

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
FINDING OF NO SIGNIFICANT IMPACT

July 7, 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 Kalona

SRF Number: CS1921187 01

County: Washington

Iowa DNR Project Number: S2024-0015A

State: Iowa

Kalona Wastewater Treatment Facility Improvements

The City of Kalona, Iowa is planning an upgrade to their wastewater infrastructure. The city has applied for financial assistance through the State Revolving Fund (SRF) loan program to build the project. The State Revolving Loan Program 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 City of Kalona is located in Washington County, Iowa approximately 35 miles west of Muscatine, Iowa and 95 miles east of Des Moines, Iowa. The population of Kalona according to the 2020 US Census was 2,630. The design population equivalent for the year 2044 is 3,340

The existing wastewater treatment facility (lagoons) were constructed in 1968 with minor improvements to structure and piping, repair of cell embankment, additional rip-rap, and sludge removal. The facility is a 3-celled lagoon system. The treatment facility is fed by the sanitary sewer collection system, which consists of the gravity sewers, 5 lift stations, and associated force mains. The original system was constructed in the 1960's.

The City will need to pursue improvements to the wastewater treatment facility to bring the system into compliance with the NPDES permit to meet more stringent effluent limits for ammonia nitrogen and E. coli by April 1, 2027. The volume of the lagoon system is a concern during wet weather conditions historically. While it may be possible to make modifications to the lagoon to treat the hydraulic loading as discussed, the facility will not be able to meet the new organic limit contained in the permit.

The purpose of this project is to make improvements to the wastewater treatment facilities to enhance their reliability, increase capacity and to replace obsolete system to safely and reliably operate the City of Kalona's wastewater system for the next 20 years.

The proposed project includes a complete upgrade of the existing lagoon system to an aerated lagoon system and the addition of supplemental treatment in the form of a fixed film reactor (submerged attached growth reactor) to meet E. coli and ammonia nitrogen limits. The project will also include installation of disinfection and all necessary connections and appurtenances. The work will be within the footprint of the existing facility and includes relocation of existing forcemains and discharge pipe.

The wastewater treatment facility receiving stream is the English River. The State of Iowa has classified the English River as an A1, B (WW-1), HH designated use water body. "A1" waters are primary contact recreation streams which use may result in direct contact with the water. "B (WW-1)" waters in which conditions are suitable to maintain warm water game fish population and nongame fish aquatic life. "HH" water shall contain no substance in concentration which will make fish or shellfish inedible or cause a hazard to human life consumption.

The project will not significantly affect the pattern and type of land use (industrial, commercial, agricultural, recreational, residential) or growth and distribution of population. The project will not conflict with local, regional or State land use plans or policies. The project will not impact wetlands. The project will not affect threatened and endangered species or their habitats. If any State- or Federally-listed threatened or endangered species or communities are found during the planning or construction phases, additional studies and/or mitigation may be required. Section 9 of the Endangered Species Act may apply and other wildlife conservation laws such as the Migratory Bird Treaty Act of 1918 and the Bald and Golden Eagle Protection Act of 1940. The project will not displace population, alter the character of existing residential areas, or convert significant farmlands to non-agricultural purposes. The project will not affect the 100-year flood plain provided all necessary floodplain development permits, state and local, are obtained and the terms of which are abided by. The project will not have effect on parklands, preserves, other public lands, or areas of recognized scenic or recreational value.

Various Native American tribes with an interest in the area and the Certified Local Government were provided information regarding the project. This project will not be receiving federal funds through SRF. As such, this project is not considered a federal undertaking as defined in §300320 under the National Historic Preservation Act, 54 U.S.C. 300101 et seq. for the purpose of the SRF environmental review. If this SRF project receives federal funds from other sources, it is the responsibility of the applicant to ensure all federal requirements are met for that funding. If project activities uncover any item(s) that might be of archaeological, historical, or architectural interest, or if important new archaeological, historical, or architectural data should be encountered in the project APE, the applicant should make reasonable efforts to avoid further impacts to the property until an assessment can be made by an individual meeting the Secretary of the Interior's professional qualifications standards (36 CFR Part 61).

