P.O. Box 13231, 1700 N. Congress Ave.
Austin, TX 78711-3231, www.twdb.texas.gov
Phone (512) 463-7847, Fax (512) 475-2053

FINDING OF NO SIGNIFICANT IMPACT

TO ALL INTERESTED AGENCIES AND PUBLIC GROUPS:

As required by the rules of the Texas Water Development Board (TWDB), 31 Texas Administrative Code (TAC) § 371.41, an environmental review consistent with the National Environmental Policy Act (NEPA), 42 United States Code § 4321 *et seq.*, has been performed on the project below. This project is proposed to be funded through the Drinking Water State Revolving Fund (DWSRF) Program, which is administered by the TWDB.

City of Terrell, Kaufman County, Texas
TWDB DWSRF Project No. 62808
Drinking Water Improvements
CID 03 - Poetry Elevated Storage Tank
Total Financing Amount: $7,545,000
Loan No. LM19881
Loan No. LM21881
Loan No. LM22881

The City of Terrell (City) received $7,545,000 in financing from the DWSRF Program for the Drinking Water Improvements project to construct a new elevated storage tank (EST) and replace water lines throughout the system. An upcoming DWSRF funding application will provide additional funding for the CID 03 - Poetry Elevated Storage Tank Project (proposed project).

This Finding of No Significant Impact (FONSI) corresponds to the proposed project. Because the proposed components had independent utility, the City prioritized specific projects, and segments of the project were completed under separate environmental findings. Two previous environmental findings have been issued: 1) a Categorical Exclusion (CE) was issued on March 6, 2020, for the North Alley Sewer Pipeline Replacement Project, and 2) a FONSI was issued on October 20, 2020, for the U.S. Highway 80 and State Highway 205 Utility Relocations Project.

The CID 03 - Poetry Elevated Storage Tank Project includes the construction of a new EST to replace the existing Poetry Road EST, and the construction of a new 16-inch water line to connect the new EST to the existing system.

An environmental review of the project consistent with NEPA has been completed following the guidelines provided in 31 TAC § 371.41. This environmental review is documented by the enclosed Environmental Assessment, which contains mitigative environmental conditions that will be applied to the project to avoid significant adverse environmental

impacts on waters of the United States, wetlands, floodplains, cultural and historical resources, threatened and endangered species, and protected migratory bird species. Based on a detailed environmental review of the planning information, the Environmental Information Document, and other documentation, the project is environmentally sound with the following special and standard environmental conditions:

Special Environmental Conditions

- As per an agreement with the Texas Parks and Wildlife Department (TPWD), Ecological & Environmental Planning Program (TPWD Project No. 52875), to ensure compliance with Texas Parks and Wildlife Code, Chapters 12 and 67, and applicable federal regulations pertaining to protected species including the southern crawfish frog (*Lithobates areolatus areolatus*), eastern box turtle (*Terrapene Carolina*), Strecker's chorus frog (*Pseudacris streckeri*), and Woodhouse's toad (*Anaxyrus woodhousii*), the following measures will be implemented:
    - The length of trenches left open at any given time during construction will be minimized. Trenching and backfilling activities will be kept close together in time. Trenches and excavation areas will be covered overnight and/or inspected every morning or if left open longer than two daylight hours to ensure no wildlife species have been trapped. If trenches cannot be backfilled the day of initial trenching, then escape ramps will be installed every 300 feet, in the form of short lateral trenches or wooden planks sloping to the surface at an angle of less than 45 degrees, at a ratio one horizontal foot for every one foot of depth.
    - Contractors and construction crews will be provided with informational materials identifying potential protected species that may occur in the project area and instructing them on how to avoid impacts to wildlife that are encountered: If wildlife are encountered, the animals will be allowed to leave the area safely. Wildlife in danger from project activities that will not readily leave the site can be translocated to a nearby area with similar habitat. Any translocations of reptiles will occur within 100-200 yards from the initial encounter location. State-listed species will be handled only by persons with authorization obtained through the Texas Parks and Wildlife Department.
    - For soil stabilization and revegetation, no-till drilling, hydromulching (avoiding plastic ingredients), and/or hydroseeding will be used rather than erosion control blankets or mats, which pose an entanglement hazard to wildlife. If erosion control blankets or mats cannot be avoided, products that contain no netting or loosely woven natural fiber netting will be used, avoiding any type of plastic netting.
    - The project will be designed to utilize the minimum amount of nighttime light needed for safety and security. Lights will be focused downward with cutoff luminaries to avoid light emitting above the horizontal. Nighttime lighting will be designed to be illuminated only when needed, will only be as bright as needed, will be fully shielded, and will minimize blue light emissions.

