



State Revolving Fund Loan Programs

Drinking Water, Wastewater, Nonpoint Source

ENVIRONMENTAL ASSESSMENT AND FINDING OF NO SIGNIFICANT IMPACT

CITY OF LAKE STATION 2012 WATER IMPROVEMENT PROJECT PHASE I IMPROVEMENTS SRF PROJECT DW 12 03 45 01

DATE: October 10, 2012

TARGET PROJECT APPROVAL DATE: November 9, 2012

I. INTRODUCTION

The above entity has applied to the Drinking Water State Revolving Loan Fund (SRF) for a loan to finance all or part of the 2012 Water Improvement Project, Phase I Improvements 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.

II. PRELIMINARY FINDING OF NO SIGNIFICANT IMPACT (FNSI)

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 4-4-11, 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 deadline 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 effected by finalizing, or not finalizing, the FNSI as appropriate. Comments regarding this document should be sent within 30 days to:

Amy Henninger
Senior Environmental Manager
State Revolving Fund -- IGCN 1275
100 N. Senate Ave.
Indianapolis, IN 46204
317-232-6566
ahenning@ifa.in.gov

ENVIRONMENTAL ASSESSMENT

I. PROJECT IDENTIFICATION

Project Name and Address: 2012 Water Improvement Project
Phase I Improvements
City of Lake Station
1969 Central Avenue
Lake Station, IN 46405

SRF Project Number DW 12 03 45 01

Authorized Representative: Mr. Keith Soderquist, Mayor

II. PROJECT LOCATION AND BACKGROUND

The City of Lake Station is located in northeast Lake County. Lake Station is primarily located in Hobart Township with a small portion in Calumet Township. The water system is located on the Gary and Portage quadrangles. Specifically in the Gary quadrangle in Township 36N Range 7W, Sections 7-9 and 16-22, and in the Portage quadrangle in Township 36N, Range 8W, Section 13. See Figures 1.2 and 5.1.

III. PROJECT NEED AND PURPOSE

The improvements to the ground water wells and supply system would address the issue of declining water pumpage rates from the existing wells and reduce the city's dependency on purchased water from an adjacent water utility. The construction of a ground water treatment facility would address taste and odor issues, reduce iron and manganese levels and provide softened water to the utility's customers. The replacement of the water meters is addressing the need to reduce the high unaccounted for water percentage. The transmission water main replacement is needed to increase the deliverable water quantity and pressure to the city's distribution system. Improvements at the Indiana American water connection would convert the existing connection to an emergency connection.

IV. PROJECT DESCRIPTION (See Figures 1.2 and 2.3c)

The proposed project involves:

- The construction of four new wells to replace existing Wells 5,6,7 and 8 in addition to the construction of one addition water supply well;
- The construction of a new 2.0 million gallon per day (MGD) water treatment plant with system wide SCADA system improvements, electrical generator and miscellaneous site improvements;
- The construction of approximately 1,611 feet of 8-inch diameter raw water main, approximately 825 feet of 10-inch diameter raw water main and approximately 1,522 feet of 6-inch diameter raw water main;

- The installation of approximately 5,780 feet of 12-inch diameter transmission water main on Union Street from existing Well 7 to Central Avenue and from the intersection of Central Avenue and Union Street to the intersection of Ripley Street and Central Avenue;
- Upgrades to the existing water interconnection with Indiana American Water Company;
- The replacement of approximately 3,200 water meters as part of a water meter replacement program.

V. ESTIMATED PROJECT COSTS, AFFORDABILITY AND FUNDING

A. Selected Plan Estimated Cost Summary:

DESCRIPTION	ESTIMATED COSTS
1. Supply Wells	\$ 738,575
2. Raw Water Mains	397,695
3. Union Street Water Main Replacement	580,000
4. Ground Water Treatment Plant Improvements	3,181,818
5. Central Avenue Water Main Replacement	<u>420,000</u>
	Construction Sub-Total \$5,318,088
	Contingency 531,808
6. Water Meter Replacement Program	500,000
	Construction Total <u>\$6,349,896</u>
	*Non-Construction Total \$1,105,104
Total Estimated Project Cost \$7,455,000	

*Non-construction costs include design engineering, construction engineering, legal and financial fees.

- B.** Lake Station will finance the project in the approximate amount of \$7,455,000 through a 20-year SRF loan at a fixed interest rate to be determined at the 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 city evaluated the no-action alternative and rejected it, since the deficiencies listed above would continue and would not be corrected. The city examined alternatives among different process and equipment selections for the ground water treatment facility. The above were chosen based on cost-effectiveness, practicality, technical feasibility, ease of implementation and environmental soundness.

