

**Why You Should Read This:** The document below reviews the environmental impact likely from a State Revolving Fund project. As part of the environmental review, you are entitled to provide comments. If you have concerns about the environmental impact of this project, raise them now. We encourage public input in this decision-making process.



**IOWA STATE REVOLVING FUND**  
**CATEGORICAL EXCLUSION**

February 3, 2026

**To: All Interested Citizens, Government Agencies, and Public Groups**

An environmental review has been performed based on the procedures for implementing the National Environmental Policy Act (NEPA), for the proposed agency action below:

**Applicant:** City of Ely

**County:** Linn

**State:** Iowa

**SRF Number:** FS-57-26-DWSRF-036 and CS1921200 01

**Iowa DNR Project Number:** W2025-0576 and S2026-0045A

The City of Ely, Iowa is planning an upgrade to their drinking water and wastewater infrastructure. The city has applied for financial assistance through the State Revolving Fund (SRF) loan program to build the project. SRF is a program authorized by the Environmental Protection Agency (EPA) and administered by the Iowa Department of Natural Resources (DNR) in partnership with the Iowa Finance Authority. This project will not be receiving federal funds through SRF.

The proposed project includes replacement & installation of a water main on Rowley, Main, Fuhrmeister, and Walker Street. In addition, the project includes the replacement of the existing clay sewer pipe with installation of a PVC sewer pipe along the same street corridors. The proposed project will utilize open trench excavation. Construction will also include all necessary services, hydrants, and valves (connections & appurtenances). The entire roadway along the project route from right-of-way to right-of-way will be disturbed and reconstructed in conjunction with the construction. The two SRF project numbers are: FS-57-26-DWSRF-036 and CS1921200 01.

The proposed project was reviewed for eligibility for a categorical exclusion from NEPA review specified in the 40 CFR (Code of Federal Regulations) Part 6.204. The project meets all criteria described in the above reference and was determined that this project is eligible for a categorical exclusion. Consequently, a preliminary decision has been made that a Finding of No Significant Impact (FNSI) will not be prepared.

Justification for granting categorical exclusion:

- The project as proposed is solely directed toward minor upgrading or minor expansion of system capacity, rehabilitation of the existing system and system components, or construction of new minor ancillary facilities adjacent to or on the same property as existing facilities.
- This project will not involve new or relocated discharges to surface or ground water.

- This project will not result in substantial increase in the volume or the loading of pollutant to the receiving water.
- The project will not serve a population 30% greater than the existing population.
- The project is not directly or indirectly involved or related to upgrading or extending infrastructure systems primarily for the purposes of future development.
- The project is not counter to the state, or other regional growth plan or strategy.
- The proposed action is not known or expected to have potentially significant environmental impacts on the quality of the human environment either individually or cumulatively over time.
- The proposed action is not known or expected to have disproportionately high and adverse human health or environmental effects on any community, including minority communities, low-income communities, or federally-recognized Indian tribal communities.
- The proposed action is not known or expected to significantly affect federally listed threatened or endangered species or their critical habitat.
- The proposed action is not known or expected to significantly affect national natural landmarks or any property with nationally significant historic, architectural, prehistoric, archeological, or cultural value, including but not limited to, property listed on or eligible for the National Register of Historic Places.
- The proposed action is not known or expected to significantly affect environmentally important natural resource areas such as wetlands, floodplains, significant agricultural lands, aquifer recharge zones, coastal zones, barrier islands, wild and scenic rivers, and significant fish or wildlife habitat.
- The proposed action is not known or expected to cause significant adverse air quality effects.
- The proposed action is not known or expected to have a significant effect on the pattern and type of land use (industrial, commercial, agricultural, recreational, residential) or growth and distribution of population including altering the character of existing residential areas, or may not be consistent with state or local government, or federally-recognized Indian tribe approved land use plans or federal land management plans.
- The proposed action is not known or expected to cause significant public controversy about a potential environmental impact of the proposed action.
- The proposed action is not known or expected to be associated with providing financial assistance to a federal agency through an interagency agreement for a project that is known or expected to have potentially significant environmental impacts.
- The proposed action is not known or expected to conflict with federal, state or local government, or federally-recognized Indian tribe environmental, resource-protection, or land-use laws or regulations.

The Department of Natural Resources shall revoke the categorical exclusion and shall require a full environmental review if, subsequent to the granting of an exclusion, the state determines that:

- The proposed project no longer meets the requirements for a categorical exclusion due to changes in the proposed project; or
- New evidence reveals that serious local or environmental issues exist; or
- Federal, State, local or tribal laws are being violated.

