which can also be found at www.in.gov/ifa/srf.

II. PRELIMINARY FINDING OF NO SIGNIFICANT IMPACT (FNSI)

The Drinking Water SRF Loan Program has evaluated all pertinent environmental information regarding the proposed project and determined that an Environmental Impact Statement is not necessary. Subject to responses received during the 30-day public comment period, and pursuant to Indiana Code 5-1.2-3, it is our preliminary finding that the construction and operation of the proposed facilities will result in no significant adverse environmental impact. In the absence of significant comments, the attached EA shall serve as the final environmental document.

III. COMMENTS

All interested parties may comment upon the EA/FNSI. Comments must be received at the address below by the target approval date above. Significant comments may prompt a reevaluation of the preliminary FNSI; if appropriate, a new FNSI will be issued for another 30-day public comment period. A final decision to proceed, or not to proceed, with the proposed project shall be achieved by finalizing, or not finalizing, the FNSI as appropriate. Comments regarding this document should be sent within 30 days to:

Amy Henninger
Compliance Officer
State Revolving Fund Loan Programs
100 N. Senate Ave. IGCN 1275
Indianapolis, IN 46204
317-232-6566
ahenning@ifa.in.gov

ENVIRONMENTAL ASSESSMENT

I. PROJECT IDENTIFICATION

Project Name and Address: Water System Improvements - Phase 3
City of Valparaiso
205 Billings Street
Valparaiso, IN 46383

Authorized Representative: Mr. Steve Poulos, Utility Director

II. PROJECT LOCATION

The proposed project is located in the City of Valparaiso in Porter County. Project components can be found in the Chesterton, Valparaiso, and Wanatah USGS 24K Quads, Township 35N, Range 5W, Sections 6, 26, 29. See Figure 1-1.

III. PROJECT NEED AND PURPOSE

The City of Valparaiso currently operates 20 drinking water wells to serve the needs of the city. The wells' components are aging, and many are declining in capacity. According to well testing in 2022, the system does not have sufficient capacity to meet future peak day water demand for the service area.

The purpose of the project is to install additional raw water wells and maintain necessary capacity at WTPs to provide water in sufficient supply to meet the current and future needs of the city.

Phase 2 of the project was the subject of a previous Environmental Assessment, public noticed March 29, 2023.

IV. PROJECT DESCRIPTION

To meet the needs of the system, the City plans to maintain capacity at the Airport WTP, install additional production wells, and make improvements throughout the system. Phase 3 of the project includes the following:

- Replacement of well 1 (CC-1) including 16" diameter well with 143.5' casing and 30' of wire screen, installation of an 875 gpm pump, 75 HP motor with VFD, process piping, natural gas generator for backup power, valves, and appurtenances. The project also includes the installation of 200 LF of C900 PVC 10" transmission line from the new well north to the existing transmission main.
- Replacement well 2 (CC-2), including 16" diameter well with 121.5' casing and 25' of wire screen, installation of a 500 gpm pump, 50 HP motor with VFD, process piping, natural gas generator for backup power, valves, and appurtenances. The project also includes the installation of 150 LF of C900 PVC 10" transmission line from the new well north to the existing transmission main.
- Construction of a new Pratt well, including casing and wire screen, pump and motor with VFD, process piping, valves and appurtenances, and approximately 125 LF of C900 PVC

10” transmission line extending west to the Pratt facility. A gravel access road will be added, extending from the well south and west to connect with an existing road on the Pratt Industries site.

- Improvements at the Airport WTP, including:
 - Replacement of two filters, with three filter cells and associated piping, valves, and appurtenances;
 - Addition of one new pressure filter, with three filter cells and associated piping;
 - Extension of existing building to house the additional filter.
- Instrumentation and control improvements associated with projects and flow meters installed at Flint Lake WTP.

