FINDING OF NO SIGNIFICANT IMPACT

Proposed Solar Power Generation Project

City of Indianola, Warren County, Iowa

Rural Utilities Service
U.S. Department of Agriculture

SE Municipal Iowa, LLC

Prepared by:
Terracon Consultants, Inc.

For:
Engineering and Environmental Staff
Rural Utilities Service

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A. INTRODUCTION

SE Municipal Iowa, LLC (applicant) plans to submit a financing request to the U.S. Department of Agriculture, Rural Utilities Service (RUS) to construct a solar power generating facility and connect to the City of Indianola's electric grid. The proposed facility will be placed on land owned by Indianola, connecting to its municipal electric distribution system. RUS is considering this financing request. Prior to taking a federal action (i.e., providing financial assistance), RUS is required to complete an environmental impact analysis in accordance with the National Environmental Policy Act of 1969 [(NEPA (U.S.C. 4321-4347)], and Rural Development's (RD) NEPA implementing regulations, Environmental Policies and Procedures (7 CFR Part 1970). After completing an independent analysis of an environmental report prepared by SE Municipal Iowa, LLC, RUS concurred with its scope and content. In accordance with 7 CFR § 1970.102, RUS adopted the report and issued it as the Agency's Environmental Assessment (EA) for the proposed project. RUS finds that the EA is consistent with federal regulations and meets the standards for an adequate assessment. SE Municipal Iowa, LLC published a newspaper notice, announcing the availability of the EA for public review, in accordance with 7 CFR § 1970.102, on May 27 and June 3, 2025 in the Indianola Tribune. In addition, RUS considers the proposed project an undertaking subject to review under Section 106 of the National Historic Preservation Act (NHPA), 16 USC 470(f), and its implementing regulation, "Protection of Historic Properties" (36 CFR Part 800).

B. PROJECT DESCRIPTION AND PURPOSE/NEED

The goal of the PACE program is to support clean, affordable energy across America. The purpose of the project is to construct a renewable distributed generation facility that will produce and supply the City of Indianola with up to five percent of its annual energy usage, per the existing power purchase agreement (PPA) with SE Municipal Iowa. The project will enable Indianola to lock in a competitive price for electricity over the next 25 years. The project is needed to meet the energy demands of this rural community while ensuring that the energy provided is renewable, affordable, and local.

The proposed Project area is located on the southwestern outskirts of the City of Indianola (City), east of South K Street and north of West 17th Avenue and occupies a portion of the west half of Section 36, Township 76N, Range 24W, Lincoln Township, Warren County (Warren County Assessor Parcel Nos. 48870360463 and 48870360645). The proposed capacity of the Project is 3.4 megawatt (MW) alternating current (AC), 4.2 MW direct current (DC). Solar panel output is measured as DC. The AC rating refers to the power delivered to the distribution system after conversion. For purposes of this EA, the capacity of the Project will be referenced as the generating capacity of the panels, which is 4.2 MW DC. The solar energy power system would occupy three distinct areas separated by an existing water treatment facility and lagoons. A general location map is provided as Exhibit 1 (Appendix A). The project area slopes with a gradient towards the south-southwest and is approximately 850 feet above sea level. The nearest surface water features include ponds to the north, east, and south adjoining properties.

Approximately 17.4 acres of the 54-acre project area would be developed with a solar facility, which includes solar panels and associated support structures (racking), including electrical inverters, buried electrical conduit, access apron, and security fencing. The solar generation facility would be placed on land leased from the city, connecting to its municipal electric distribution system.

The proposed solar generation facility would deliver its power to an on-site City transformer and would connect to Indianola's distribution system. Power would not be exported to other communities and is

for the benefit of the City of Indianola. SE Municipal Iowa would be responsible for constructing the powerline from the arrays to the point of interconnection. Indianola's municipal utility would be responsible for providing a transformer at the point of interconnection and connecting it to its distribution system.

C. ALTERNATIVES EVALUATED

1. No Action

Under the No Action Alternative, RUS would not provide financial assistance to SE Municipal Iowa, LLC, and the site would not be developed with a solar facility. The City would not receive the required distributed power in accordance with the PPA with SE Municipal Iowa. The anticipated generation from this potential alternative energy/solar source would not be available, and Indianola would then have to seek alternative electric generation sources to meet anticipated need to replace existing power supply contracts that will come to an end. The project area would continue as agricultural land. The no-action alternative does not achieve the project's purpose and need.