Standard Environmental Conditions

- Consistent with the TWDB Supplemental Construction Contract Conditions (TWDB-0550), the City of Terrell (City) will abide by the standard emergency condition for the discovery of cultural resources.
- Consistent with the TWDB Supplemental Construction Contract Conditions (TWDB-0550), the City will abide by the standard emergency condition for the discovery of threatened and endangered species.

Therefore, it is recommended that a Finding of No Significant Impact be issued.

Documentation supporting this decision is on file in the office of the Regional Water Project Development, TWDB, and is available for public review upon request. Comments supporting or disagreeing with this preliminary environmental determination may be submitted to the Director, Regional Water Project Development, Texas Water Development Board, P.O. Box 13231, Austin, Texas 78711-3231 or via email at RWPD-Environmental@twdb.texas.gov. After evaluating the comments received, the Executive Administrator will make a final determination. However, no action regarding the provision of federal financial assistance for the project will be taken for at least thirty (30) calendar days after the release of this Finding of No Significant Impact.

Sincerely,

Clay Schultz Digitally signed by Clay Schultz
Date: 2025.07.11 15:02:26 -05'00'

T. Clay Schultz, Ph.D., Director
Regional Water Project Development

Enclosure

P.O. Box 13231, 1700 N. Congress Ave.
Austin, TX 78711-3231, www.twdb.texas.gov
Phone (512) 463-7847, Fax (512) 475-2053

City of Terrell, Kaufman County
Drinking Water State Revolving Fund Project No. 62808
Drinking Water Improvements
CID 03 - Poetry Elevated Storage Tank
Environmental Assessment

REVIEW PROCESS

As described below, Texas Water Development Board (TWDB) staff has performed a review consistent with the 31 Texas Administrative Code (TAC) 371.41 and the National Environmental Policy Act (NEPA), 42 U.S. Code § 4321 *et seq.* Consistent with 31 TAC § 371.45, the Environmental Information Document (EID)[1] for the CID 03 - Poetry Elevated Storage Tank, Drinking Water Improvements Project proposed by the City of Terrell (City) was reviewed by TWDB staff for the development of this Environmental Assessment (EA). This project is financed through the Drinking Water State Revolving Fund (DWSRF) Program, which is administered by the TWDB.

PROJECT FUNDING

The City applied to the TWDB for financing through the DWSRF Program for the planning, design, and construction of the Drinking Water Improvements Project, as well as to acquire land and easements. On October 30, 2018, the TWDB committed $7,545,000 for the project. The City closed the financing on multiple dates between 2019 and 2022. Some of the planning funds were used to assess the potential environmental impact of the project and prepare an EID. Preparation of the EID involved consultation with state and federal regulatory agencies and additional public participation. An upcoming DWSRF funding application will provide additional funding for the CID 03 - Poetry Elevated Storage Tank Project (proposed project).

PURPOSE AND NEED

The existing drinking water system consists of the 1.0-million-gallon (MG) Poetry Road Elevated Storage Tank (EST), 16-inch water lines that connect the EST to the transfer meter vault located just to the east of the EST, and the 8-inch Poetry Water Supply Line extending northeast from the connection at the transfer meter vault. The City sells water to

[1] City of Terrell (March 19, 2025). Environmental Information Document (EID) (TWDB Form 0801), Prepared by Freese and Nichols, Inc. Received by TWDB on February 25, 2025. The EID is complete with the supplementary materials submitted to the TWDB on March 19, 2025.

the Poetry Water Supply Corporation through this 8-inch water line. The City of Terrell recognized the growing demand for its water supply and the need to replace the existing 1.0 MG Poetry Road EST with a future larger EST. Additionally, maintaining the existing EST is not cost effective.

The City recognized the growing demand for its water supply and the need to replace the existing EST. The EST's service area has experienced increased demand due to growth in the area and the current EST needs to be replaced due to age and maintenance costs. The purpose of the project is to provide adequate capacity to meet current needs and projected service area water demands. The design population for the Terrell water user group was approximately 22,723 people in 2020 and is projected to be approximately 91,000 people in 2070, according to the 2021 Region C Water Plan.

PROJECT DESCRIPTION

The proposed project includes the construction of a new EST to replace the existing Poetry Road EST and the construction of a new 16-inch water line to connect the new EST to the existing system. The total estimated cost of the project is $13,577,000. The project is anticipated to be completed in 2028. The proposed new EST would be constructed on newly acquired property just north of the existing EST location. The proposed location includes agricultural fields and is adjacent to a residence. The current owner of the proposed EST site as well as the adjacent residence is a former City employee and proponent of the project.