V. ESTIMATED PROJECT COSTS, AFFORDABILITY AND FUNDING

A. Selected Plan Estimated Cost Summary

Construction Costs	
Phase 2 Well SRF Eligible Improvements (complete)	\$ 3,000,000
Phase 3 Well Improvements	2,110,000
Phase 3 Pratt Well Construction	1,050,000
Phase 3 Airport WTP Improvements	7,550,000
Contingencies	1,650,000
Non-Construction Costs	<u>3,330,000</u>
Total Estimated Project Cost	\$ 18,690,000

- B.** The City of Valparaiso will finance the project with a loan from the Drinking Water State Revolving Fund Loan Program for a term and annual fixed interest rate to be determined at loan closing. The actual loan amount will depend on the bids received. Monthly user rates and charges may need to be analyzed to determine if adjustments are required for loan repayment.

VI. DESCRIPTION OF EVALUATED ALTERNATIVES

The “**No Action**” alternative is not a feasible alternative because it will not address the water quantity issues faced by residents and businesses in the City, and the Airport WTP existing filters would experience terminal failure leading to capacity being severely limited at the plant.

Regionalization: This alternative considers VCU connecting to another source of finished water through a consecutive water system agreement, and purchasing water as required to satisfy the Valparaiso customers’ demand. This alternative was rejected because of increased cost and longer implementation time that would not allow the system to meet increasing demands by summer 2024.

Addition of Groundwater Wells (Phase 3): This alternative adds three new production wells, new generators, new electrical controls, new higher capacity motors and pumps to improve functionality and to increase the capacity of the system. This is the selected alternative.

Replacement of Existing Pressure Filters: This alternative is for the in-kind replacement of two pressure filters, and the addition of one new pressure filter at the Airport WTP. This is the selected alternative.

VII. ENVIRONMENTAL IMPACTS OF THE FEASIBLE ALTERNATIVES

A. Direct Impacts of Construction and Operation

Disturbed/Undisturbed Land: The proposed improvements will take place on the site of the existing Airport WTP, at the Valparaiso Country Club Inc. golf course, and on farmland adjacent to Pratt Industries LLC. The project is the subject of an archaeological review, submitted to the DHPA March 2024 (AR-64-00541).

Structural Resources (Figure 5.2-8 and 5.2-9): The proposed improvements are not expected to structurally affect existing buildings designated as Historic.

Surface Waters: The project will not adversely affect waters of high quality listed in 327 IAC 2-1-2(3), exceptional use streams listed in 327 IAC 2-1-11(b), Natural, Scenic and Recreational Rivers and Streams listed in 312 IAC 7-(2), Salmonid Streams listed in (327 IAC 2-1.5-5(a)(3), or waters on the Outstanding Rivers list (Natural Resources Commission Non-rule Policy Document).

Wetlands (Figure 5.3-1): Wetlands are not anticipated to be impacted by the construction of the project.

Floodplain (Figure 5.4-1): Floodplains are not anticipated to be impacted by the construction or operation of the project.

Groundwater: Dewatering activities are not expected, and the project will not impact a sole source aquifer.

Plants and Animals: The Preliminary Engineering Report (PER) states: *Mitigation measures cited in comment letters from the Indiana Department of Natural Resources and the US Fish and Wildlife Service will be implemented.*

Official species list and Verification Letter from the US Fish and Wildlife Service were received. No critical habitats were noted in the project area.

Prime Farmland: Phase 3 projects are not anticipated to significantly impact prime farmland. The NRCS Farmland Conversion Impact Rating Form was submitted to NRCS March 8, 2024, for review. Phase 2 projects sited in the previous EA were found by the NRCS to impact approximately two acres of prime farmland, based on soil types.

The Valparaiso PER states: The prime farmland in the Airport WTP project area is not practical for use as farmland because of the existing building. Similarly, the prime farmland in the Fl-12 (Phase 2 site) and CC-2 project areas is not practical for use as such because of the existing roads, buildings, or golf course surrounding them... The prime farmland associated with Pratt is currently unused, and the project site occupies as little as possible.

Air Quality: Air quality will be temporarily impacted by construction activities, including vehicle exhaust and dust. An IDEM air quality permit is required to add the tier 2 natural gas generators that will be installed on the CC-1 and CC-2 well sites.

Open Space and Recreational Opportunities: The construction and operation of the proposed project will neither create nor destroy open space or recreational opportunities.

National Natural Landmarks: Construction and operation of the proposed project will not affect National Natural Landmarks.