This action is taken on the basis of a careful review of supporting information that is on file at the Department of Natural Resources' Des Moines, Iowa office. This information is available upon request. This Department will not take any administrative action on the project for at least thirty (30) calendar days from the above date. Persons disagreeing with the above environmental decision may submit comments to the Department during this period. Your comments can be sent to [SRF-PC@dnr.iowa.gov](mailto:SRF-PC@dnr.iowa.gov) or directly to me at [Nicole.Osborn@dnr.iowa.gov](mailto:Nicole.Osborn@dnr.iowa.gov) or (515) 321-7601.

Sincerely,

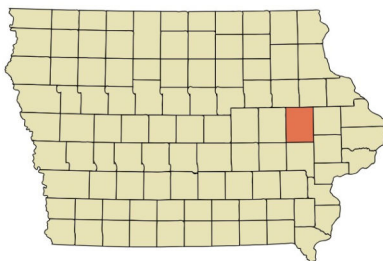
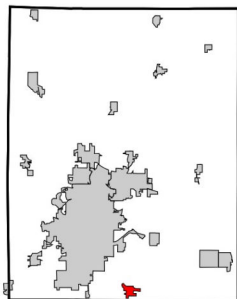
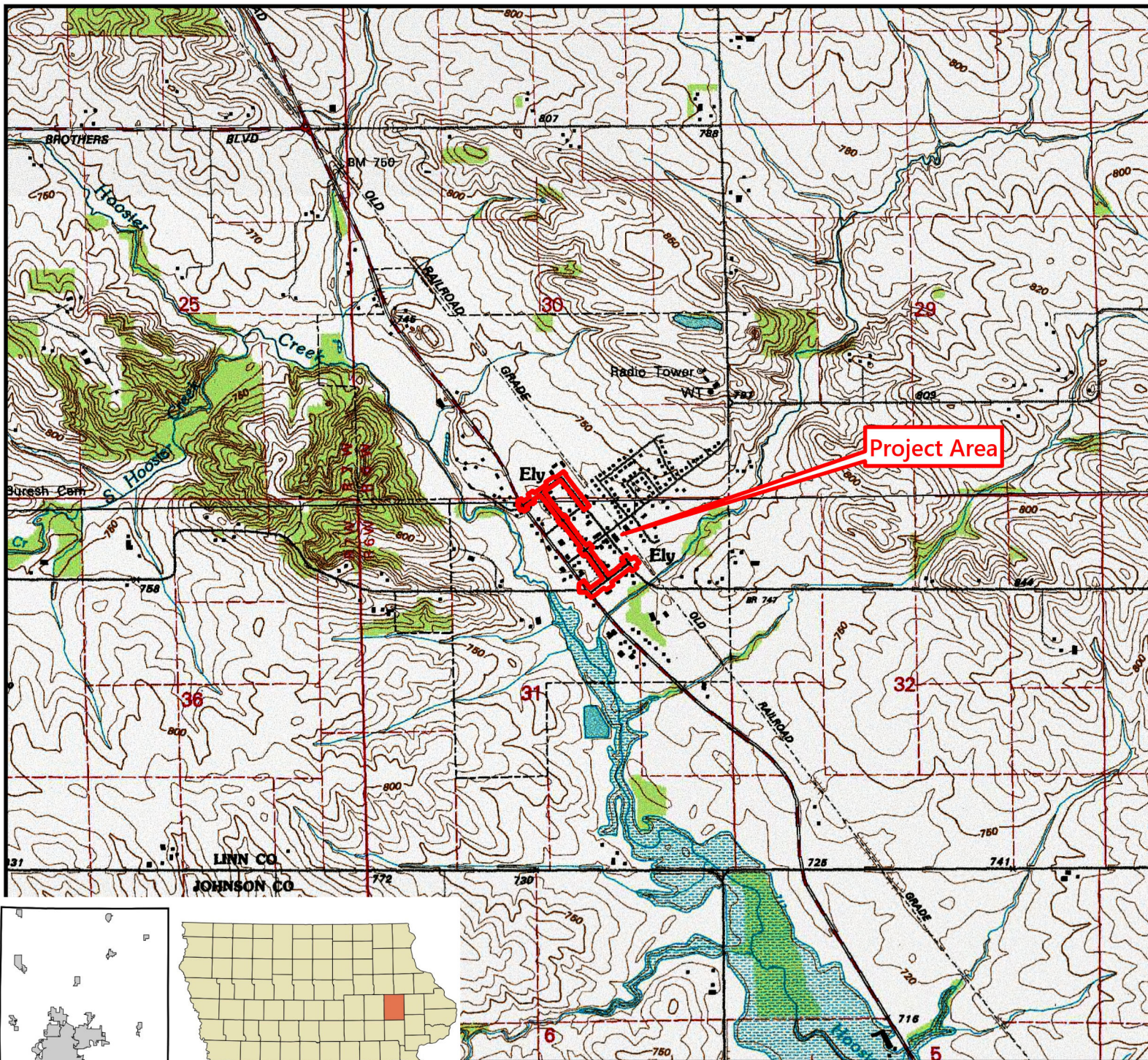
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Enclosure: Project Map

Distribution


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The Gazette





Linn County. Image source: Wikipedia, 2025.

