



# **State Revolving Fund Loan Programs**

## **Drinking Water, Clean Water, Nonpoint Source**

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### **ENVIRONMENTAL ASSESSMENT AND FINDING OF NO SIGNIFICANT IMPACT**

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#### **CITIZENS ENERGY GROUP PROJECT B – ROYALTON BOOSTER STATION AND STORAGE TANK SRF PROJECT DW 24 70 06 05**

**DATE: August 21, 2026**

**PUBLIC COMMENTS DUE BY: September 20, 2026**

**ORIGINAL EA Posted June 26, 2025, with Comment Period that ended July 26, 2025. The amended EA is to public notice the Amended Booster Station and Storage Tank location.**

#### **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 impacts on the natural and human environment. This review is summarized in the attached EA, which can also be viewed in color at <http://www.in.gov/ifa/srf/>.

#### **II. PRELIMINARY FINDING OF NO SIGNIFICANT IMPACT (FONSI)**

The SRF Wastewater 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/FONSI. Comments must be received at the address below by the target approval date above. Significant comments may prompt a reevaluation of the preliminary FONSI; if appropriate, a new FONSI 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 affected by finalizing, or not finalizing, the FONSI as appropriate. Comments regarding this document should be sent within 30 days to:

**State Revolving Fund  
100 N. Senate Ave. IGCN 1275  
Indianapolis, IN 46204  
[publiccomments@ifa.in.gov](mailto:publiccomments@ifa.in.gov)**

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## ENVIRONMENTAL ASSESSMENT

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### I. PROJECT IDENTIFICATION

Project Name and Address: Project B – Royalton Booster Station and Storage Tank  
Citizens Energy Group  
2020 North Meridan Street  
Indianapolis, IN 46202

SRF Project Number: DW 24 70 06 05

Authorized Representative: Jeffrey Harrison, President and CEO

### II. PROJECT LOCATION

The proposed project is located in Hendricks County, Brown Township, Zionsville 24k USGS Quadrangle, Township 17N, Range 2E, and Section 18. **See Figure 1.**

### III. PROJECT NEED AND PURPOSE

In concert with Lebanon Utilities (LU), an engineering plan has been developed for Citizens Water to provide an additional water supply of up to 25 million gallons per day (MGD) to Lebanon Utilities to support the regional growth of the City of Lebanon (Lebanon). The Citizens-Lebanon Water Supply program consists of new water mains, booster stations, tanks, and treatment plant upgrades. Regarding sources, Citizens Water's robust regional water system is composed of 10 water treatment plants along with natural water resources including the White River, Fall Creek, four water supply reservoirs (Eagle Creek, Geist, Citizens, and Morse), and groundwater wells.

### IV. PROJECT DESCRIPTION

The Citizens-Lebanon Water Supply (CLWS) Program includes multiple infrastructure projects to supply up to 25 MGD of drinking water to the City of Lebanon, which is necessary to meet regional growth needs. CLWS Project B will construct a new Royalton Booster Station and Storage facility, located along N CR 1025 E near 10800 N CR 1025 E, south of E CR 800 S. The facility will connect to the proposed CLWS Project G water main extension. The facility will have 15.3 MGD firm pumping capacity and 3 MG storage capacity.

### V. ESTIMATED PROJECT COSTS, AFFORDABILITY AND FUNDING

Total cost of this project is estimated to be approximately \$48,088,000. The Citizens Energy Group will finance the project with a loan from the Drinking Water SRF Loan Program for a term and annual fixed interest rate to be determined at loan closing.

### VI. DESCRIPTION OF EVALUATED ALTERNATIVES

The “**No Action**” alternative includes continuing current operations under existing conditions. The risk posed by not taking action is the inability to provide adequate water supply as required for the Citizens Lebanon Water Supply program.

**Alternative 1 - Construction of 15.3 MGD Booster Station & Two 1.5 MG Storage Tanks**

**Southeast of the Intersection of E CR 750 S and N CR 600 E:** This alternative includes construction of a new booster pumping station, which will have a firm pumping capacity of 15.3 MGD. Two new 1.5 MG elevated storage tanks would also be constructed in this alternative. Water will be fed to the booster station and storage tank via the existing 20-inch main along Indianapolis Road. Acquisition of a 4.3-acre parcel would be required for this alternative therefore, it was dismissed from further consideration.