The project will not have a significant adverse effect upon local ambient air quality provided the applicant takes reasonable precautions to prevent the discharge of visible emissions of fugitive dusts beyond the lot line of the property during the proposed project (567 IAC 23.3(2)"c"). The project will not have a significant adverse effect upon local ambient noise levels, surface water quantity, groundwater quality or quantity, or water supply. No significant impact to surface water quality, fish, shellfish, wildlife, or their natural habitats is expected provided that an NPDES General Permit Number 2 (for storm water discharge associated with construction activities) is obtained and the terms of which are abided by.

Minimum separation distances will be maintained. Noise during construction will be maintained at tolerable levels through controls on construction activities. Any construction debris will be removed from the site for proper disposal. Adverse environmental effects from construction activities will be minimized with proper

construction practices, inspection, prompt clean up and other appropriate measures. Areas temporarily disturbed by the construction will be restored.

It has been determined that the proposed action will result in no significant impacts to the surrounding environment. This determination is based on a careful review of the engineering report, the environmental assessment and other supporting data which are on file at the Department of Natural Resources' office in Des Moines, Iowa. These are available for public review upon request. A copy of the environmental assessment is attached. 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 or directly to me at Hailey.Andersen@dnr.iowa.gov or (515) 321-7385.

Sincerely,

Hailey Andersen
Environmental Specialist
6200 Park Ave, Suite 200
Des Moines, IA 50321

Enclosures: Environmental Assessment Document
Project Map

Distribution

List (email): Garden & Associates, LTD
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The News

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IOWA STATE REVOLVING FUND
ENVIRONMENTAL ASSESSMENT DOCUMENT

PROJECT IDENTIFICATION

Applicant: City of Kalona

County: Washington

State: Iowa

Kalona Wastewater Treatment Facility Improvements

SRF Number: CS1921187 01

Iowa DNR Project Number: S2024-0015A

COMMUNITY DESCRIPTION

Location: The City of Kalona is located in Washington County, Iowa approximately 35 miles west of Muscatine, Iowa and 95 miles east of Des Moines, Iowa

Population: The population of Kalona according to the 2020 US Census was 2,630. The design population equivalent for the year 2044 is 3,340

Current Waste Treatment: The existing wastewater treatment facility (lagoons) were constructed in 1968 with minor improvements to structure and piping, repair of cell embankment, additional rip-rap, and sludge removal. The facility is a 3-celled lagoon system. The treatment facility is fed by the sanitary sewer collection system, which consists of the gravity sewers, 5 lift stations, and associated force mains. The original system was constructed in the 1960's.

The City will need to pursue improvements to the wastewater treatment facility to bring the system into compliance with the NPDES permit to meet more stringent effluent limits for ammonia nitrogen and E. coli by April 1, 2027. The volume of the lagoon system is a concern during wet weather conditions historically. While it may be possible to make modifications to the lagoon to treat the hydraulic loading as discussed, the facility will not be able to meet the new organic limit contained in the permit.

PROJECT DESCRIPTION

Purpose: The purpose of this project is to make improvements to the wastewater treatment facilities to enhance their reliability, increase capacity and to replace obsolete system to safely and reliably operate the City of Kalona's wastewater system for the next 20 years.

Proposed Improvements: The proposed project includes a complete upgrade of the existing lagoon system to an aerated lagoon system and the addition of supplemental treatment in the form of a fixed film reactor

(submerged attached growth reactor) to meet E. coli and ammonia nitrogen limits. The project will also include installation of disinfection and all necessary connections and appurtenances. The work will be within the footprint of the existing facility and includes relocation of existing forcemains and discharge pipe.

Receiving Stream: The wastewater treatment facility receiving stream is the English River. The State of Iowa has classified the English River as an A1, B (WW-1), HH designated use water body. "A1" waters are primary contact recreation streams which use may result in direct contact with the water. "B (WW-1)" waters in which conditions are suitable to maintain warm water game fish population and nongame fish aquatic life. "HH" water shall contain no substance in concentration which will make fish or shellfish inedible or cause a hazard to human life consumption.

ALTERNATIVES CONSIDERED

Alternatives Considered: Option 1 – No Project (Do Nothing)--If no project were to occur, the City of Kalona STP would continue to experience operating permit violations and would not be able to meet the more stringent effluent limits in April 2027.