VII. ENVIRONMENTAL IMPACTS OF THE FEASIBLE ALTERNATIVES

A. Direct Impacts of Construction and Operation

Disturbed / Undisturbed Land: Construction will occur in areas previously disturbed by construction activity.

Structural Resources (Figures 5.2 and 5.3): 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."

Wetlands (Figure 5.4): Wetlands will not be impacted by the construction or operation of the project.

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. The appropriate permits will be acquired for the construction of the intake from Indiana Department of Natural Resources and the US Army Corps of Engineers.

Floodplain (Figure 5.5): No portion of the project will be performed or constructed within the 100 year floodplain.

Groundwater: The project will not adversely affect local wells or the water table.

Plants and Animals: Tree removal should be minimal at the water treatment plant site for the installation of fencing and provide construction area for construction equipment and materials storage. The construction and operation of the project will not negatively impact state or federal-listed endangered species and their habitat. Mitigation measures cited in comment letters from the Indiana Department of Natural Resources and U.S. Fish and Wildlife Service will be implemented.

Prime Farmland: The project will not cause a conversion of prime farmland.

Air Quality: Construction of the project will result in increased fumes and noise in the vicinity of the project during the length of the proposed construction period. No direct long-term air quality impacts are expected.

Open Space and Recreational Opportunities: Existing production Well 8 is located in a city park (Warrick Park) and the proposed replacement Well 8R will be located immediately adjacent to the existing well. Construction and operation of the production well at this location is not anticipated to adversely affect the recreational setting and features of the park. Once completed, the production well will be enclosed in a well house that conforms to the other recreational architecture in the park. The existing well house currently occupies a relatively small portion of the park land and replacement activities will not remove any existing recreational facilities from operation. All mitigation measures cited by the environmental review authorities will be upheld following project completion. The remaining production wells and proposed groundwater treatment plant locations are on previously disturbed land with little to no recreational

opportunities. Therefore, the project will neither create nor destroy any open space and recreational opportunities.

Lake Michigan Coastal Program: The project is located within the Lake Michigan Coastal Zone area and will not impact it.

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

B. Indirect Impacts

The city's Preliminary Engineering Report (PER) states: *Lake Station, through the authority of its Council, building commission, or other means, will ensure that future development, as well as future supply, storage, distribution or treatment works projects connecting to SRF-funded facilities, will not adversely impact wetlands, forested areas, steep slopes, 100-year floodplains, archaeological/historical/structural resources, or other sensitive environmental resources. The City will require such new development and treatment works projects to 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

In correspondence dated August 14, 2012 the Natural Resources Conservation Service stated: *The proposed project to make waterworks improvements in the City of Lake Station, Lake County, as stated in your letter received August 6, 2012, will not cause a conversion of prime farmland.*

This document is the first notice to the U.S. Fish and Wildlife Service (USFWS) the Indiana Department of Natural Resources (IDNR), Division of Historic Preservation and Archaeology, and the IDNR Division of Water.