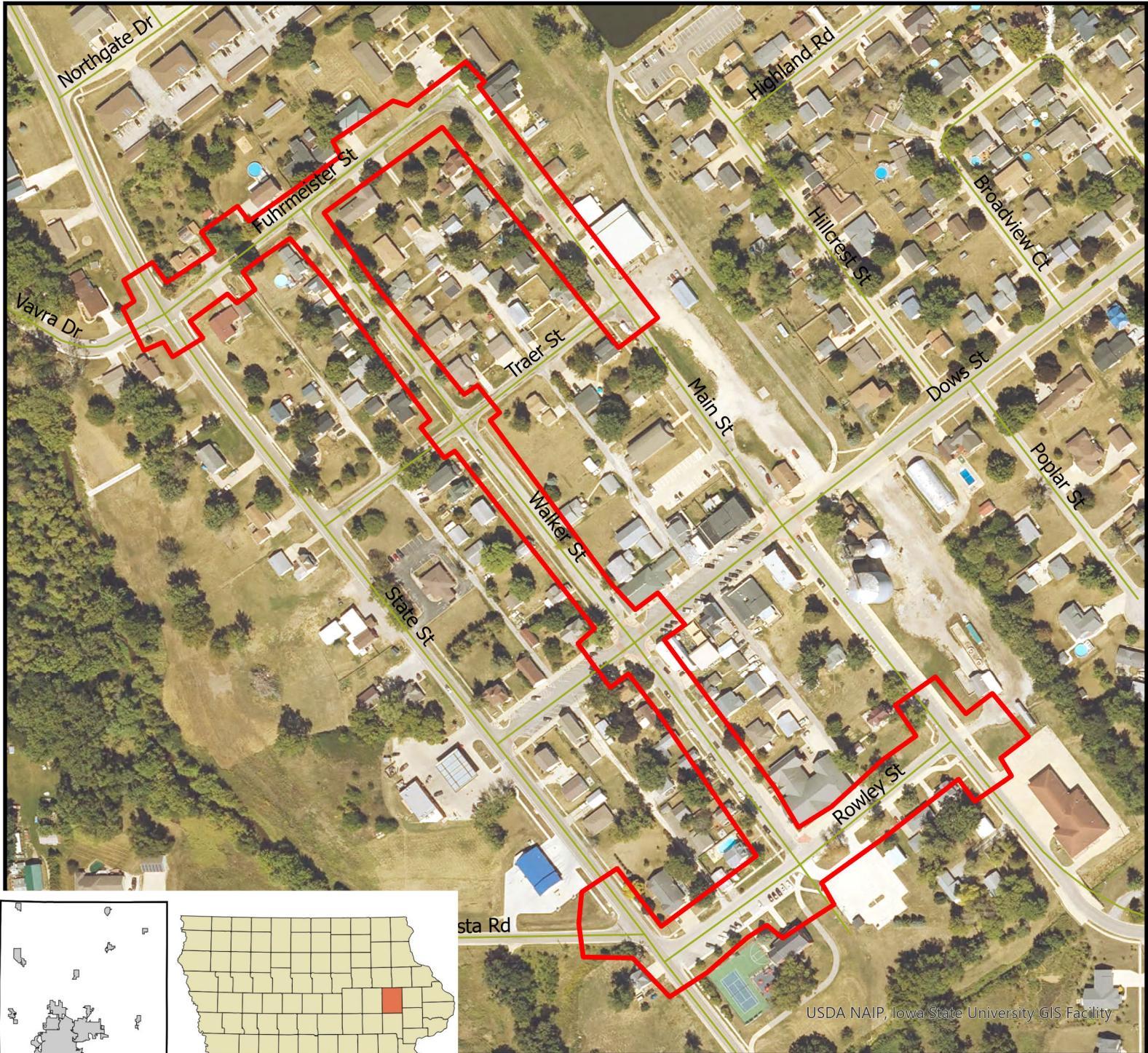
Ely Downtown Reconstruction Phase 2  
Ely, IA (Linn County, Iowa)

**Legend**  
 Project Area

Scale: 1:24,000







Ely Downtown Reconstruction Phase 2  
Ely, IA (Linn County, Iowa)

Linn County. Image source: Wikipedia, 2025.

**Legend**  
 Project Area

Scale: 1:3,225