Option 2 – Upgrade WWTF by Constructing Additional Lagoon Capacity--With this option, the existing lagoon would be expanded to provide total 360-day detention at AWW-180 of 0.692 mgd or 249 MG. This would include additional piping, structures, and re-alignment of existing piping. The lagoon cells would need to be raised to freeboard above the established Base Flood Elevation (BFE). Additional land would be needed for the expansion. This alternative would involve converting approximately 65 acres of current farm land. Although this option provides the lowest estimated Operation and Maintenance (O&M) costs, the initial capital costs and amount of required land to be purchased causes the predicted Net Present Value (NPV) of this option to be higher and make this option undesirable.

Option 3 – Upgrade WWTF to Aerated Lagoon and Add Supplemental Treatment--This option would include a complete upgrade of the lagoon to an aerated lagoon system and add supplemental treatment in the form of a fixed film reactor (submerged attached growth reactor) to meet E. coli and ammonia nitrogen limits. The new WWTF consisting of an aerated lagoon rated for a design flow of 0.599 mgd treating an ADW flow of 0.307 mgd and an AWW-30 flow of 1.279 mgd would be built within the footprint of the existing facility and includes raising the dikes above the BFE and relocation of existing forcemains. This option would include the installation of disinfection. This option will require increased energy usage for the aeration and disinfection and no additional land would be required. This option is believed to provide the City with relatively low capital cost and O&M costs. It also provides room for expansion in the event design flow or loading increases in the future. These factors make this option desirable to the City.

Option 4 – Upgrade WWTF to Aerated Lagoon and Add Supplemental Treatment--This option is similar to Option 3 and the treated flows are the same. The difference is the type of supplemental treatment. In this option a moving bed biofilm reactor was included as supplemental treatment to meet ammonia nitrogen limits. This option would include the installation of disinfection. This option will also require increased energy usage for the aeration and disinfection and no additional land would be required. Although this option is believed to provide the City with relatively low capital cost and O&M costs, this treatment has not been applied generally across the state and would likely require testing to ensure compliance with NPDES permit which makes this option undesirable.

Option 5 – Upgrade WWTF to Aerated Lagoon and add Supplemental Treatment--This option is similar to Option 4 and the treated flow rates are the same. The difference is the orientation of the lagoon cells and the supplemental treatment. This option includes the construction of two parallel treatment basins that are

aerated and are also covered to retain heat in the winter. Following the lagoon cells is an aerated polishing reactor to meet treatment limits. Again, disinfection is also installed with this option. This option would involve increased energy usage for the aeration and disinfection and no additional land would be required. This option has relatively high first cost and O&M costs, and the covered lagoon cells will cause additional operational concerns making this option undesirable.

Option 6 – Upgrade WWTF to Aerated Lagoon and add Supplemental Treatment--This option again is similar to Option 3, 4, and 5 in that the lagoon will be converted to aerated and the flow rates are the same as those options. However, in this option a rotating (fixed film) algae biofilm treatment unit housed in a greenhouse structure is included for supplemental treatment to meet the NPDES requirements. Disinfection will also be installed. This option would involve increased energy usage for the aeration and for the equipment to drive the rotating biofilm belt and no additional land would be required. The first cost and O&M costs for this option are relatively high; in addition, the harvested algae from the wastewater will need to be disposed. Based on these factors, this option is undesirable to the City.

Reasons for Selection of Proposed Alternative: It is recommended that the City of Kalona, Iowa, select Option 3 WWTF Upgrade with Supplemental Treatment (Fixed Film Reactor). This option is predicted to best meet the following goals:

- Comply with new operating permit limits
- Can be constructed within existing lagoon site footprint and still provide room for expansion
- Eliminate impact on farm ground
- Implement a reliable wastewater treatment system
- And has the least cost after factoring O&M costs
- Provides area for future expansion
- Existing Cell 1 will be explored for future solar field

The project site was selected for the availability of land (it is already City-owned) as well as minimization of the impacts to the environment.

MEASURES TAKEN TO ASSESS IMPACT

Public Involvement: A public hearing was held on June 15, 2026 at 6:00PM at the City's regular council meeting. The public notice of this hearing was made available by publication in The News (published in Kalona, Washington County, Iowa and Lone Tree, Johnson County, Iowa) placed on the City website on May 14, 2026. The purpose of this hearing was to present the environmental and financial impacts of the proposed improvement project. No written or oral comments were received.