VIII. MITIGATION MEASURES

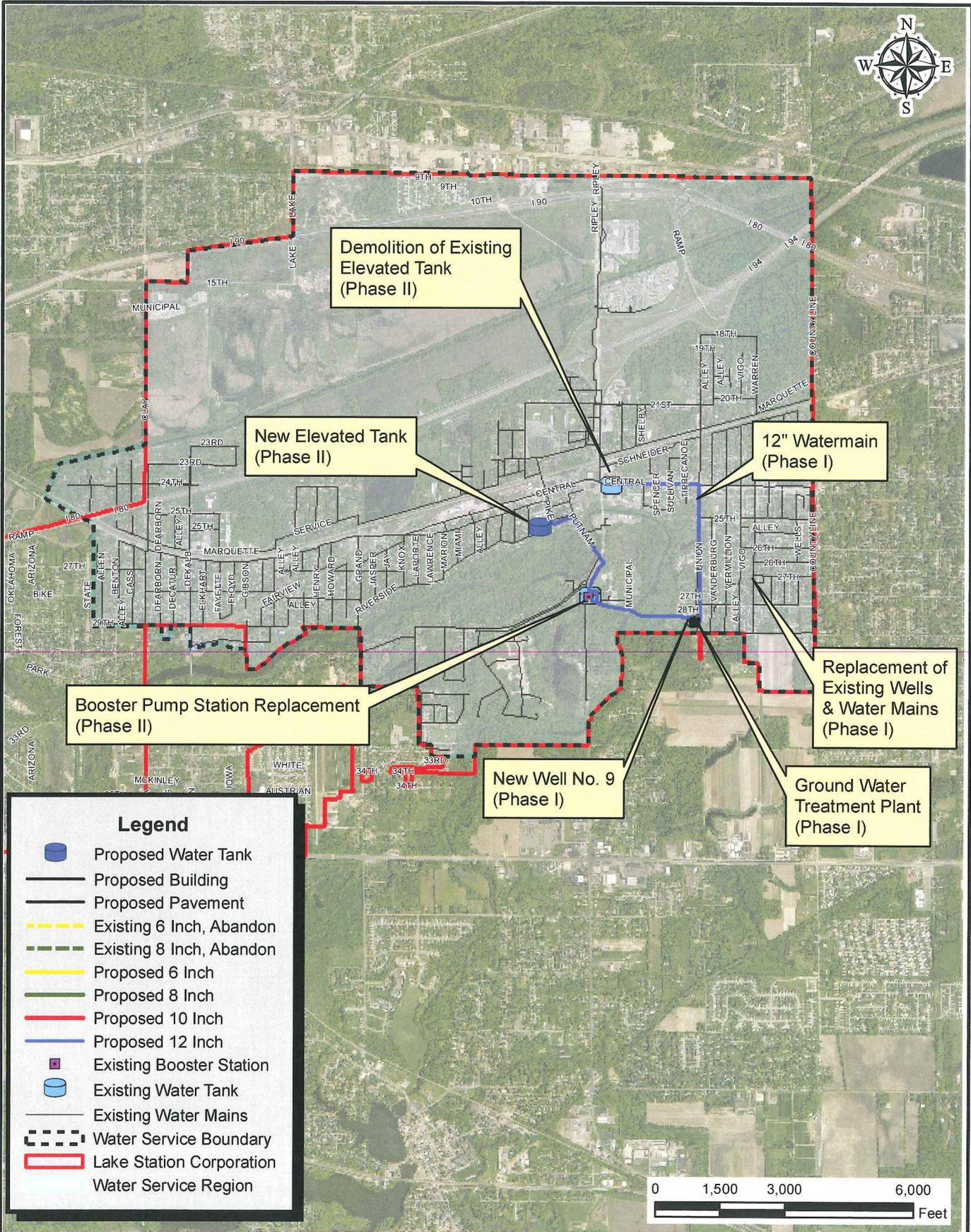
The City of Lake Station states in their PER that:

- 1. Natural vegetation will be retained wherever feasible, and when appropriate, grading and excavating will be kept to a minimum in order to reduce excessive runoff and erosion problems.*
- 2. Erosion and sediment control measures including clearing, grading, excavating, and restoring of disturbed areas will be required in the project specifications. The program shall meet all applicable federal, state, and local requirements.*
- 3. Appropriate structural or agronomic practices to control runoff and sedimentation during and after construction. Such practices may include silt fencing, seeding and mulching.*
- 4. Surface and subsurface drainage patterns will be restored as early as possible.*
- 5. Construction entrances, roadways, and staging areas will be stabilized prior to construction by means of stone pads or paving.*

6. *Construction activities will be scheduled to avoid excessive wet conditions.*
7. *Topsoil will be stockpiled separately for use as top-dressing for site restoration.*
8. *Excess excavated materials will be used on other parts of the project construction were feasible.*
9. *Groundwater discharges will be aerated prior to diversion to storm sewers or surface water to reduce the iron and/or manganese content.*
10. *If significant cultural resources are encountered during construction, all activities will be ceased until the resource can be studied, protected or recovered.*
11. *Mitigation measures typically cited in comment letters from the Indiana Department of Natural Resources and the U.S. Fish and Wildlife Service, will be implemented.*

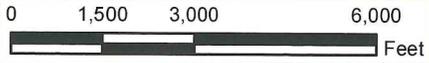
IX. PUBLIC PARTICIPATION

A properly noticed public hearing was held on March 15, 2012 at 4pm at the Lake Station City Hall to discuss the city's preliminary engineering report. Some comments about the project were raised at the public hearing and addressed by the project engineer. One written comment was submitted in the five-day period following the public hearing and was addressed by the consulting engineer on behalf of the city on April 13, 2012.