**Alternative 2 - Construction of 15.3 MGD Booster Station & 3 MG Storage Tank along West**

**Side of Indianapolis Road:** This alternative includes the construction of a new booster pumping station, which will have a firm pumping capacity of 15.3 MGD. This alternative would have limited space for two tanks; therefore, a new 3 MG elevated storage tank would be constructed. Water will be fed to the booster station and storage tank via the existing 20-inch main along Indianapolis Road. This alternative would require the acquisition of a 1.2-acre parcel; therefore, it was dismissed from further consideration.

**Alternative 3 - Construction of 15.3 MGD Booster Station & Two 1.5 MG Storage Tanks along**

**Southwest of the I-65 and I-865 Interchange:** This alternative includes the construction of a new booster pumping station, which will have a firm pumping capacity of 15.3 MGD. Two new 1.5 MG elevated storage tanks would also be constructed in this alternative. Water will be fed to the booster station and storage tank via the existing 20-inch main along Indianapolis Road. Alternative 3 would require two INDOT Right of Way crossings for approximately 1,000 feet of additional 20-inch water main and approximately 1,500 feet of additional 30-inch water main to connect to the Citizens Lebanon Water Supply program. Alternative 3 would require acquisition of a 5.2-acre parcel. Due to these reasons, Alternative 3 was dismissed from further consideration.

**Alternative 4 - Construction of 15.3 MGD Booster Station & Two 1.5 MG Storage Tanks along**

**South Side of Wilson Road:** This alternative includes the construction of a new booster pumping station, which will have a firm pumping capacity of 15.3 MGD. Two new 1.5 MG elevated storage tanks would also be constructed in this alternative. Water will be fed to the booster station and storage tanks via the proposed 30-inch main to be installed with adjacent Project F. This would require an additional connection between the existing 20-inch main along Indianapolis Road and Project F. Alternative 4 would also require acquisition of a 2.5-acre parcel. Due to these reasons, Alternative 4 has been dismissed from further consideration.

**Amended Booster Station and Storage Tank location:** This alternative includes the construction of a 15 MGD booster station and two 1.5 MG storage tanks. This alternative would require the acquisition of a 9-acre parcel. **This is the recommended alternative** as it provides adequate space for construction, minimizes additional water main requirements, and maximizes the hydraulic benefit to be provided by the booster station and storage tanks

## VII. ENVIRONMENTAL IMPACTS OF THE FEASIBLE ALTERNATIVES

### A. Direct Impacts of Construction and Operation

**Disturbed/Undisturbed Land:** Work related to the construction of the booster station and storage tank will occur in previously disturbed soils disturbed by previous construction activity. Areas that were not previously disturbed were subject to an archaeological investigation.

**Structural Resources:** Construction and operation of the project will not alter, demolish or remove historic properties. If any visual or audible impacts to historic properties occur, they will be temporary and will not alter the characteristics that qualify such properties for inclusion in or

eligibility for the National Register of Historic Places. The SRF's finding pursuant to Section 106 of the National Historic Preservation Act is: "*no historic properties affected.*"

**Surface Waters:** The project will not adversely affect outstanding state resource waters listed in 327 IAC 2-1.3-3(d), exceptional use streams listed in 327 IAC 2-1-11(b), Natural, Scenic and Recreational Rivers and Streams listed in 312 IAC 7-(2), or Salmonid Streams listed in (327 IAC 2-1.5-5(a)(3) or streams on the Outstanding River List for Indiana.

Mitigation measures to lessen and compensate for stream impacts cited in comment letters or permits from the Indiana Department of Natural Resources , U.S. Army Corps of Engineers, and/or Indiana Department of Environmental Management will be implemented.

**Wetlands:** A wetland delineation was completed and concluded that wetlands will not be impacted by the construction of the proposed booster station and storage tanks. Mitigation measures to lessen and compensate for wetland impacts cited in comment letters or permits from the Indiana Department of Natural Resources , U.S. Army Corps of Engineers, and/or Indiana Department of Environmental Management will be implemented.

**Floodplain:** The project will not include dredge or fill in the floodway without a permit from IDNR Division of Water. No change in grade will occur within the floodplain.

**Groundwater:** The project will not impact a drinking water supply or sole source aquifer.

**Plants and Animals:** The proposed project items will be implemented to minimize impact to non-endangered species and their habitat. Mitigation measures cited in comment letters from the Department of Natural Resources and the U.S. Fish and Wildlife Service will be implemented.

**Prime Farmland:** The project will cause a conversion of prime farmland.

**Air Quality:** Construction activities may generate some noise, fumes and dust, but should not significantly affect air quality.

**Open Space and Recreational Opportunities:** The project will neither create nor destroy open space or recreational opportunities.

