



State Revolving Fund Loan Programs

Drinking Water, Clean Water, Nonpoint Source

ENVIRONMENTAL ASSESSMENT AND FINDING OF NO SIGNIFICANT IMPACT

CITIZENS ENERGY GROUP PROJECT E – MOORE RD (79TH TO 86TH) SRF PROJECT DW 24 70 06 05

DATE: June 19, 2025

PUBLIC COMMENTS DUE BY: July 19, 2025

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 Drinking Water 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 effected by finalizing, or not finalizing, the FONSI as appropriate. Comments regarding this document should be sent within 30 days to:

Jenni Curry
Environmental Section Manager
State Revolving Fund
100 N. Senate Ave. IGCN 1275
Indianapolis, IN 46204
463-261-6943
jecurry@ifa.in.gov

ENVIRONMENTAL ASSESSMENT

I. PROJECT IDENTIFICATION

Project Name and Address: Moore Road (79th to 86th)
Citizens Energy Group
2020 North Meridan St
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 Marion County, Pike Township, Zionsville 24k USGS Quadrangle, Township 17N, Range 2E, and Sections 21 and 22.

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's Project E will construct approximately 6,610 feet of 16-inch ductile iron (DI) and/or 20-inch high density polyethylene pipe (HDPE) from the intersection of Moore Rd and W 79th street and ending at the intersection of Moore Rd and W 86th Street. The proposed project will use open cut installation of DI pipe and horizontal directional drilling of HDPE pipe.

V. ESTIMATED PROJECT COSTS, AFFORDABILITY, AND FUNDING

The total cost of this project is estimated to be approximately \$4,253,000. Citizens Energy Group intends to 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. 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 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 – Installation of 16-inch DI and 20-inch HDPE Main Within a Combination of

Easements and ROW: This alternative includes installation of 6,610 feet of 16-inch DI and 20-inch HDPE main. The proposed main within easements except where building setbacks, existing utilities, or other constraints require installation within ROW or pavement.

VII. ENVIRONMENTAL IMPACTS OF THE FEASIBLE ALTERNATIVES

A. Direct Impacts of Construction and Operation

Disturbed/Undisturbed Land: Work related to the installation the water main and will occur in primarily located under existing road or in an easement in green space immediately adjacent to existing roads.

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 (Figure 3): 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.

Wetlands (Figure 3): Mitigation measures to lessen and compensate for wetland impacts cited in comment letters about the project from the Indiana Department of Natural Resources and the U.S. Fish and Wildlife Service will be implemented.

Floodplain (Figure 4): 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 not convert 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

Citizens Energy Group's Preliminary Engineering Report (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 January 17, 2025, 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 January 3, 2025, for the above indicated project in Marion County, Indiana.

In regard to buildings and structures, we have noted the following property listed in the National Register of Historic Places within the probable area of potential effects:

*Traders Point Eagle Creek Rural Historic District, NR-2105, listed June 17, 2009
However, based on the information provided to our office, we do not believe the characteristics that qualify the above identified historic property for inclusion in the National Register will be diminished as a result of this project.*

Please be advised that Mount Pleasant Cemetery is recorded adjacent to the proposed project area. It is our understanding that the cemetery will be avoided.

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 April 8, 2025, the United States Fish and Wildlife Service stated:

*The proposed project would occur in an approximately 20-mile² area in the area where Hendricks, Marion, Boone, and Hamilton counties intersect in Indiana. The project would require removing trees at 10 locations across the project area. At each location, the project proponent plans to remove between 0.2 and 1.6 acres of trees, totaling approximately 10 acres across the project area. You determined the trees provide suitable summer habitat for the federally endangered Indiana bat and northern long-eared bat, as well as the proposed endangered tricolored bat. The project proponent committed to remove trees between **October 1 and March 31**, which is the wintering season for all three bat species; therefore, we do not expect bats to be present at the project. Based on (1) implementing the project in the winter when bats are not present and (2) the small area of trees you plan to remove, the project will have insignificant effects on the three bat species; therefore, we agree the proposed project is not likely to adversely affect Indiana bats or northern long-eared bats, and will not jeopardize the proposed endangered tricolored bat.*

This precludes the need for further consultation on this project; however, should new information arise pertaining to project plans or a revised species list be published, it will be necessary for the Federal agency to reinitiate consultation.

If the tricolored bat is listed prior to completion of the action, an updated species list should be requested in IPaC and the federal agency must review the action to determine whether consultation is required at that time. Generally, consultation would be required if the action is not yet completed and if it may still result in effects to the species. At that time, the Service will review and confirm whether this concurrence is still appropriate. The development of significant new information or significant changes to the federal action that would alter the basis for our concurrence could warrant further coordination to ensure that appropriate steps are taken to conclude consultation.

In correspondence dated February 14, 2025, the Department of Natural Resources Environmental Unit stated:

The Department of Natural Resources replied stating that the Natural Heritage Program's database was checked and that the Phil's Folly, a Shoreboard Migratory Concentration Area, and the State endangered Least Bittern (*Ixobrychus exilis*) have been documented within 0.5 mile of the project area. However, the Division of Fish and Wildlife does not anticipate any significant impacts to the Concentration Area or Least Bittern.

The Division of Fish and Wildlife recommendations to avoid and minimize impacts to fish, wildlife, and botanical resources to the greatest extent possible in the proposed project area include:

- 1. Revegetate all bare and disturbed areas that are not currently mowed and maintained with a mixture of grasses, sedges, and wildflowers native to Central Indiana as soon as possible upon completion;; turf-type grasses (including low-endophyte, friendly endophyte, and endophyte free tall fescue but excluding all other varieties of tall fescue) may be used in currently mowed areas only. A native herbaceous seed mixture must include at least 5 species of grasses and sedges and 5 species of wildflowers.*
- 2. Do not excavate in the waterway and minimize disturbance to bank vegetation and contain disturbance to within the project limits.*
- 3. 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.*
- 4. Seed and protect all disturbed streambanks and slopes not protected by other methods that are 3:1 or steeper 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 snakes and turtles (follow's manufacturer's recommendations for selection and installation); seed and apply mulch on all other disturbed areas.*

In correspondence dated December 15, 2024, the Natural Resources Conservation Service stated:

The proposed Project E, Moore Road (79th to 86th) Project, located between the intersection of Moore Road and West 79th Street and the intersection of Moore Road and West 86th Street, in Marion County, Indiana, as referred to in your letter received September 13, 2024, will not cause a conversion of prime farmland.

VIII. MITIGATION MEASURES

Citizens Energy Group's PER states:

Construction activities are expected to take place during standard working hours. Any night work 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 inlet protection, rock check dams, rip-rap, seeding, mulching, and erosion control mats;*
- Restoring and stabilizing drainage systems and patterns as soon as possible;*
- Avoid 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 contained and 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 once 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.