Legend

- Proposed Water Tank
- Proposed Building
- Proposed Pavement
- Existing 6 Inch, Abandon
- Existing 8 Inch, Abandon
- Proposed 6 Inch
- Proposed 8 Inch
- Proposed 10 Inch
- Proposed 12 Inch
- Existing Booster Station
- Existing Water Tank
- Existing Water Mains
- Water Service Boundary
- Lake Station Corporation
- Water Service Region



Path: P:\IN2008\0505D_Drawings\Environmental\ArcView\Exhibits\PER\PER_Adm\IN20080505.E\FIG_1.2.PER_Adm.Proposed Project Areas.jsm.mxd Date: 9/28/2012 User: jmcamm

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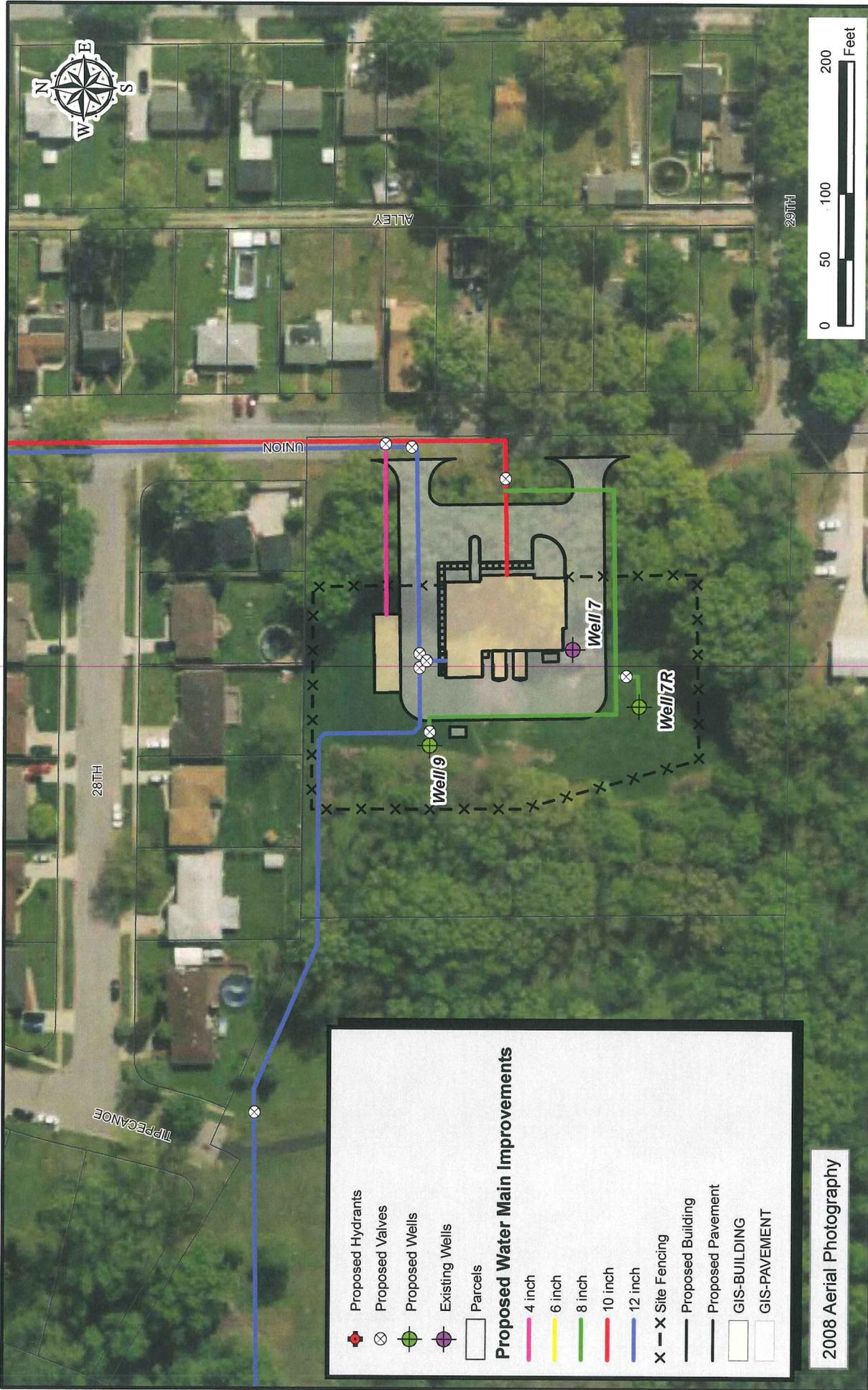
Proposed Project Areas

City of Lake Station Public Works
1969 Central Avenue
Lake Station, Indiana 46405