**Lake Michigan Coastal Program:** The project will not affect the Lake Michigan Coastal Zone.

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

## **B. Indirect Impacts**

The Citizens Energy Group's Project B PER states: *It will be ensured, through local zoning laws, the authority of its council or planning commission, or other means, that future development and utility projects connecting to SRF-funded facilities will not adversely affect wetlands, wooded areas, steep slopes, archaeological/historical/structural resources, or other sensitive environmental resources. New development and utility projects will be required to be constructed within the guidelines of the USFWS, IDNR, IDEM, and other environmental review authorities.*

## **C. Comments from Environmental Review Authorities**

In correspondence dated June 29, 2026, the Indiana Department of Natural Resources Division of Historic Preservation and Archaeology stated:

*Pursuant to Indiana Code 5-1.2-10, Section 106 of the National Historic Preservation Act (54 U.S.C. § 306108), and 36 C.F.R. Part 800, the Indiana State Historic Preservation Officer ("Indiana SHPO") is conducting an analysis of the materials dated and received by the Indiana SHPO on June 4, 2026, for the above indicated project in Brown Township, Hendricks County, Indiana.*

*Based on our analysis, it has been determined that no historic properties will be altered, demolished, or removed by the proposed project. Sites 12He576-580 do not appear eligible; therefore, no further archaeological investigations are necessary.*

*If any prehistoric or historic archaeological artifacts or human remains are uncovered during construction, demolition, or earthmoving activities, state law (Indiana Code 14-21-1-27 and 29) requires that the discovery must be reported to the Department of Natural Resources within two (2) business days. In that event, please call (317) 232-1646. Be advised that adherence to Indiana Code 14-21-1-27 and 29 does not obviate the need to adhere to applicable federal statutes and regulations, including but not limited to 36 C.F.R. 800.*

In correspondence dated July 31, 2026, the United States Fish and Wildlife Service stated:

The USFWS concluded that the proposed project impacts, project code 2024-0134007, would have a "not likely to adversely affect" determination on the Indiana bat (*Myotis sodalis*), Northern Long-eared Bat (*Myotis septentrionalis*), and the proposed endangered Tricolored Bat (*Perimyotis subflavus*). The USFWS proposed several conservation measures which include:

*For projects including tree cutting/trimming and/or pesticide application:*

- Tree cutting/trimming and/or pesticide/herbicide application will not impact potential Indiana bat roost trees (trees  $\geq 5$  inches in diameter [at breast height] with cracks, crevices and/or exfoliating bark).*
- Tree cutting/trimming will not clear  $\geq 5$  acres of forest or fragment a connective corridor between two or more forest patches.*
- Any cutting/trimming of potential roost trees for Indiana bat (trees  $\geq 5$  inches in diameter [at breast height] with cracks, crevices and/or exfoliating bark) will be limited to the inactive season for Indiana bat: October 1 through March 31 OR November 16 through March 31 if the project is within the vicinity of a hibernaculum.*

*For projects installing new or replacing existing permanent lights:*

- When installing new or replacing existing permanent lights, you will use downward-facing, full cut-off lens lights (with same intensity or less for replacement lighting); or for those transportation agencies using the BUG system developed by the Illuminating Engineering Society, the goal is to be as close to 0 for all three ratings with a priority of "uplight" of 0 and "backlight" as low as practicable. You will direct temporary lighting away from suitable Indiana bat habitat during the active season (April through September).*

In correspondence dated August 3, 2026, the Department of Natural Resources Environmental Unit stated:

***Project:***

*Project B - Royalton Booster Station and Tanks: construction of a 15 MGD booster pumping station and two 1.5 MG storage tanks at a new location along CR 1025 East, Royalton; SRF #DW 24 70 06 05*

**County/Site Info:** Hendricks County

*The Indiana Department of Natural Resources has reviewed the above referenced project per your request. Our agency offers the following comments for your information and in accordance with the National Environmental Policy Act of 1969.*

*If our agency has regulatory jurisdiction over the project, the recommendations contained in this letter may become requirements of any permit issued. If we do not have permitting authority, all recommendations are voluntary.*

**Regulatory Assessment:**

*Formal approval by the Department of Natural Resources under the regulatory programs administered by the Division of Water is not required for this project.*

**Natural Heritage Database:**

*The Natural Heritage Program's data have been checked. To date, no plant or animal species listed as state or federally threatened, endangered, or rare have been reported to occur in the project vicinity.*

**Fish and Wildlife Comments:**

*Avoid and minimize impacts to fish, wildlife, and botanical resources to the greatest extent possible, and compensate for impacts. The following are recommendations that address potential impacts identified in the proposed project area:*