2. Action Alternative (Preferred Alternative)

Under the Action Alternative, RUS would consider financing the proposed project, and SE Municipal Iowa, LLC would construct and operate a 4.2-MW DC PV solar energy power system for the City of Indianola. The project involves installation of ground mounted photo voltaic (PV) solar arrays of various kilowatt (kW) sizes using single axis trackers as detailed in the site plans in Appendix B of the EA. The layout is subject to change within the fenced area. The array will have driven posts for mounting of the racking with cross pieces for the actual module installation. The posts for racking will be in rows with the posts generally 8 to 10 feet apart and 4 to 6 feet deep; the posts are generally 3 inches in diameter. Each row of racking would be connected by a trench along the edge of the array, the trench from each portion of the array would then extend to another trench along the edge of the array, and the trench from each portion of the array would extend to the location of the transformer on a cement pad where the city will take control of the energy generated. The trenches would be 18 to 24 inches deep and 12 inches wide. The ground disturbance would also include an area for project construction staging as well as parking and equipment/component storage. This area would receive heavy traffic and may be rutted at times. A perimeter fence would be installed around the solar facility. A trench (18 to 24 inches deep and 12 inches wide) would be extended approximately 30 feet outside of the western boundary for the underground MV (medium voltage) cable to connect to an existing overhead line that abuts the site to the west, the point of interconnection. Ground-located facilities will be surrounded by perimeter safety fencing and will feature internet accessible Supervisory Control and Data Acquisition (SCADA) readouts.

3. Alternatives Eliminated from Further Consideration

Wind power generation was not considered for this site because there is insufficient space to accommodate the number of turbines needed to generate 4.2 MW.

Geothermal power generation was not considered because of the larger scale energy need that likely would not be met using geothermal sources.

D. SUMMARY OF ENVIRONMENTAL EFFECTS

The analyses in the EA documented that the proposed project would have no adverse effects to land use, important farmland, formally classified lands, floodplains, wetlands, water resources, coastal resources, biological resources, cultural/historic resources, air quality, social impact and environmental justice, noise, transportation, aesthetics, and human health and safety. A summary of anticipated impacts on the human environment is provided below, including any mitigation measures deemed

necessary to avoid or minimize impacts. SE Municipal Iowa, LLC is responsible for implementing these measures.

General Land Use
This parcel is within Indianola city limits and is currently zoned as Agricultural/Open Space Zoning District (A1). The proposed use of the site as a solar farm would need a variance or conditional use permit to comply with the current zoning designation.

Formally Classified Lands (FCL's). The nearest documented protected land is the City-owned Downey Memorial Park and Indianola Off-Leash Park located approximately 250 feet to the south of the site. The park will not be affected by the solar facility.

Important Farmland
Based on the completed AD-1006, the rating for the project area was calculated by the Natural Resources Conservation Service in Des Moines, IA (see Appendix F of the EA). The NRCS reviewed the proposed site and determined that the site and activities and the site itself have a combined rating of 55. The rating was provided on June 2, 2022. The FPPA law states that sites with a rating less than 160 need no further consideration for protection and no additional evaluation is necessary.

Floodplains
Because there are no mapped 100-year floodplains within the project area, no impacts to regulated floodplains will occur under the No Action or Preferred Alternatives. The project area is within FEMA Zone X, which is above the anticipated 500-year flood elevation. A detailed analysis of floodplains is not required as no panels or supporting electrical equipment will be placed in either the 100-year or 500 year floodplains.

Wetlands
On October 5, 2022, a wetland field delineation was conducted. The Wetland Delineation Report is provided in Appendix A of the EA. Wetlands were identified and mapped in the northern portion of the project area. There was no continuous surface connection observed that would connect the wetlands to any other waters downgradient. The northern arrays will be pile-supported, which will involve the installation of driven piles within the wetland. Due to the pile installation and vehicle/foot traffic within the area, there is a potential for wetland vegetation to be temporarily and adversely affected by crushing. Some shading will occur in the areas directly underneath the panels; however, this is not expected to result in vegetation mortality. Wetland hydrology and soils are not likely to be affected by the installation of pile-supported panels. USACE typically does not consider pilings driven into wetlands as a discharge of fill material that would require authorization under Section 404 of the Clean Water Act (CWA). In light of recent agency guidance regarding the jurisdictional status of adjacent wetlands, the wetlands on the Indianola site would not be subject to permitting authority.

The USACE and EPA distributed guidance on April 29, 2025. The scenario described in Example 7 of the training slides (Training: 2025 Continuous Surface Connection Guidance, April 29, 2025) is applicable to the Indianola site, and clearly indicates a non-jurisdictional scenario.

