

**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**

September 11, 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

**County:** Washington

**State:** Iowa

Kalona Water System Improvements

**SRF Number:** FS-92-26-DWSRF-004

**Iowa DNR Project Number:** W2025-0290

The City of Kalona, Iowa is planning an upgrade to their drinking water 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 3,339.

In 2020 the City of Kalona annexed the Shiloh development located south of town. The Shiloh development operated an independent water and wastewater system. The current name for the newly annexed part of town changed from Shiloh to Southtown. The Kalona Water Department is currently managing both water systems independently

The existing water supply for Kalona and Southtown comprise of four existing groundwater well; three wells are operated under the Kalona Water Department water system and one well is operated under the Southtown water system. All four wells are constructed in similar aquifers.

The existing water quality, post treatment, for both water systems meet the primary standards set by the Iowa Department of Natural Resources (IDNR), so no additional treatment is required for the existing groundwater wells. The primary issue with the existing shallow alluvial wells is iron and manganese. Iron and manganese do not pose known health problem; however, they can adversely affect the maintenance costs and water aesthetics and are considered a secondary treatment standard by the IDNR.

Kalona Water Treatment Plant - The Kalona WTP was constructed in 1988 to treat the local alluvial well water supply and required an expansion in 1997 to double the treatment capacity. In 1997 the Kalona water treatment plant went under some improvements with the addition of a second aerator and filter system, adding two additional high service pumps, and added standby power. The Kalona water treatment plant has not completed any other major improvements on the water treatment plant since then. The 1997 improvements on the Kalona WTP were estimated to meet the community's needs until 2017. Kalona recently surpassed the capacity of the water treatment facility when considering a 20-hour pumping day. Treatment at this facility includes: two induced draft aerator with a caustic soda static mixer feed system, two gravity feed sand filter, one clearwell, four high service pumps, and a post filter chemical feed system for chlorine and fluoride.

Southtown Water Treatment Plant - The Southtown WTP was constructed in 1988 to treat a single public water supply alluvial well and has received no major updates since its construction. Treatment includes: one Tonka General Filter aluminum induced draft aerator, one baffled detention tank, two vertical pressure filters to removed the oxidized iron and manganese, two high service pumps, and a chemical feed system for potassium permanganate and chlorination

The City of Kalona currently maintains approximately 23.1 miles of distribution main throughout the city limits, including the newly annexed Southtown area. The existing distribution system includes water mains that range from 2" to 12" water mains. In 2003, the water system constructed a new water tower to help improve pressures in the northeast part of town. The location and height of the water tower eliminated the concerns of low pressures in the water system. The distribution system is currently separated into two pressure zones; one pressure zone operating on the water tower system pressure, and the second pressure zone being isolated with the use of several pressure reducing valves throughout the distribution system.

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

The proposed project includes: construction of approximately 8,600 feet of water main, installation of two new wells, improvements and expansion of the existing Kalona water treatment plant, and all necessary connections and appurtenances.

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 provided any necessary permits are obtained and abided by.

The project will not affect threatened and endangered species or their habitats provided that any tree cutting is conducted between October 1 and March 31 to avoid impacting endangered bats. 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](mailto:SRF-PC@dnr.iowa.gov) or directly to me at [Hailey.Andersen@dnr.iowa.gov](mailto:Hailey.Andersen@dnr.iowa.gov) or (515) 321-7385.

Sincerely,

 Digitally signed by  
Hailey Andersen  
Date: 2026.09.11  
07:40:29 -05'00'

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

Enclosures: Environmental Assessment Document  
Project Map

Distribution

List (email): Rick Teed, Garden & Associate, LTD  
Edward Boling, Council on Environmental Quality  
Jake Hansen, Iowa Department of Agriculture and Land Stewardship  
Ken Sharp, Iowa Department of Health & Human Services  
Mindy Wells, Iowa Department of Health & Human Services  
Chad Sands, Iowa Economic Development Authority  
Michael Schmidt, Iowa Environmental Council  
Tony Toigo, Iowa Finance Authority  
Lee Wagner, Iowa Finance Authority  
Yolanda Attaway, Iowa Finance Authority  
Mickey Shields, Iowa League of Cities  
Jane Clark, Sierra Club  
Josh Mandelbaum, Environmental Law and Policy Center  
Kate Sand, USDA Rural Development  
Tokey Boswell, USDOL, National Park Service, Midwest Region  
Kraig McPeck, Fish and Wildlife Service, Rock Island Field Office  
Ann D'Alfonso, USEPA Region VII  
The News