Coordination and Documentation with Other Agencies and Special Interest Groups: The following Federal, state and local agencies were provided an opportunity to comment on the proposed project to better assess the potential impact to the environment:

U.S. Army Corps of Engineers
Iowa DNR Conservation and Recreation Division
Iowa DNR Flood Plain Management Section
Flandreau Santee Sioux
Ho-Chunk Nation
Iowa Tribe of Kansas and Nebraska
Iowa Tribe of Oklahoma
Kickapoo Tribe in Kansas
Kickapoo Tribe of Oklahoma

Lower Sioux Indian Community Council
Miami Tribe of Oklahoma
Omaha Tribe of Nebraska
Otoe-Missouria Tribe
Pawnee Nation of Oklahoma
Peoria Tribe of Indians of Oklahoma
Ponca Tribe of Indians of Oklahoma
Ponca Tribe of Nebraska
Prairie Band Potawatomi Nation
Prairie Island Indian Community
Sac & Fox Nation of Mississippi in Iowa
Sac & Fox Nation of Missouri
Sac & Fox Nation of Oklahoma
Santee Sioux Nation
Shakopee Mdewakanton Sioux Community
Sisseton-Wahpeton Oyate
Spirit Lake Tribal Council
Three Affiliated Tribes Mandan, Hidatsa & Arikara Nations
Upper Sioux Tribe
Winnebago Tribal Council
Yankton Sioux Tribe

No adverse comments have been received from any agencies or general public to date. Conditions placed on the applicant by the above agencies in order to assure no significant impact are included in the Summary of Reasons for Concluding No Significant Impact section.

ENVIRONMENTAL IMPACT SUMMARY

Construction: Traffic patterns within the community may be disrupted and above normal noise levels in the vicinity of the construction equipment can be anticipated during construction and should be a temporary problem. Adverse environmental impacts on noise quality will be handled by limited hours of contractor work time during the day. Other adverse environmental effects from construction activities will be minimized by proper construction practices, inspection, prompt cleanup, and other appropriate measures. Areas temporarily disturbed by the construction will be restored. Solid wastes resulting from the construction project will be regularly cleared away with substantial efforts made to minimize inconvenience to area residents.

Care will be taken to maintain dirt to avoid erosion and runoff. The proposed project will disturb one or more acres of soil; therefore, the applicant is required to obtain an NPDES General Permit Number 2 (for storm water discharge associated with construction activities) and abide by its terms. Provided that this permit is obtained and the terms of which are abided by, no significant impact to surface water quality, fish, shellfish, wildlife, or their natural habitats is expected.

Temporary air quality degradation may occur due to dust and fumes from construction equipment. The applicant shall take reasonable precautions to prevent the discharge of visible emissions of fugitive dusts beyond the lot line of the property during the proposed project (567 Iowa Administrative Code IAC 23.3(2)“c”).

This project may require the disposal of sewage sludge. It is the responsibility of the applicant to ensure that the disposal of any sewage sludge complies with applicable requirements found in 40 CFR Part 503 and 567 Iowa Administrative Code IAC 67.

Historical/Archaeological: Various Native American tribes with an interest in the area were provided information regarding the project. This project will not be receiving federal funds through SRF. As such, this project is not considered a federal undertaking as defined in §300320 under the National Historic Preservation Act, 54 U.S.C. 300101 et seq. for the purpose of the SRF environmental review. If this SRF project receives federal funds from other sources, it is the responsibility of the applicant to ensure all federal requirements are met for that funding.

However, if project activities uncover any item(s) that might be of archaeological, historical, or architectural interest, or if important new archaeological, historical, or architectural data should be encountered in the project area, the applicant should make reasonable efforts to avoid further impacts to the property until an assessment can be made by an individual meeting the Secretary of the Interior's professional qualifications standards (36 CFR Part 61).

Environmental: The project area was screened for the presence of wetlands, floodplains, and sovereign lands. According to the Iowa DNR Conservation and Recreation Division, the proposed project will not interfere with any State-owned parks, recreational areas or open spaces. The U.S. Army Corps of Engineers concurs that the project will not impact wetlands. The project will not impact any wild and scenic rivers as none exist within the State of Iowa. This project will not impact the 100-year floodplain provided all necessary floodplain development permits, state and local, are obtained and the terms of which are abided by. No adverse impacts are expected to result from this project, such as those to surface water quantity, or groundwater quality or quantity.

Endangered Species Act Section 7 consultation is not required for this non-federal SRF project. Section 9 of the Endangered Species Act may apply and other wildlife conservation laws such as the Migratory Bird Treaty Act of 1918 and the Bald and Golden Eagle Protection Act of 1940. However, if any State- or Federally-listed threatened or endangered species or communities are found during the planning or construction phases, additional studies and/or mitigation may be required.