2012 Water Improvements
City of Lake Station, IN

Date: 09/28/2012

Figure 1.2



Proposed Water Main Improvements

- Proposed Hydrants
- Proposed Valves
- Proposed Wells
- Existing Wells
- Parcels

Proposed Water Main Improvements

- 4 inch
- 6 inch
- 8 inch
- 10 inch
- 12 inch

X - X Site Fencing

- Proposed Building
- Proposed Pavement
- GIS-BUILDING
- GIS-PAVEMENT

2008 Aerial Photography

Phase I: Wells 7R & 9 Proposed Locations and Collection Lines

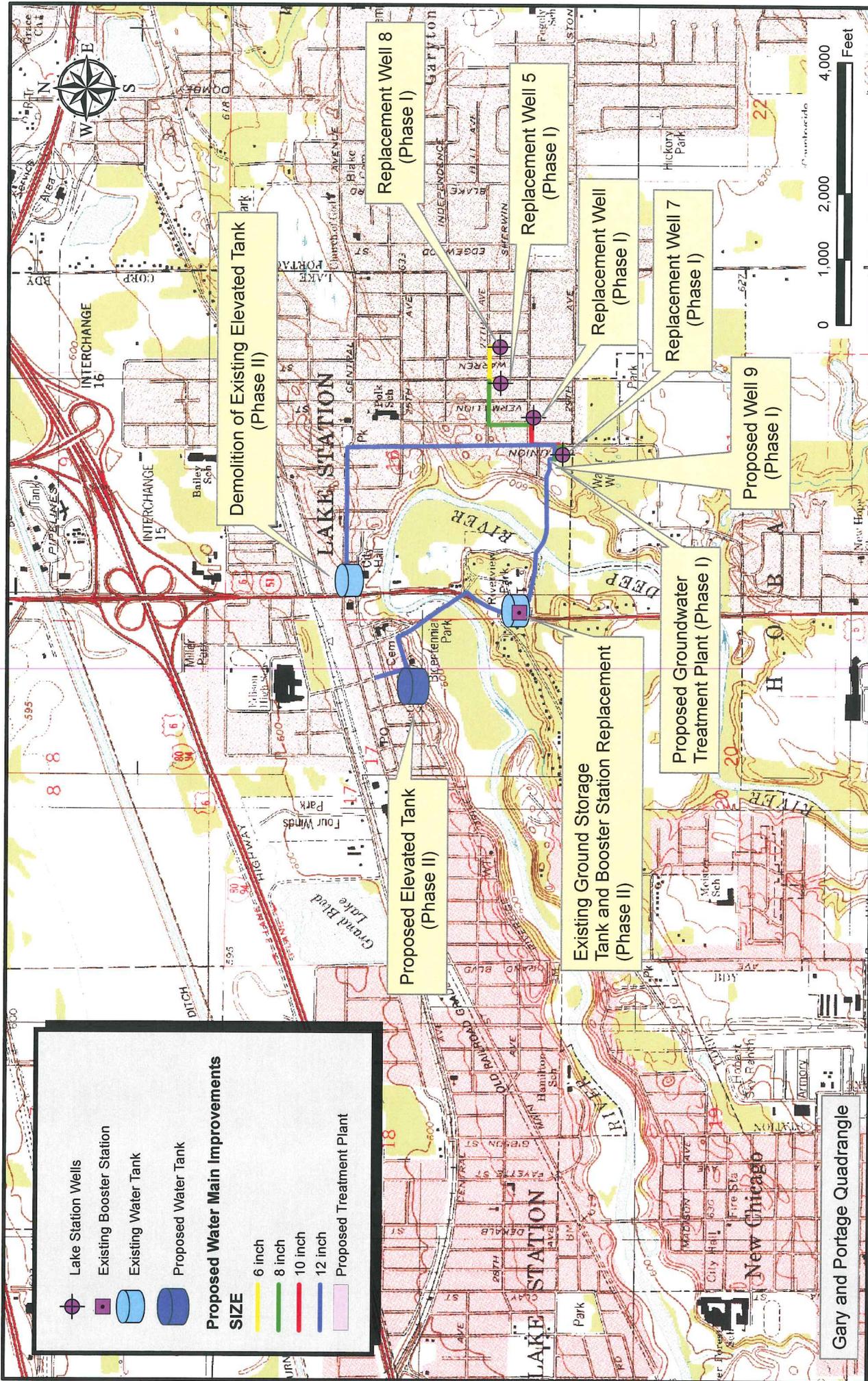
City of Lake Station Public Works
 1969 Central Avenue
 Lake Station, Indiana 46405