B. Indirect Impacts

The City of Valparaiso's PER states: *The City, through the authority of its Board of Public Works, will ensure that future development, as well as future collection system or treatment works projects connecting to SRF-funded facilities, will be properly permitted with their regard to impacting archaeological/ historical/ structural resources, wetlands, wooded areas, or other sensitive environmental resources. New development and treatment work projects will be constructed within the guidelines of the U.S. Fish and Wildlife Service, IDNR, IDEM, and other environmental review authorities.*

C. Comments from Environmental Review Authorities

The project was submitted to the Natural Resources Conservation Service on March 8, 2024, for review of impacts to prime farmland. This document is the first notice to the DNR Environmental Unit, and the Division of Historic Preservation and Archaeology.

In correspondence dated March 6, 2024, the United States Fish and Wildlife Service stated:

This letter records your determination using the Information for Planning and Consultation (IPaC) system provided to the U.S. Fish and Wildlife Service (Service) on March 6, 2024, for 'Phase 3 Valparaiso Water System Improvements' (here forward, Project). This project has been assigned Project Code 2024-0058940 and all future correspondence should clearly reference this number. Please carefully review this letter. Your Endangered Species Act requirements are not complete.

Ensuring Accurate Determinations When Using IPaC

The Service developed the IPaC system and associated species' determination keys in accordance with the Endangered Species Act of 1973 (ESA; 87 Stat. 884, as amended; 16 U.S.C. 1531 et seq.) and based on a standing analysis. All information submitted by the Project proponent into IPaC must accurately represent the full scope and details of the Project.

Failure to accurately represent or implement the Project as detailed in IPaC or the Northern Long-eared Bat Range wide Determination Key (Dkey), invalidates this letter. Answers to certain questions in the DKey commit the project proponent to implementation of conservation measures that must be followed for the ESA determination to remain valid.

Determination for the Northern Long-Eared Bat

Based upon your IPaC submission and a standing analysis, your project is not reasonably certain to cause incidental take of the northern long-eared bat. Unless the Service advises you within 15 days of the date of this letter that your IPaC-assisted determination was incorrect, this letter verifies that the Action is not likely to result in unauthorized take of the northern long-eared bat.

Other Species and Critical Habitat that May be Present in the Action Area

The IPaC-assisted determination for the northern long-eared bat does not apply to the following ESA-protected species and/or critical habitat that also may occur in your Action area:

*Indiana Bat *Myotis sodalis* Endangered
Monarch Butterfly *Danaus plexippus* Candidate*

Salamander Mussel Simpsonaias ambigua Proposed Endangered
Tricolored Bat Perimyotis subflavus Proposed Endangered
Whooping Crane Grus americana Experimental Population, Non-Essential

You may coordinate with our Office to determine whether the Action may cause prohibited take of the animal species and/or critical habitat listed above. Note that if a new species is listed that may be affected by the identified action before it is complete, additional review is recommended to ensure compliance with the Endangered Species Act.

Next Steps

Coordination with the Service is complete. This letter serves as technical assistance. All conservation measures should be implemented as proposed. Thank you for considering federally listed species during your project planning.

We are uncertain where the northern long-eared bat occurs on the landscape outside of known locations. Because of the steep declines in the species and vast amount of available and suitable forest habitat, the presence of suitable forest habitat alone is a far less reliable predictor of their presence. Based on the best available information, most suitable habitat is now expected to be unoccupied. During the interim period, while we are working on potential methods to address this uncertainty, we conclude take is not reasonably certain to occur in areas of suitable habitat where presence has not been documented.

If no changes occur with the Project or there are no updates on listed species, no further consultation/ coordination for this project is required for the northern long-eared bat. However, the Service recommends that project proponents re-evaluate the Project in IPaC if: 1) the scope, timing, duration, or location of the Project changes (includes any project changes or amendments); 2) new information reveals the Project may impact (positively or negatively) federally listed species or designated critical habitat; or 3) a new species is listed, or critical habitat designated. If any of the above conditions occurs, additional coordination with the Service should take place before project implements any changes which are final or commits additional resources.