**A) Utility Lines**

*We recommend minimizing the removal of trees and brush by locating any new utility lines on the side of the road containing the least amount of forested habitat (including placing as many of the temporary construction areas as possible in previously cleared/disturbed areas).*

*Where forested habitat is located on both sides of the road, the temporary and permanent construction disturbance should be minimized by placing the line as close to the existing previously disturbed area/right of way as possible to minimize forest fragmentation. The width of disturbance through a forested area should be 20' or less (if the disturbed width cannot be reduced to 20', then the cleared area should be replanted with container-grown native hardwood trees and shrubs to within 10' of the center of the line).*

*The additional measures listed below should be implemented to avoid, minimize, or compensate for impacts to fish, wildlife, and botanical resources:*

- 1. Revegetate all bare and disturbed areas with a mixture of turf grasses (including low-endophyte, friendly endophyte, and endophyte free tall fescue but excluding all other varieties of tall fescue) as soon as possible upon completion.*
- 2. Minimize and contain within the project limits all tree and brush clearing.*
- 3. Do not cut any trees suitable for Indiana Bat or Northern Long-eared Bat roosting (3 inches or greater diameter-at-breast height, living or dead, with loose hanging bark, or with cracks, crevices, or cavities) from April 1 through September 30.*
- 4. Appropriately designed measures for controlling erosion and sediment must be implemented to prevent sediment from entering the waterbody or leaving the construction site; maintain these measures until construction is complete and all disturbed areas are stabilized.*
- 5. Seed and protect all disturbed streambanks and slopes not protected by other methods with erosion control blankets that are heavy-duty, biodegradable, and net free or that use loose-woven / Leno-woven netting to minimize the entrapment and snaring of small-bodied*

wildlife such as snakes and turtles (follow manufacturer's recommendations for selection and installation). If erosion control blankets are used elsewhere, they shall be of the same type. Seed and apply mulch on all other disturbed areas.

6. Replace each mature tree removed (trees that are 10" diameter-at-breast height/dbh or larger) with 2 native trees of 3-gallon stock or larger.

In correspondence dated July 27, 2026, the Natural Resources Conservation Service stated:

*The proposed Citizens Energy Group project B – Royalton Booster Station and Storage Tank project in Hendricks County, Indiana, as referred to in your letter received July 25, 2026, will cause a conversion of prime farmland.*

*The attached packet of information is for your use completing Parts VI and VII of the AD-1006. After completion, the federal funding agency needs to forward one copy to NRCS for our records.*

Parts VI and VII were sent to the Natural Resources Conservation Service on July 31, 2026.

## VIII. MITIGATION MEASURES

Citizens Energy Group's Project B PER states:

*Construction activities are expected to take place during standard working hours. Any night will be considered on a case-by-case basis. If night work occurs, mitigation measures will be put in place to limit light and noise impacts.*

*Adequate erosion control measures will be practiced on-site during all construction activities. Mitigation measures to be used at the site may include, but are not limited to, the following:*

- *Implementing appropriate erosion control measures, such as sediment basins, inlet protection, rock check dams, rip-rap, seeding, mulching, and erosion control mats;*
- *Restoring and stabilizing drainage systems and patterns as soon as possible;*
- *Avoiding tracking construction debris and soil onto roadways;*
- *Wetting areas of exposed soil as needed to control dust;*
- *Keeping materials and equipment needed for spill cleanup readily available;*
- *Locating on-site equipment fueling, repair, and maintenance areas away from drainage courses and stormwater structures;*
- *Recycling wastes such as grease, used oil, used oil filters, antifreeze, cleaning solutions, automotive, batteries, and hydraulic/transmission fluids, and providing secondary containment/covers for these materials if stored on-site;*
- *Properly disposing of used oils, fluids, and lubricants off-site;*
- *Using only watertight dumpsters for on-site debris collection and providing regular removal of accumulated waste;*
- *Collecting trash from the site often since erosion control devices tend to collect debris;*
- *Inspecting the erosion control devices at least one per week and after each storm event to ensure proper operation;*
- *Covering and storing paints and solvents in their appropriate containers on a previously disturbed or paved level site.*

## IX. PUBLIC PARTICIPATION

A properly noticed public hearing was held on September 25, 2024, at 8 am in the Citizens Energy Group Board Room located at 2150 Martin Luther King, Jr. Street, Indianapolis, IN 46202. Four members of the public expressed concerns during the hearing. Those comments were heard and recorded. Five written comments were received following the meeting. All comments were responded to in a timely manner.