Water Resources
Implementation of the Proposed Action would result in no direct effects to surface waters associated with construction and operation of the facility. The Proposed Action may result in negligible, short-term, negative indirect effects to surface water quality. A NPDES stormwater permit will be obtained and a Stormwater Pollution Prevention Plan will be implemented prior to construction. The proposed action will not require the use of groundwater from the Cambrian-Jordan Sandstone Aquifer since the proposed solar facility will not require water to operate as there will be no maintenance or operations facilities within the project area.

Biological Resources - General Fish, Wildlife and Vegetation
The project is not expected to have any long-term effects to general fish, wildlife, and vegetation resources. While the construction of the project may result in short-term temporary displacement impacts to wildlife species that may forage in the area, the reduced use of herbicides due to the change in land use from agricultural to renewable power generation may result in beneficial ecological impacts over time. A weed management plan will be developed by the applicant that specifies post-construction measures to be taken to identify and manage noxious weed species until the site is revegetated with the desirable species. These measures may include overseeding, controlled grazing or chemical treatments depending on the species identified and the desired measure of control.

Biological Resources - Listed Threatened and Endangered Species
Species listed as threatened or endangered, or proposed for listing under the Endangered Species Act have not been observed on the site. The USFWS has identified the potential for some species to potentially be present in the vicinity of the project. On June 16, 2025, the USFWS concurred with USDA's determination that the proposed solar facility may affect, but is not likely to adversely affect listed bat species. The USFWS determined that the project is not likely to jeopardize the continued existence of the monarch. No further coordination is required.

Biological Resources – Bald and Golden Eagles/Migratory Birds
There are no large trees suitable for roosting or nesting within the project area. Impacts during construction are unlikely as construction noise and the presence of people will likely cause eagles and other migratory bird species to avoid the area and due to the lack of suitable habitat. No new overhead powerlines are planned for this project; therefore, no impacts are anticipated.

Biological Resources - Invasive Species
Revegetation efforts should utilize species that are endemic to the area and are suitable for the soil type that exists at the site. Reseeding efforts should also be initiated as soon as practical after construction is completed, and should include, in addition to grasses, native forbs and pollinator species to occupy the niches that invasive weeds may otherwise colonize. An increase in weed species is expected for the first one or two growing season after construction. A weed management plan will be developed by the applicant that specifies post-construction measures to be taken to identify and manage noxious weed species until the site is revegetated with the desirable species. These measures may include overseeding, controlled grazing or chemical treatments depending on the species identified and the desired measure of control.

Cultural Resources and Historic Properties
In 2022 a Phase I Cultural Resources Investigation was conducted for the proposed project area, focusing on the areas where solar arrays were proposed. No archaeological materials were discovered during its field investigation and the SOI-qualified consultant recommended no further investigations.

To comply with tribal consultation requirements, letters were sent to seven federally recognized tribes in accordance with 54 U.S.C. § 300101et seq. The results of the archeological survey prepared by Bear Creek Archeology were provided to the ISHPO and the following tribes:

Apache Tribe of Oklahoma
Iowa Tribe of Kansas and Nebraska
Iowa Tribe of Oklahoma
Menominee Indian Tribe
Sac and Fox Nation Missouri
Sac and Fox Nation of the Mississippi
Sac and Fox Nation Oklahoma

No responses were received from the tribes.

USDA and Bear Creek recommended that the proposed undertaking will have no effect on resources listed on the NRHP or on resources eligible for such listing, as no historic properties were found within the project area investigated. The ISHPO provided a concurrence with the recommendation by email on September 26, 2022.

If buried cultural resources are discovered during construction activities, construction activity would immediately cease within a 50-foot buffer radius and the 7 tribes, SHPO and RUS would be notified within 24 hours. The 50-foot buffer area would be demarcated by high-visibility construction fencing. Construction within the 50-foot radius of the find would not continue until notification from RUS is received. An inadvertent discovery plan should be developed and kept onsite during construction and maintenance activities. The construction and maintenance crews should be familiar with the plan and its contents, such that they can take action if an inadvertent discovery is made.

Aesthetics
The proposed facility is not anticipated to have an adverse visual effect on the natural features or character of the surrounding area since there are no scenic byways within vicinity of the project area. There is an existing row of low woody vegetation along S. K Street that provides some natural screening of the project area as viewed from the residences on the west side of S. K Street. The project may cause a non-significant effect to the viewshed. Woody vegetation along the northern edge of the project boundary provides natural screening for residents to the north.