**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**  
**ENVIRONMENTAL ASSESSMENT DOCUMENT**

**PROJECT IDENTIFICATION**

**Applicant:** City of Kalona

**County:** Washington

**State:** Iowa

Kalona Water System Improvements

**SRF Number:** FS-92-26-DWSRF-004

**Iowa DNR Project Number:** W2025-0290

**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 3,339.

In 2020 the City of Kalona annexed in the Shiloh development located south of town. The Shiloh development operated an independent water and wastewater system. The current name for the newly annexed part of town changed from Shiloh to Southtown. The Kalona Water Department is currently managing both water systems independently

**Current Source of Water:** The existing water supply for Kalona and Southtown comprise of four existing groundwater well; three wells are operated under the Kalona Water Department water system and one well is operated under the Southtown water system. All four wells are constructed in similar aquifers.

**Current Water Treatment and Quality:** The existing water quality, post treatment, for both water systems meet the primary standards set by the Iowa Department of Natural Resources (IDNR), so no additional treatment is required for the existing groundwater wells. The primary issue with the existing shallow alluvial wells is iron and manganese. Iron and manganese do not pose known health problem; however, they can adversely affect the maintenance costs and water aesthetics and are considered a secondary treatment standard by the IDNR.

Kalona Water Treatment Plant - The Kalona WTP was constructed in 1988 to treat the local alluvial well water supply and required an expansion in 1997 to double the treatment capacity. In 1997 the Kalona water treatment plant went under some improvements with the addition of a second aerator and filter system, adding two additional high service pumps, and added standby power. The Kalona water treatment plant has

not completed any other major improvements on the water treatment plant since then. The 1997 improvements on the Kalona WTP were estimated to meet the community's needs until 2017. Kalona recently surpassed the capacity of the water treatment facility when considering a 20-hour pumping day. Treatment at this facility includes: two induced draft aerator with a caustic soda static mixer feed system, two gravity feed sand filter, one clearwell, four high service pumps, and a post filter chemical feed system for chlorine and fluoride.

**Southtown Water Treatment Plant** - The Southtown WTP was constructed in 1988 to treat a single public water supply alluvial well and has received no major updates since its construction. Treatment includes: one Tonka General Filter aluminum induced draft aerator, one baffled detention tank, two vertical pressure filters to removed the oxidized iron and manganese, two high service pumps, and a chemical feed system for potassium permanganate and chlorination

**Current Distribution System:** The City of Kalona currently maintains approximately 23.1 miles of distribution main throughout the city limits, including the newly annexed Southtown area. The existing distribution system includes water mains that range from 2" to 12" water mains. In 2003, the water system constructed a new water tower to help improve pressures in the northeast part of town. The location and height of the water tower eliminated the concerns of low pressures in the water system. The distribution system is currently separated into two pressure zones; one pressure zone operating on the water tower system pressure, and the second pressure zone being isolated with the use of several pressure reducing valves throughout the distribution system.

## PROJECT DESCRIPTION

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

**Proposed Improvements:** The proposed project includes: construction of approximately 8,600 feet of water main, installation of two new wells, improvements and expansion of the existing Kalona water treatment plant, and all necessary connections and appurtenances.

## ALTERNATIVES CONSIDERED

**Alternatives Considered:** Two alternatives were considered: Alternative 1: Expanding both the Kalona and Southtown water treatment plants and well fields. Alternative 2: Combining the two water systems with a transmission line from the Kalona water treatment plant to the Southtown area and expanding the Kalona water treatment plant and well field. The following additional alternatives were considered but deemed nonviable: maintaining independent water systems with an interconnect; combining the water systems with a larger diameter transmission main and eliminating the Southtown well, water treatment plant and water tower; and a connection with Wapello Rural Water was considered for the Southtown water system.

**Reasons for Selection of Proposed Alternative:** Alternative 2, a combined water system, would provide the most benefit to Kalona Water Department when considering the future growth of the town. 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 September 9, 2026 at 6:00PM at the City's regular council meeting. The public notice of this hearing was made available by publication placed on the City website and posted to the City social media accounts on July 10, 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”).

**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. The proposed project will not interfere with any State-owned parks, recreational areas or open spaces. The project will not impact wetlands or Waters of the United States provided any necessary permits are obtained and abided by. The project will not impact any wild and scenic rivers as none exist within the State of Iowa.

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. According to the Iowa DNR Flood Plain Management Section, 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.

**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 maintained water quality for the citizens of Kalona. A catastrophic loss of water supply could result in City-wide health impacts due to a lack of sanitation and the use of other water sources that may not meet Federal drinking water standards.