Land Use and Trends: The project will not displace population nor will it alter the character of existing residential areas. The proposed project is within the present corporate limits of Kalona in areas zoned residential, commercial, or industrial. No significant farmlands will be impacted.

This project should not impact population trends as the presence or absence of existing water/sewer infrastructure is unlikely to induce significant alterations in the population growth or distribution given the myriad of factors that influence development in this region. Similarly, this project is unlikely to induce significant alterations in the pattern and type of land use.

Irreversible and Irretrievable Commitment of Resources: Fuels, materials, and various forms of energy will be utilized during construction.

Nondiscrimination: All programs, projects, and activities undertaken by DNR in the SRF programs are subject to federal anti-discrimination laws, including the Civil Rights Act of 1964, section 504 of the Rehabilitation Act of 1973, and section 13 of the Federal Water Pollution Control Amendments of 1972. These laws prohibit discrimination on the basis of race, color, national origin, sex, disability, or age.

POSITIVE ENVIRONMENTAL EFFECTS TO BE REALIZED FROM THE PROPOSED PROJECT

Positive environmental effects will be improved treatment of the wastewater from the City of Kalona, compliance with effluent discharge permit limits, reduced discharge of the pollutants and nutrients to the receiving stream, and improved water quality in the receiving stream.

SUMMARY OF REASONS FOR CONCLUDING NO SIGNIFICANT IMPACT

- The project will not significantly affect the pattern and type of land use (industrial, commercial, agricultural, recreational, residential) or growth and distribution of population.
- The project will not conflict with local, regional or State land use plans or policies.
- The project will not impact wetlands.
- The project will not affect threatened and endangered species or their habitats. If any State- or Federally-listed threatened or endangered species or communities are found during the planning or construction phases, additional studies and/or mitigation may be required. Section 9 of the Endangered Species Act may apply and other wildlife conservation laws such as the Migratory Bird Treaty Act of 1918 and the Bald and Golden Eagle Protection Act of 1940.
- The project will not displace population, alter the character of existing residential areas, or convert significant farmlands to non-agricultural purposes.
- The project will not affect the 100-year flood plain provided all necessary floodplain development permits, state and local, are obtained and the terms of which are abided by
- The project will not have effect on parklands, preserves, other public lands, or areas of recognized scenic or recreational value.
- Various Native American tribes with an interest in the area and the Certified Local Government were provided information regarding the project.
- This project will not be receiving federal funds through SRF. As such, this project is not considered a federal undertaking as defined in §300320 under the National Historic Preservation Act, 54 U.S.C. 300101 et seq. for the purpose of the SRF environmental review. If this SRF project receives federal funds from other sources, it is the responsibility of the applicant to ensure all federal requirements are met for that funding.
- If project activities uncover any item(s) that might be of archaeological, historical, or architectural interest, or if important new archaeological, historical, or architectural data should be encountered in the project APE, the applicant should make reasonable efforts to avoid further impacts to the property until an assessment can be made by an individual meeting the Secretary of the Interior's professional qualifications standards (36 CFR Part 61).
- The project will not have a significant adverse effect upon local ambient air quality provided the applicant takes reasonable precautions to prevent the discharge of visible emissions of fugitive dusts beyond the lot line of the property during the proposed project (567 IAC 23.3(2)“c”).
- The project will not have a significant adverse effect upon local ambient noise levels, surface water quantity, groundwater quality or quantity, or water supply.
- No significant impact to surface water quality, fish, shellfish, wildlife, or their natural habitats is expected provided that an NPDES General Permit Number 2 (for storm water discharge associated with construction activities) is obtained and the terms of which are abided by.

THEREFORE:

The above project conforms to the criteria 567 Iowa Administrative Code 92.8(1)“b” relating to compliance with the National Environmental Policy Act of 1969. This Environmental Assessment Document (EAD) outlines the justification that the environmental review for the proposed project should be classified as a Finding of No

Significant Impact (FNSI) and does not rise to the significance of an Environmental Impact Statement (EIS) in accordance with 40 CFR § 1501.5.

