

**FINDING OF NO SIGNIFICANT IMPACT**

**Centerpiece Project  
Owen County, Indiana**

**RURAL UTILITIES SERVICE  
U.S. Department of Agriculture**

**Hoosier Energy Rural Electric Cooperative, Inc.  
Indiana 106**

**Prepared by:  
Engineering and Environmental Staff  
Rural Utilities Service**

**December 2012**

## **A. INTRODUCTION**

The Rural Utilities Service (RUS) expects to receive a request for financial assistance from Hoosier Energy Rural Electric Cooperative, Inc. (Hoosier Energy) for the proposed Centerpiece Project, which would involve the construction of a new power delivery and systems control facility, warehouse and associated infrastructure near Spencer, Owen County, Indiana (the proposed Project). RUS may finance the proposed Project, thereby making it an action subject to review under the National Environmental Policy Act (NEPA), the National Historic Preservation Act (NHPA), and all applicable federal environmental laws and regulations. RUS determined that the proposed Project would require an Environmental Assessment (EA), in accordance with RUS's Environmental Policies and Procedures, 7 CFR Part 1794. RUS conducted an independent evaluation of the EA prepared by Hoosier Energy, concurred with its scope and content, and adopted it as the agency's EA, in accordance with 7 CFR § 1794.41. RUS has evaluated the proposed Project's purpose and need, reasonable alternatives, and potential impacts to the environment, and has concluded that the proposed Project will not have a significant impact on the human environment.

## **B. PURPOSE AND NEED**

Hoosier Energy is a generation and transmission cooperative that provides wholesale electric power and services to eighteen (18) member distribution cooperatives in central and southern Indiana and southeastern Illinois. In 2011, Hoosier Energy conducted a facility condition assessment of their existing headquarters facility site in Bloomington, Monroe County, Indiana, which currently serves as the central location of Hoosier Energy's administrative offices, power delivery and systems control functions, maintenance garages, and warehouse facilities. The facility condition assessment evaluated projected space and operational requirements, the physical condition of the existing site, and the implications of the new Interstate 69 (I-69) highway construction project that proposes to pass immediately in front of the current ingress and egress driveways. It identified substantial issues with the existing site, including limitations to projected needed space expansion, the deteriorating condition of the existing facilities, and the potential restrictions to access that may be imposed by the proposed Interstate 69 (I-69) highway project.

## **C. PROPOSED ACTION**

The proposed Project involves the construction and/or installation of an 18,000-square foot one-story (over basement) office building for the system control, design engineering, and planning departments, and a 77,000-square foot warehouse that will provide space for storage and repair functions, a crew room, and offices for various power delivery and systems control staff, vegetation control staff, vehicle maintenance mechanics and others. A 300-foot-tall microwave tower, a 3.5-acre equipment laydown area for miscellaneous equipment, a septic

system, five (5) liquid storage tanks, and two (2) driveway entrances will be constructed at the site as well. The site will employ approximately sixty (60) to seventy (70) permanent staff.

#### **D. ALTERNATIVES EVALUATED**

Five (5) renovation and relocation alternatives were considered to resolve the needs identified in the facility condition assessment. Under the no action alternative, Hoosier would maintain the existing headquarters site and continue to operate all functions there, including power delivery and system control. A renovation alternative was considered that would involve the continued use of the existing site with significant upgrade modifications. The relocation alternatives assessed included the collocation of power delivery and system control and headquarters functions at a new site, relocation of the power delivery and system control functions to a new site and the upgrade and renovation of the existing site for headquarters functions, and relocation of both power delivery and system control and headquarters functions to separate sites. Utilizing a matrix of design criteria and evaluation factors (see Section 4.1 of the EA for an extensive explanation of the methodology), the five (5) alternatives were evaluated, and ultimately the relocation of both facilities to separate sites was determined to be the preferred alternative. This EA's covers the proposed federal action of financing the construction of the power delivery and systems control facility (the Centerpiece Project) only. Should Hoosier Energy decide to seek financing for the construction of the Headquarters facility, RUS will conduct its review of the new headquarters facility site at that time.

After determining that relocation of power delivery functions was the preferred alternative, twenty-four (24) potential sites were identified and evaluated that would provide sufficient space (at least 20 acres) within Monroe, Greene, Lawrence, and Owen Counties in Indiana. These counties were chosen because they are central to Hoosier Energy's member territory and transmission assets (substations, switchyards, and transmission lines). The sites were vetted by taking into account Hoosier Energy's 10-year needs, flexibility, residual value, retaining/attracting work force, minimizing response time, workforce efficiency, energy efficiency, accessibility for operations functions, and the I-69 Highway project risk. The proposed approximately 88-acre Owen County site was identified as the preferred alternative due to existing water and electrical services, its favorable location to the existing headquarters facility site, positive findings of preliminary resource assessments, and economic considerations.