### **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 provided any necessary permits are obtained and abided by.
- The project will not affect threatened and endangered species or their habitats provided that any tree cutting is conducted between October 1 and March 31 to avoid impacting endangered bats. 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 in 567 Iowa Administrative Code 44.10(3) 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.



Digitally signed by Hailey  
Andersen  
Date: 2026.09.11 07:41:00 -05'00'

---

**Hailey Andersen**

Environmental Review Specialist

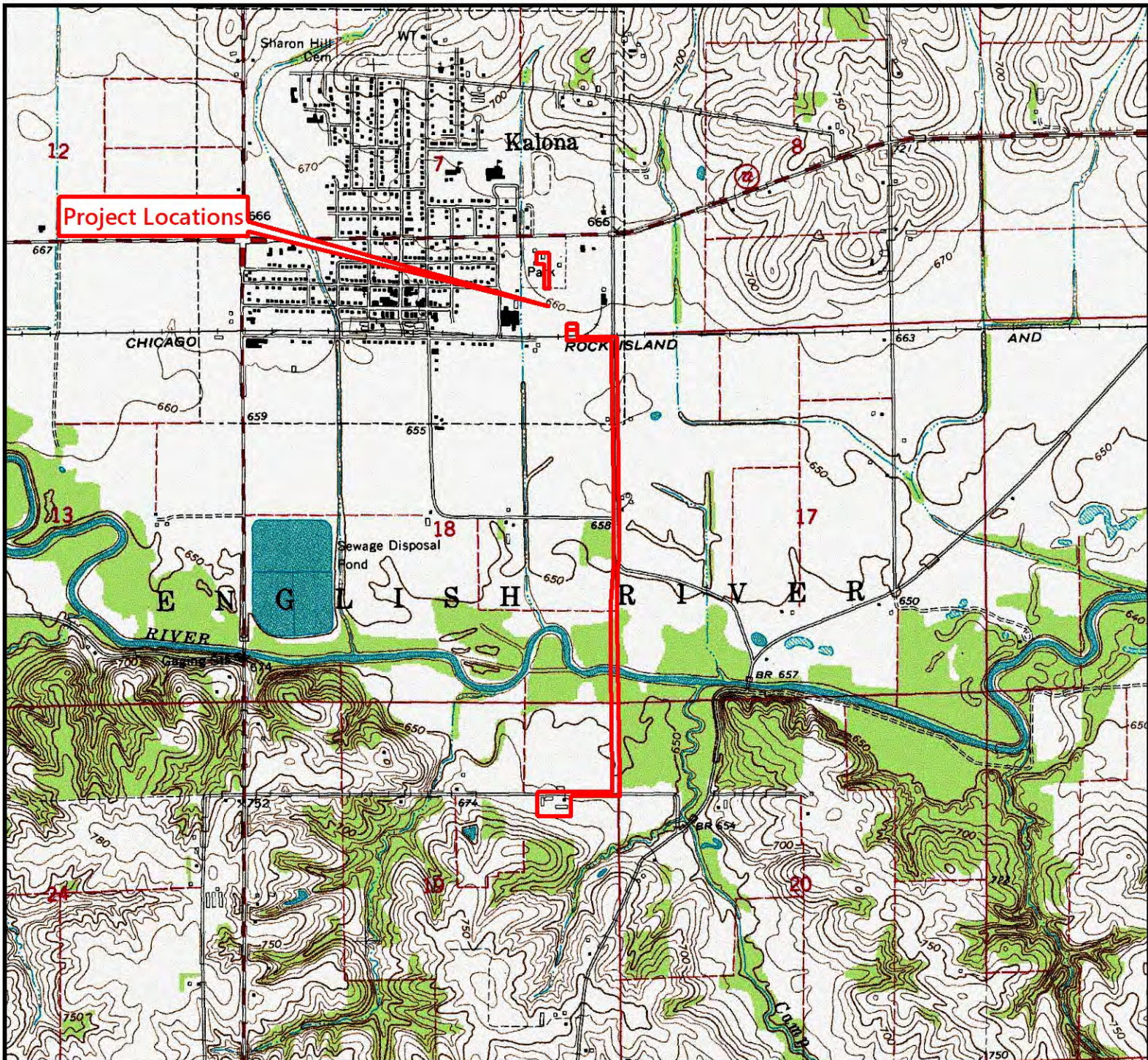
State Revolving Fund

Iowa Department of Natural Resources

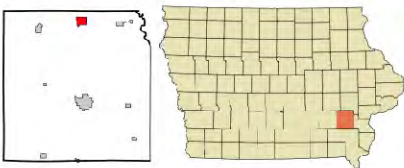
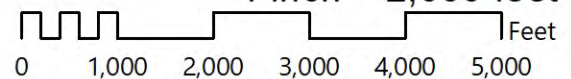
# USGS Topographic Map