Additionally, a properly noticed public comment period was held from December 17, 2024, through January 6, 2025. No comments were received during this period.

Citizens Energy Group's website is frequently updated with information related to the Citizens-Lebanon Water Supply Program and can be found at <https://info.citizensenergygroup.com/clws>.



June 2026

-  Proposed Project Boundary
-  Streams
-  Wetlands NWI (USFWS)
-  Floodplain
-  Floodway

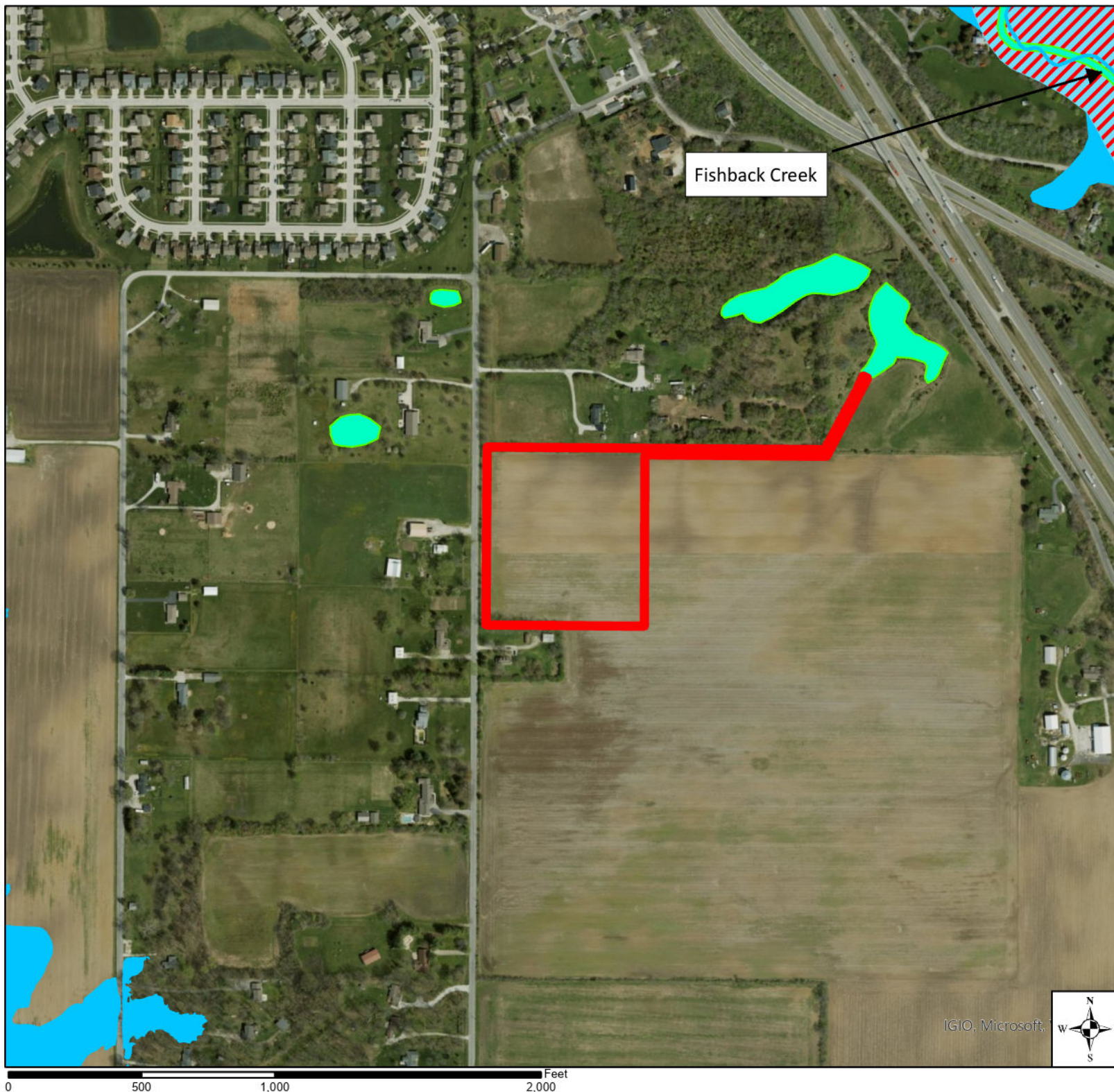


Figure 1

**Environmental Map  
Citizens-Lebanon Water  
Supply Program  
Project B - Royalton  
Booster Station & Tanks**