2012 Water Improvements
 City of Lake Station, IN

Date: 09/28/2012

Figure 2.3C





2012 Water Improvements
City of Lake Station, IN

USGS Topographic Mapping

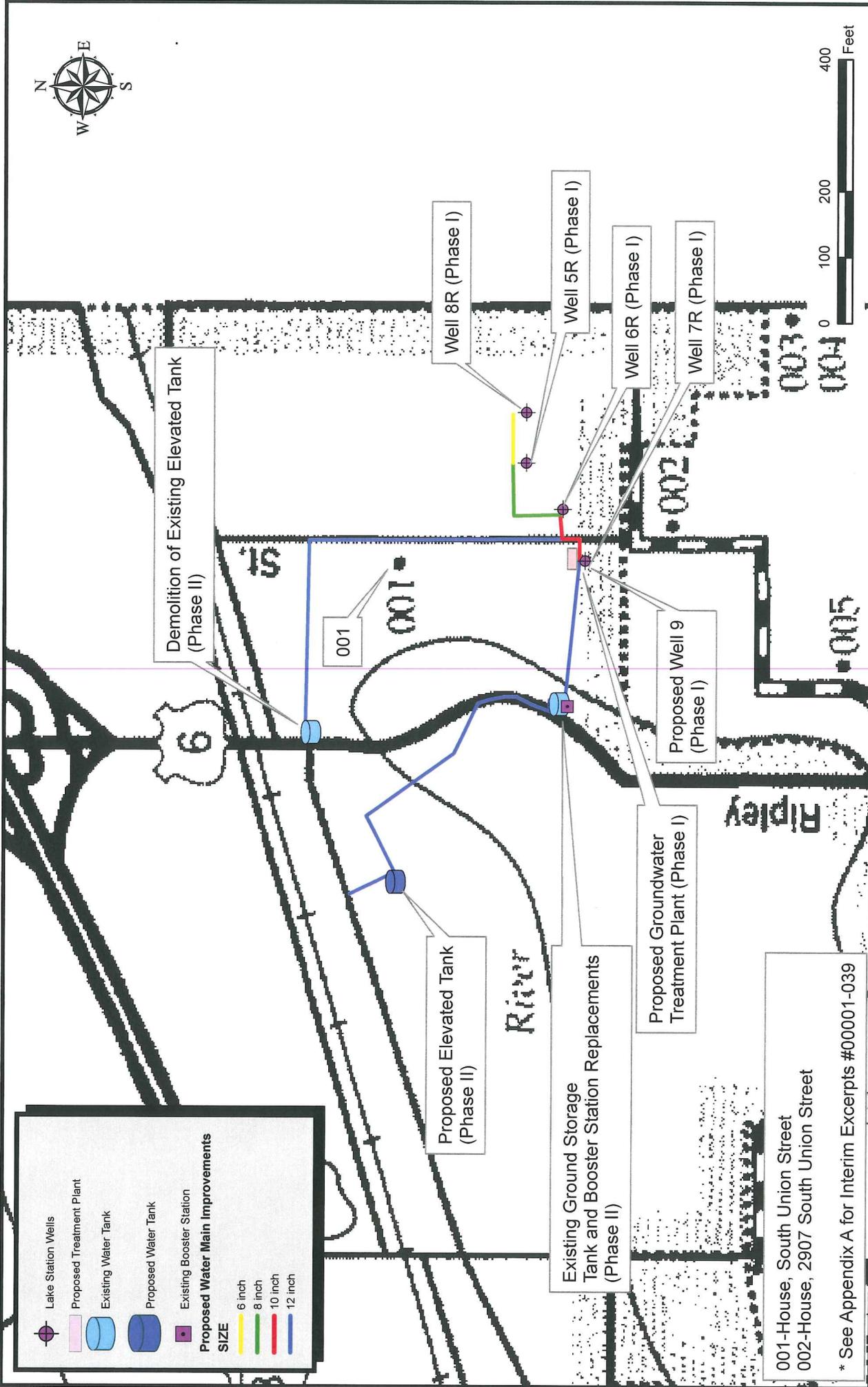
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Lake Station, Indiana 46405



Gary and Portage Quadrangle

Date: 08/17/2012

Figure 5.1



001-House, South Union Street
002-House, 2907 South Union Street

* See Appendix A for Interim Excerpts #00001-039

2012 Water Improvements
City of Lake Station, IN

Hoabart Township Interim Map
(00001-039)