#### **E. SUMMARY OF ENVIRONMENTAL IMPACTS**

Construction of the proposed Project will required the disturbance of approximately 18-acres of land. The EA determined that the proposed Project would have no significant impact, either directly, indirectly, or cumulatively, air quality, land use, soils, surface and groundwater, water quality, wetlands, floodplains, vegetation, wildlife, threatened or endangered species, cultural resources, socioeconomics, aesthetics, transportation, noise, health and safety. Biological and

cultural resources required field survey and consultation to determine effects, the details of which are included below.

A natural resource assessment was conducted to determine the potential impacts of the proposed Project on wetlands and wildlife species. The assessment identified three (3) wetlands (totaling 3.11-acres) on the site, including two palustrine forested wetlands a constructed pond, and an intermittent stream. These resources would not be affected because they are located beyond the footprint of the proposed Project, and all appropriate best management practices for silt and sediment control would be implemented to ensure that construction activities to not affect these resources. The natural resource assessment did not identify any state or federal protected species or critical habitat within the proposed Project site. Consultation with the USFWS identified that the proposed Project is within the range of the state and federal endangered Indiana Bat. There are no anticipated effects given that very minimal tree removal (less than 0.1 acres) will be required, which would be conducted prior to the summer roosting period.

Archeological resource and historic structures surveys were conducted as well. In accordance with Section 106 of NHPA, the Indiana State Historic Preservation Officer and thirteen (13) Native American tribes were engaged in consultation to determine the potential impacts of the proposed Project on historic properties. Based on the findings of the surveys and this consultation, there are no archeological resources or historic buildings, structures, districts, and objects eligible for inclusion on the National Register of Historic Places within the proposed Project's area of potential effects. RUS has therefore determined that a finding of no historic properties affected is appropriate for the undertaking.

#### **F. AGENCY AND PUBLIC INVOLVEMENT**

The availability of the EA for public review was announced in the *Spencer Evening World*, the local newspaper in Spencer, Indiana, on November 16, 2011. The EA was made publicly available electronically on the RUS Website, <http://www.rurdev.usda.gov/UWP-EA.html>, and in hard copy at the Owen County Public Library and Hoosier Energy Offices. The thirty (30) day public comment period concluded on December 16, 2011, during which time no public or agency comments were received.

#### **G. FINDING OF NO SIGNIFICANT IMPACT**

Based on its EA, RUS has concluded that the proposed Project would have no significant impacts to the human environment. RUS has concluded that the proposed Project is not likely to affect federally listed threatened and endangered species or designated critical habitat. The proposed Project will have no adverse effect on historic properties listed or eligible for listing on the National Register of Historic Properties. Minority and low-income populations will not be adversely or disproportionately affected by this proposed Project.

In accordance with National Environmental Policy Act, as amended (42 U.S.C. § 4321 et seq.), the Council on Environmental Quality Regulations (40 CFR §§ 1500-1508), and RUS's Environmental Policies and Procedures, as amended (7 CFR Part 1794), RUS has determined that the environmental impacts of the proposed Project have been adequately addressed and that no significant impacts to the quality of the human environment would result from construction and operation of the proposed Project. Any final action by RUS related to the proposed Project will be subject to, and contingent upon, compliance with all relevant federal and state environmental laws and regulations. RUS's action will not result in significant impacts to the quality of the human environment; therefore, an Environmental Impact Statement will not be prepared for the proposed Project.

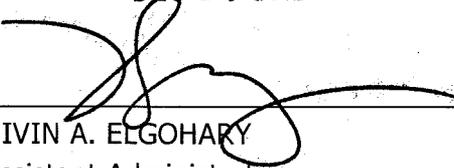
#### **H. RUS LOAN REVIEW AND RIGHT OF ADMINISTRATIVE REVIEW**

This FONSI is not a decision on Hoosier Energy's expected loan application and therefore not an approval of the expenditure of federal funds. Issuance of the FONSI and its notices concludes RUS' environmental review process in accordance with NEPA and RUS' Environmental Policies and Procedures. Final loan approval is dependent on the conclusion of the environmental review process in addition to financial and engineering review of the proposed Project. Issuance of the FONSI and publication of notices will allow for these reviews to proceed. There are no provisions to appeal this decision; legal challenges to the FONSI may be filed in federal district court under the Administrative Procedures Act.

#### **I. APPROVAL**

This Finding of No Significant Impact is effective on signature.

Dated: DEC 17 2012

  
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NIVIN A. ELGOHARY  
Assistant Administrator  
Electric Programs  
Rural Utilities Service

#### **Contact Information**

For additional information on this FONSI and EA, please contact Ms. Emily Orler, Environmental Protection Specialist, at USDA, Rural Utilities Service, 1400 Independence Avenue, SW., Stop 1571, Washington DC 20250-1571, (202) 720-1414, or [emily.orer@wdc.usda.gov](mailto:emily.orer@wdc.usda.gov).