If you have any questions regarding this letter or need further assistance, please contact the Indiana Ecological Services Field Office and reference Project Code 2024-0058940 associated with this Project.

VIII. MITIGATION MEASURES

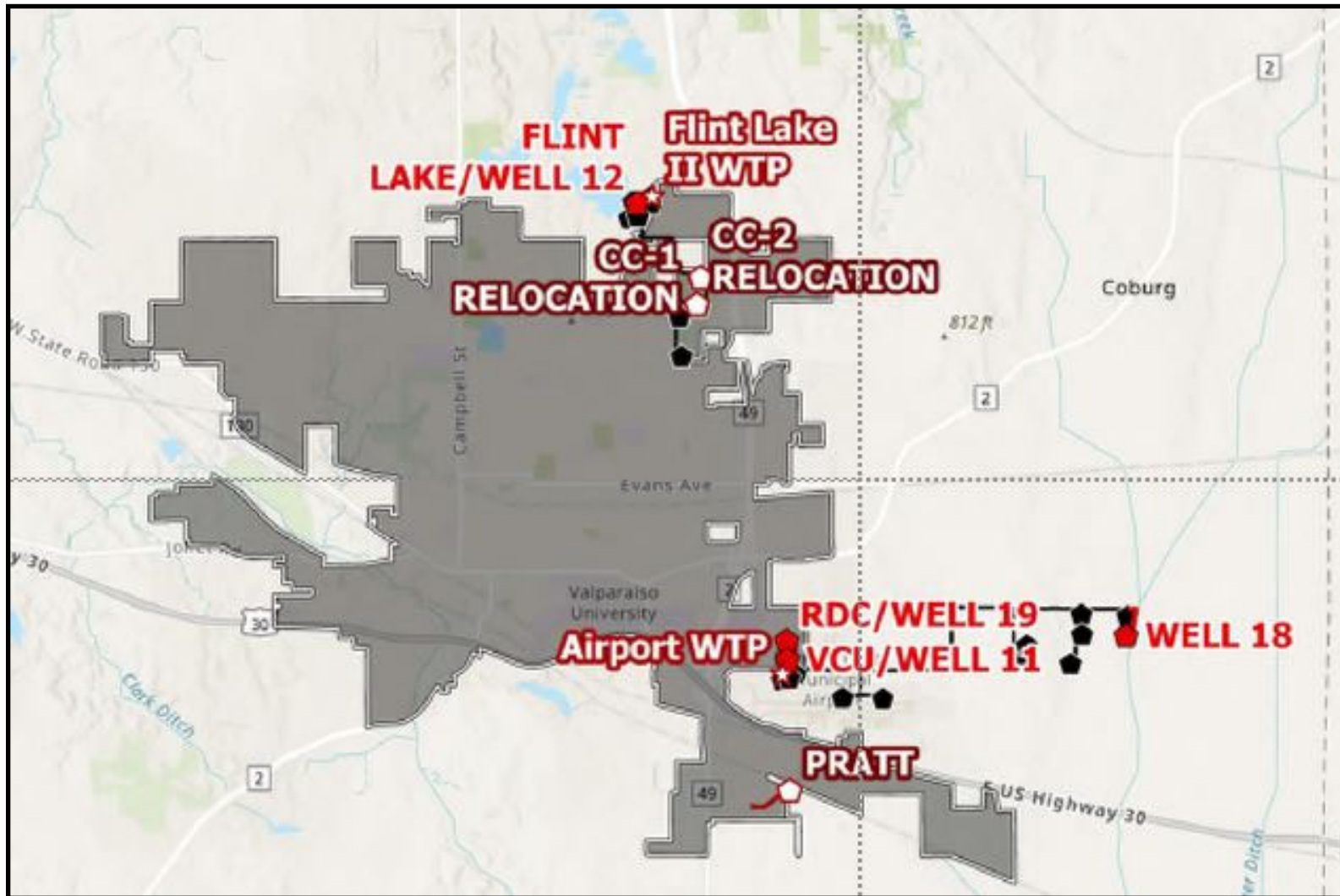
The City of Valparaiso's PER states:

The alternatives considered will result in several short-term environmental impacts. These impacts will be related primarily to project construction activities.