City of Lake Station Public Works
1969 Central Avenue
Lake Station, Indiana 46405

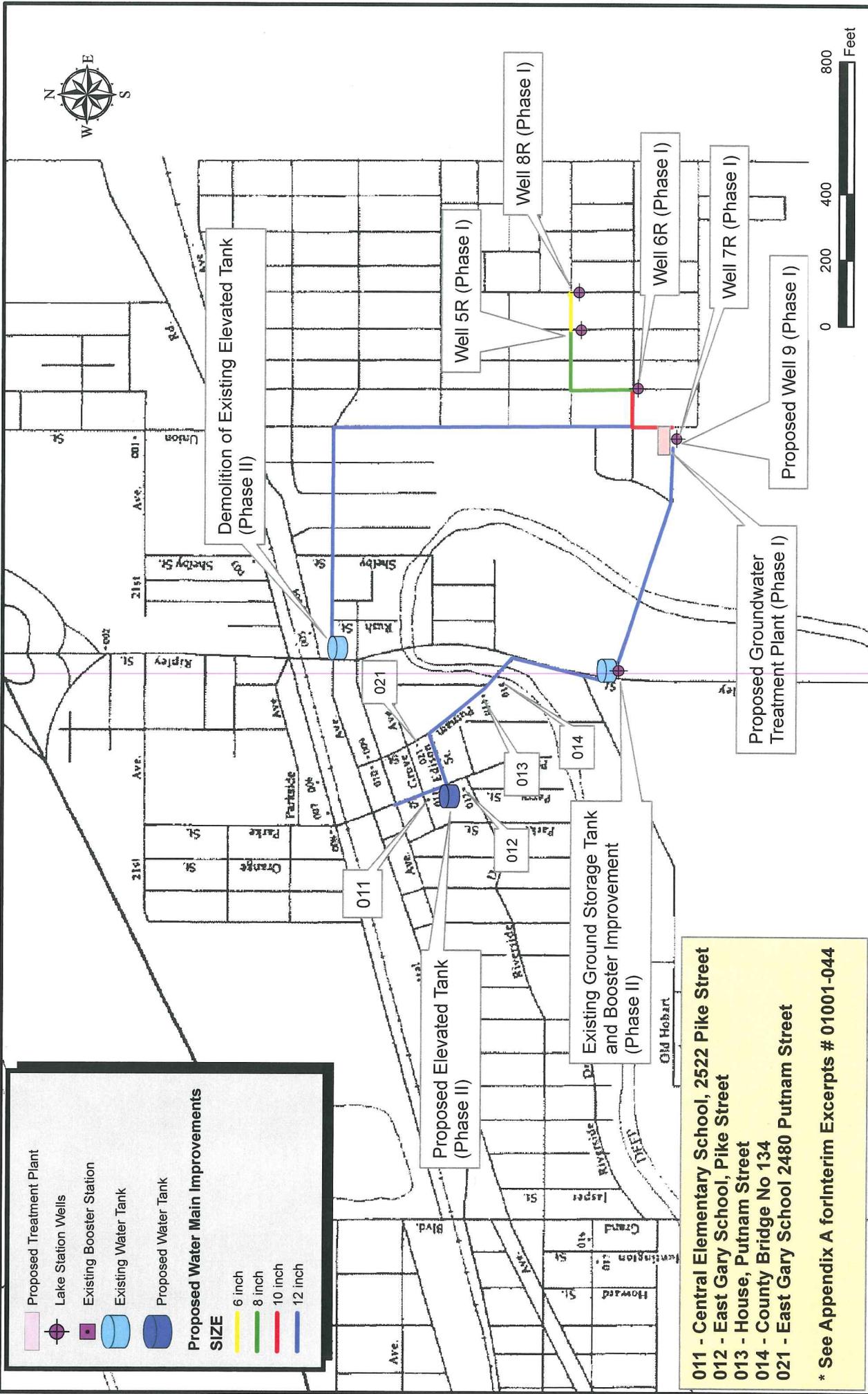
Figure 5.2

Date: 08/17/2012

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2012 Water Improvements
City of Lake Station, IN



- 011 - Central Elementary School, 2522 Pike Street
 - 012 - East Gary School, Pike Street
 - 013 - House, Putnam Street
 - 014 - County Bridge No 134
 - 021 - East Gary School 2480 Putnam Street
- * See Appendix A for Interim Excerpts # 01001-044**

2012 Water Improvements
City of Lake Station, IN

Lake Station Scattered Sites
(01001-044)