The new components of the EST site would include a 2.5 MG EST (54-foot diameter pedestal and 109-foot diameter steel bowl), security fence and gate, parking spaces, a paved driveway, generator, LED lights, and security system. The new 16-inch water line would extend approximately 540 linear feet (LF) from the proposed tie-in point just upstream of the existing transfer meter vault to the proposed EST. The water line would be installed by open-cut methods within a proposed easement to be acquired on residential property located between the existing and new EST sites. The existing 1.0 MG EST would be demolished. No sewer lines or storm drains are proposed. Any treated water overflow from the EST would drain into the adjacent bar ditch along FM 986.

The project components included in this EA include:

- Construction of a new 2.5 MG EST on newly acquired property north of the existing EST
- Installation of a 540 linear-foot extension of a 16-inch water line within newly acquired property and easement to connect the proposed EST with a tie-in to an existing transfer meter vault
- Construction of a driveway and parking spaces
- Construction of a security fence with a 24-foot gate
- Installation of a generator, LED lighting system, and security system

- Demolition of the existing 1.0 MG EST

The TWDB may not fund testing, remediation, removal, disposal, or related works for contaminated or potentially contaminated materials. However, the project proponent should ensure that, if found, such materials are tested, removed, and disposed of in accordance with applicable state and federal laws.

EVALUATION OF ALTERNATIVES

In addition to the preferred action alternative, the City evaluated the No-Action Alternative and two additional alternatives, Alternative B and Alternative C. Each alternative was evaluated for its potential direct, secondary, and cumulative impacts on the existing environment.

Preferred Alternative

The Preferred Alternative is described above under the Project Description. The purpose of the Preferred Alternative is to provide adequate capacity to meet the City's current needs and projected water demands, which the No-Action Alternative would not provide.

Potential impacts resulting from the Preferred Alternative include the land use conversion from agriculture which may additionally remove potential wildlife habitat from use. The capacity expansion will allow the City to serve more residents, which may also involve a decrease in water availability and water quality upstream of the water source. Impacts to the floodplain, cultural resources, air quality, and direct surface water resources are not expected. While construction will occur atop a historically wet area, the project site is currently drained and farmed. The project is anticipated to provide a net social benefit.

Alternative A, the Preferred Alternative, was selected instead of Alternative B or C for the following reasons: Alternative A does not require a road crossing or tree clearing and thus avoids disturbance of traffic patterns, higher construction costs, and negative impacts to potential tricolored bat habitat and general wildlife habitat for other species. Alternative A has the lowest land acquisition cost and easiest land acquisition process, based on Kaufman CAD data and discussions with the City of Terrell. It has the lowest estimated construction cost. It is located closest to the existing EST and farthest away from schools and churches and would result in fewer disruptions to the public in terms of views and traffic patterns.

No-Action Alternative

The existing Poetry Road EST would not be replaced under the No-Action Alternative and the project site would remain in agricultural use. Future demands would potentially surpass the existing system's capacity. Due to aging infrastructure, occurrences of mechanical failures would potentially increase and therefore the reliability of the system would potentially decrease.

The No-Action Alternative would have less impact on land use change, prime farmland, water availability and water quality, and potential habitat than the Preferred Alternative. Impacts on cultural resources, air quality, and the floodplain do not differ between the No-Action and Preferred Alternatives.

The No-Action Alternative has been rejected because it would not meet the purpose of the proposed project, which is to is to provide adequate capacity to meet projected water demands. Under the No-Action Alternative, the existing infrastructure would continue to deteriorate with age and increased demands on the system would not be met, creating water shortages in an area experiencing growth.

Alternative Not Selected (Alternative B)

Alternative B would include 2.6 acres total, with the proposed EST site located in the northeast quadrant of the intersection of Poetry Road (FM 986) and Town North Drive, just south of the existing EST and immediately north of Terrell High School. It would require 315 LF of new water line piping to connect to the system and a road crossing with either a traffic control plan or a trenchless crossing.

The main difference in terms of environmental impacts between Alternative B and the Preferred Alternative A is the presence of wooded areas within Alternative B's project site. The wooded areas may be potential habitat for the tricolored bat, a species federally listed as proposed endangered, and clearing of trees could result in permanent negative impacts to habitat availability for the species. The vacant lot and upland wooded areas could also provide habitat for a variety of state listed species (e.g., eastern red bat, hoary bat, eastern spotted skunk, long-tailed weasel, eastern and western box turtle, slender glass lizard, Woodhouse's toad). Additionally, Alternative B would have a higher land cost with higher difficulty of acquisition than the Preferred Alternative. Alternative B is located directly adjacent to Terrell High School, whereas the preferred alternative would avoid these community impacts. Neither Alternative B nor the Preferred Alternative would impact waters of the U.S. or floodplains, and there are no apparent hazardous materials, air quality, or socioeconomic issues. Both Alternative B and the Preferred Alternative are located in areas of farmland of statewide importance and would result in a land use conversion. However, the Preferred Alternative would not require removal of trees. Furthermore, Terrell High School is a potentially historic-aged structure, first appearing on 1975 aerial imagery. Building an EST immediately adjacent to the structure could be considered an alteration of the character of the surrounding area.