The construction specifications will require that proper measures be utilized to control storm water runoff and erosion from the construction sites. Additionally, the specifications will require measures to reduce the creation of dust, odor, airborne contaminants, and other nuisances from construction activities. Efforts will be made to avoid construction related impacts where an impact cannot be avoided, appropriate mitigation measures will be utilized.


IX. PUBLIC PARTICIPATION

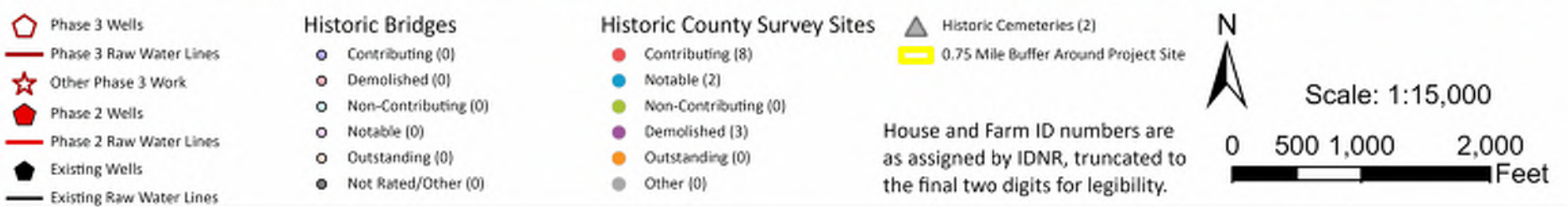
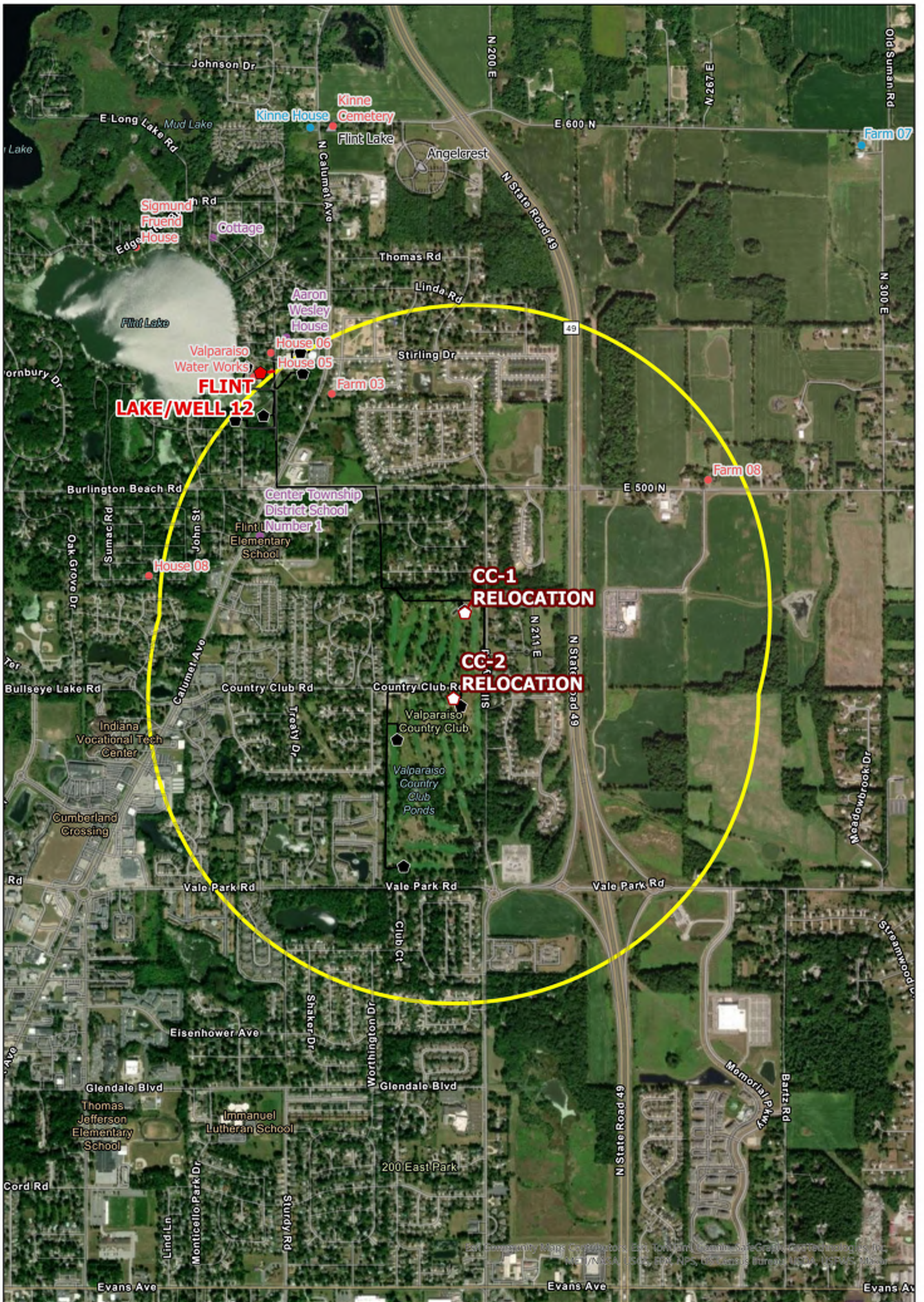
A properly noticed public hearing was held May 9, 2023, at 5:00pm in the Valparaiso City Utilities Board of Directors Meeting, located at 205 Billings Street, Valparaiso, Indiana. No written comments were received during the 5-day comment period following the hearing.