Hailey Andersen

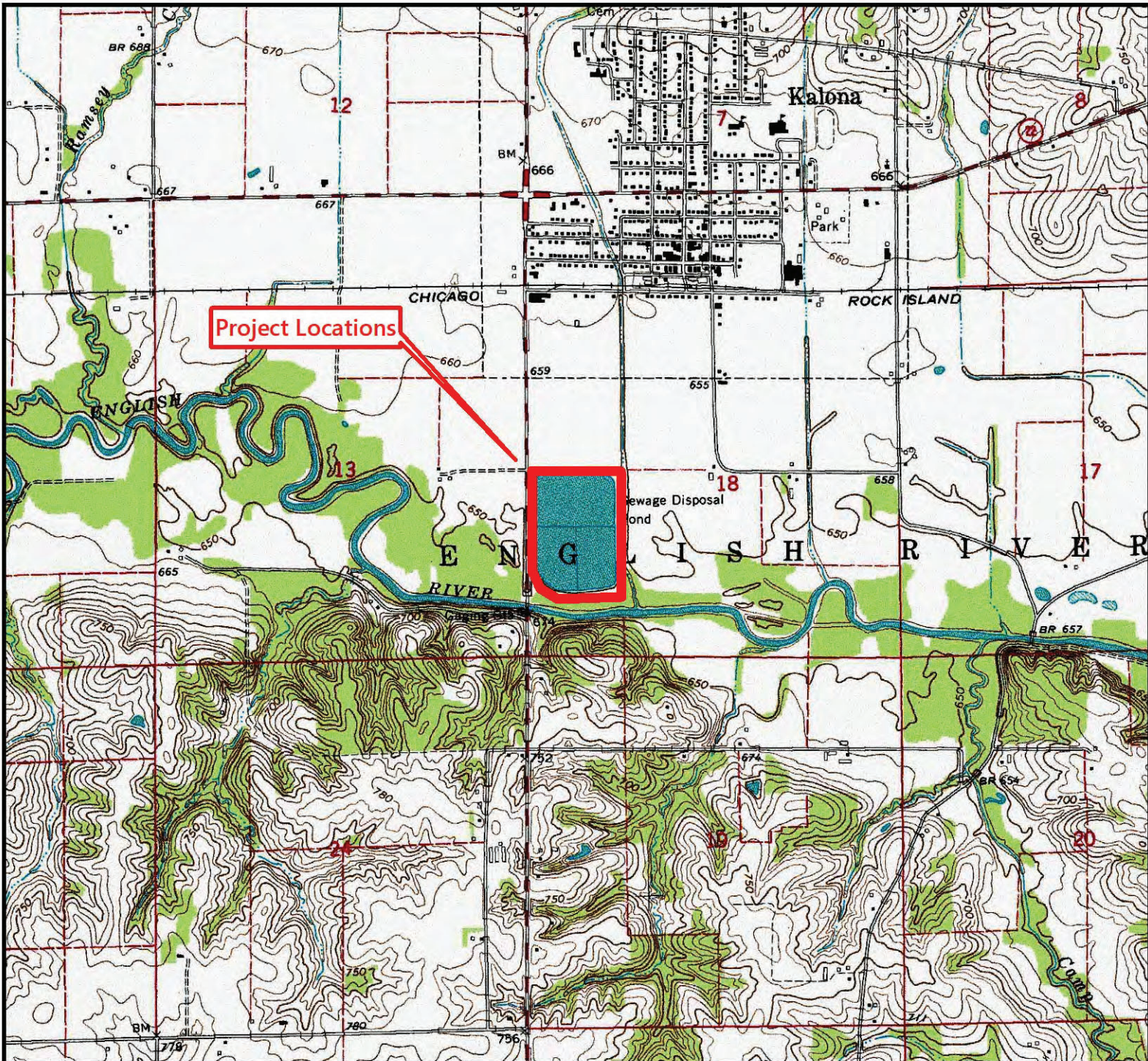
Environmental Review Specialist

State Revolving Fund

Iowa Department of Natural Resources

USGS Topographic Map

Kalona Wastewater Treatment Facility Improvements
Kalona, Iowa



1 inch = 2,000 feet
0 1,000 2,000 3,000 4,000 5,000 Feet

USGS 7.5 Minute Quadrangle: Kalona
Section: 18; Township: 77N; Range: 07W
Date: 1969

Aerial Photograph

Kalona Wastewater Treatment Facility Improvements
Kalona, Iowa



Legend

 Project Locations

1 inch = 350 feet
0 175 350 525 700 875 Feet