Air Quality
The project area is currently in attainment and therefore no additional mitigation measures are required for development. Additionally, there would be no long-term air quality effects associated with routine operation of the solar farm. Construction of a solar site could alternatively reduce air emissions, as this is a renewable energy project. If dust is generated during construction, it will be controlled by applying water.

Socio-Economic Impacts
Temporary jobs would be created for construction workers during construction activities, as well as site maintenance and groundskeeping activities. The operation of the Proposed Action could result in economic benefit to the residents of Indianola by implementing an additional, reliable energy source to the area and by locking in a competitive price for electricity over 25 years, which would result in lower electricity costs over the life of the power purchase agreement.

Noise
Noise impacts during construction of the proposed project would be short-term in duration and limited to daytime hours. Construction would involve driving steel piles into the ground. Equipment used

would include mechanical pile drivers. Based on distance from receptors, noise is expected to be audible by the workers and by the adjacent residents during pile driving; this impact would be short-term and would occur only during daytime hours. Electrical equipment associated with the solar site will be located approximately 300 feet from any receptors. As such, no significant effects from noise-generating activities or sources are expected as a result of the proposed solar farm operations. Based on distance and the presence of applicable vegetation buffers, construction noise would have no anticipated significant adverse impact to adjacent residences.

Traffic and Transportation
During construction of the Proposed Action, additional traffic is anticipated associated with construction worker commutes and equipment transportation. Equipment will be transported via public roadways due to the lack of railways and airports in the immediate vicinity of the project area. No street closures are anticipated, and the roads in the vicinity of the proposed project will remain accessible to property owners and city workers needing regular access to the water plant. If applicable, the contractor would obtain an OSOW Truck Permit from the IDOT and/or Warren County to comply with local and state transportation regulations. Post-construction, there would not be any notable increases in traffic from current conditions since the facility will not be staffed. No short- or long-term significant effects to transportation are anticipated.

Human Health and Safety
Associated electrical equipment for the proposed solar facility will be located within the security fence approximately 75 feet east of the point of interconnection. Since no new transmission lines are proposed, EMF is not considered a concern for this project. The greatest hazard for health and safety from high-voltage transmission lines and equipment is the risk of primary electrical shock from direct contact with equipment or conductors. Therefore, electrical lines and equipment are designed and built with safe electrical clearances, security fencing and controlled access.

E. PUBLIC AND AGENCY INVOLVEMENT

Letters requesting comments from tribes and agencies were distributed during the preparation of the draft EA. Comments received were incorporated into the draft EA and were used to assist with the development of mitigation measures to ensure no significant adverse impacts to important resources. The availability of the EA for public review was announced via notice in the Indianola Tribune on May 27 and June 3, 2025. A 14-day comment period was announced in the newspaper notices which ended on June 10, 2025. The EA was also available for public review at the USDA Rural Development office and website at https://www.rd.usda.gov/resources/environmental-studies/assessments. No comments were received.

F. FINDING OF NO SIGNIFICANT IMPACT

Based on its EA, RUS has concluded that the proposed project would have no significant impacts to water quality, wetlands, floodplains, land use, aesthetics, transportation, or human health and safety. The proposed project will have no effects on historic properties listed or eligible for listing on the National Register of Historic Places and no effects to federally listed species or designated critical habitat.

In accordance with the National Environmental Policy Act, as amended (42 U.S.C. 4321-4347) and RD's Environmental Policies and Procedures (7 CFR Part 1970), 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. Because RUS's action will not result in significant impacts to the quality of the human environment, RUS will not prepare an Environmental Impact Statement for its potential federal action associated with the proposed project.

G. RUS LOAN REVIEW AND RIGHT OF ADMINISTRATIVE REVIEW

This FONSI is not a decision on a loan application and therefore not an approval of the expenditure of federal funds. Issuance of the FONSI and its notices concludes RUS's environmental review process. The ultimate decision on loan approval depends upon conclusion of this environmental review process in addition to financial and engineering reviews. Issuance of the FONSI and publication of notices will allow for these reviews to proceed. The decision to provide financial assistance also is subject to the availability of loan funds for the designated purpose in RUS's budget. There are no provisions to appeal this decision (i.e., issuance of a FONSI). Legal challenges to the FONSI may be filed in Federal District Court under the Administrative Procedures Act.

H. APPROVAL

This Finding of No Significant Impact is effective upon signature.

CHRISTOPHER MCLEAN

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Christopher A. McLean
Assistant Administrator
Electric Programs
Rural Utilities Service

Contact Information

For additional information on this FONSI and EA, email: RUSPublicComments@usda.gov