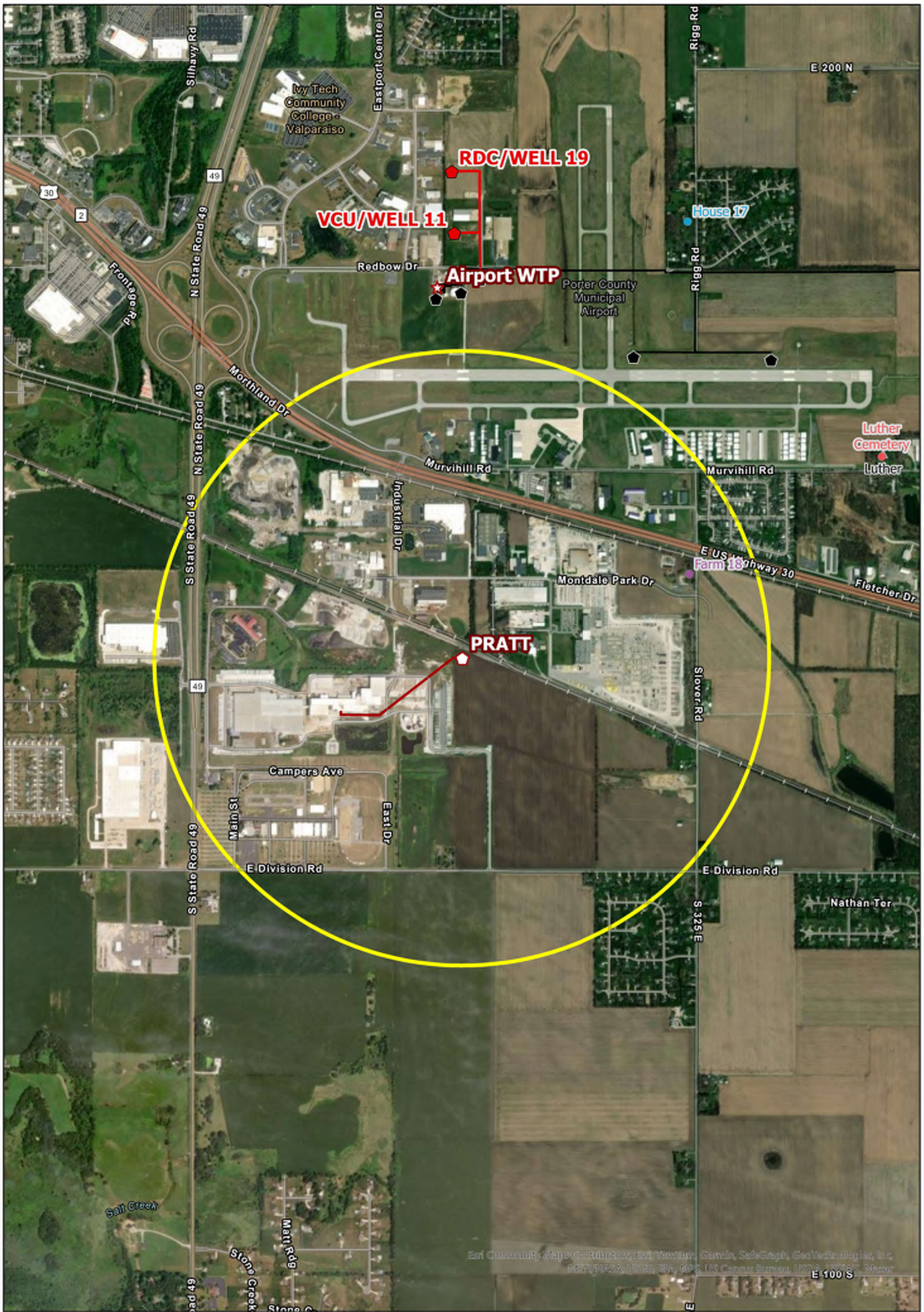
- ☆ Phase 3 Wells
- Phase 3 Raw Water Lines
- ☆ Other Phase 3 Work
- ◆ Phase 2 Wells
- Phase 2 Raw Water Lines
- Existing Wells
- Existing Raw Water Lines
- City Limits