City of Lake Station Public Works
1969 Central Avenue
Lake Station, Indiana 46405



Date: 08/17/2012

Figure 5.3



2005 Aerial Photography

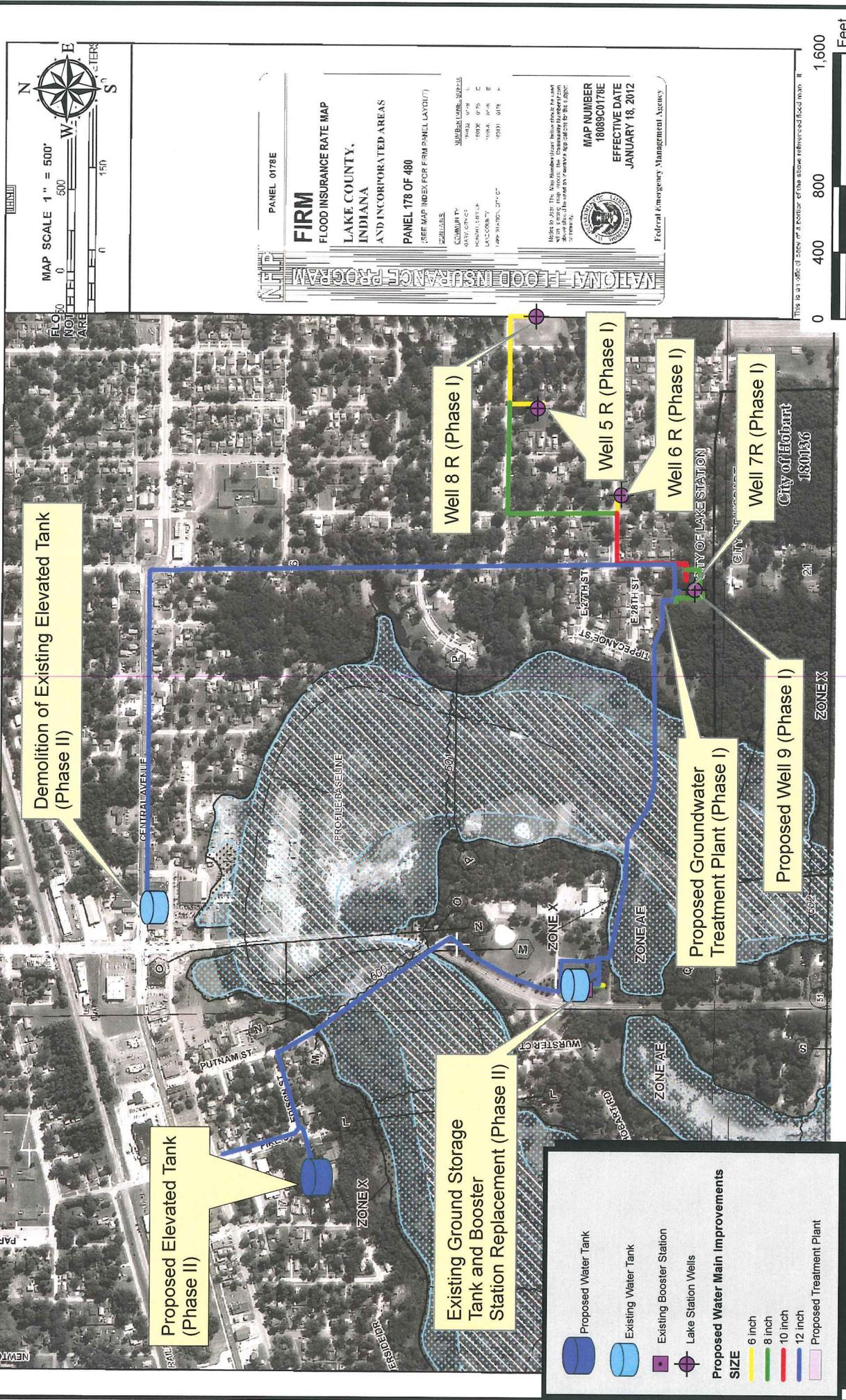
2012 Water Improvements
City of Lake Station, IN

National Wetlands Inventory
City of Lake Station Public Works
1969 Central Avenue
Lake Station, Indiana 46405



Date: 08/17/2012

Figure 5.4



2012 FEMA 100-Year Floodplain Map
Map # 18089C0178E

City of Lake Station Public Works
1969 Central Avenue
Lake Station, Indiana 46405



Date: 08/17/2012

Figure 5.5