Kalona Water System Improvements

Kalona, Iowa



1 inch = 2,000 feet

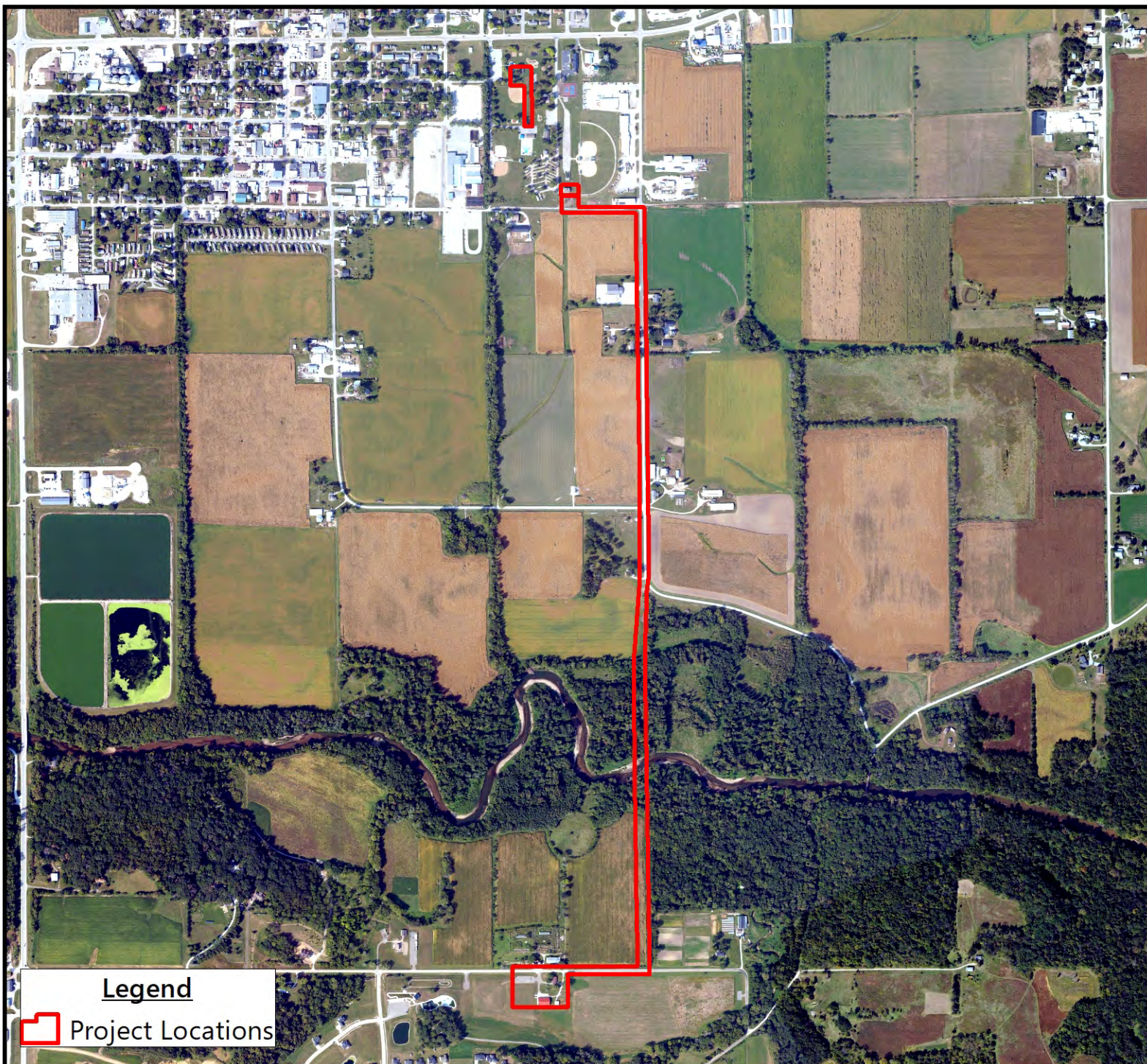


USGS 7.5 Minute Quadrangle: Kalona  
Section: 07, 17, 18, 19, 20; Township: 77N; Range: 07W

Date: 1969

# Aerial Photograph

Kalona Water System Improvements  
Kalona, Iowa



1 inch = 1,200 feet  
0 600 1,200 1,800 2,400 3,000 Feet