	<p>CITY OF VALPARAISO, INDIANA VALPARAISO WELLFIELD EXPANSION PHASES 2 AND 3</p>	<p>Sewer Service Area</p>	<p>MARCH 2024 FIGURE 1-1</p>
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House and Farm ID numbers are as assigned by IDNR, truncated to the final two digits for legibility.



<ul style="list-style-type: none"> ◻ Phase 3 Wells — Phase 3 Raw Water Lines ★ Other Phase 3 Work ◻ Phase 2 Wells — Phase 2 Raw Water Lines ● Existing Wells — Existing Raw Water Lines 	Historic Bridges <ul style="list-style-type: none"> ● Contributing (0) ● Demolished (0) ● Non-Contributing (0) ● Notable (0) ● Outstanding (0) ● Not Rated/Other (0) 	Historic County Survey Sites <ul style="list-style-type: none"> ● Contributing (1) ● Notable (1) ● Non-Contributing (0) ● Demolished (1) ● Outstanding (0) ● Other (0) 	<ul style="list-style-type: none"> ▲ Historic Cemeteries (1) — 0.75 Mile Buffer Around Project Site <p>House and Farm ID numbers are as assigned by IDNR, truncated to the final two digits for legibility.</p>	<p>N</p> <p>Scale: 1:15,000</p> <p>0 500 1,000 2,000 Feet</p>
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- ⬠ Phase 3 Wells
 - ⬢ Phase 2 Wells
 - Existing Raw Water Lines
 - Phase 3 Raw Water Lines
 - Phase 2 Raw Water Lines
 - Wetlands NWI (USFWS)
 - ★ Other Phase 3 Work
 - Existing Wells
 - City Limits
- N

	CITY OF VALPARAISO, INDIANA VALPARAISO WELLFIELD EXPANSION PHASES 2 AND 3	WETLANDS	MARCH 2024 FIGURE 5-3.1
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|-------------------------|--------------------------|-------------------------|--|
| Phase 3 Wells | Phase 2 Raw Water Lines | 100-Yr Floodway | |
| Phase 3 Raw Water Lines | Existing Wells | 500-Year Floodplain (0) | |
| Other Phase 3 Work | Existing Raw Water Lines | City Limits | |
| Phase 2 Wells | 100-Yr Floodway Fringe | | |

	<p>CITY OF VALPARAISO, INDIANA VALPARAISO WELLFIELD EXPANSION PHASES 2 AND 3</p>	<p>100- AND 500-YEAR FLOODPLAINS</p>	<p>MARCH 2024 FIGURE 5-4.1</p>
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