In the past, Alternative B was used as a residential property. The home appears to have been removed between 2005 and 2008, based on a review of historic aerial imagery. Terrell High School is located immediately adjacent to Alternative B; construction of it was a change in land use. Constructing an EST adjacent to a school would result in secondary impacts to the community through disruption of traffic flow, views, and overall character of the area. In comparison, the Preferred Alternative would place the new EST directly

adjacent to the old EST site. Conversion of forest and farmland represents a cumulative impact alongside other growth and development in the area.

Alternative B was not selected due to environmental, financial, and engineering considerations. Environmental considerations for Alternative B included the presence of potential tricolored bat habitat that would be negatively impacted, negative impacts to general wildlife habitat, and location. Alternative B is located immediately adjacent to Terrell High School, which would result in community impacts. Lighting for the EST site is proposed and the presence of new permanent lights at night could affect nearby residences. Alternative B is farther away from the existing Poetry Road EST, which increases construction costs via the requirement of a road crossing to connect to the system with a new water line. The road crossing would require either a trenchless crossing, which would increase construction costs, or a traffic control plan, which would increase disruptions to the public. Financial considerations are split into land acquisition costs and effort and construction costs. Alternative B has the highest estimated land acquisition cost and the highest difficulty of land acquisition of the three alternatives. Alternative B has a higher construction cost than the preferred alternative. Engineering considerations include the requirement of a road crossing at FM 986 and total required LF of water line piping to connect to the existing system. While Alternative B does have a shorter 315 LF of water line compared to the preferred alternative 540 LF, the water line must cross under FM 986. This road crossing results in additional engineering design and construction costs as well as potential effects to the project schedule.

Alternative Not Selected (Alternative C)

Alternative C would include 2.7 acres total, with the proposed EST site located at the northwest quadrant of the intersection of Poetry Road (FM 986) and Forest Creek Lane, 0.5 mile south of the existing EST and just north of Dr. Bruce Wood Elementary School and immediately adjacent to First Missionary Baptist Church. Alternative C would require 205 LF of waterline piping to connect to the system and a road crossing with a traffic control plan or a trenchless crossing.

Both Alternative C and the preferred alternative are located in areas of farmland of statewide importance and would result in a conversion of land use. Neither Alternative C nor the Preferred Alternative would impact waters of the U.S. or floodplains, and there are no apparent hazardous materials, air quality, or socioeconomic issues. Vegetation observed during the site visit conducted on December 4, 2023, was similar between Alternative C and the Preferred Alternative. Alternative C involves a slightly higher land cost with higher difficulty of acquisition than the Preferred Alternative. Alternative C would result in negative community impacts due to proximity of the First Missionary Baptist Church, the Dr. Bruce Wood Elementary School, and a neighborhood. The character of the area and views would be permanently altered, and the construction could result in temporary traffic disruptions. Furthermore, the First Missionary Baptist Church is a potentially historic-aged structure, first

appearing on 1975 aerial imagery. Building an EST immediately adjacent to the structure could be considered an alteration of the character of the surrounding area.

Construction of Alternative C would result in secondary community impacts to the adjacent potentially historic-aged church and the nearby elementary school. No other past, present, or future projects that would impact the same resources as Alternative C are known at this time.

Alternative C was not selected due to environmental, financial, and engineering considerations. Environmental considerations primarily centered on cultural resource and community impacts due to the location of Alternative C. Alternative C is farther away from the existing Poetry Road EST than the other alternatives. Alternative C is located immediately adjacent to First Missionary Baptist Church, just north of Dr. Bruce Wood Elementary School, and west of a residential neighborhood. The church is of potential historic age. The presence of an EST in what is now an agricultural field would alter the views and character of the surrounding area. Lighting for the EST site is proposed and the presence of new permanent lights at night could affect the church and nearby residences. Additionally, construction has the potential to disrupt traffic patterns depending on the method of road crossing used to install the water line. The road crossing would require either a trenchless crossing, which would increase construction costs, or a traffic control plan, which would increase disruptions to the public.

Financial considerations are split into land acquisition costs and construction costs. Alternative C has the middle land acquisition cost and the middle difficulty of acquisition. Alternative C has the highest construction cost. Engineering considerations include the requirement of a road crossing of FM 986 and total required LF of water line piping to connect to the existing system. While Alternative C does have the shortest required length of water line (205 LF, compared to the preferred alternative 540 LF), the water line must cross under FM 986. This road crossing results in additional engineering design and construction costs as well as potential effects to the project schedule.

ENVIRONMENTAL REVIEW

Consistent with the requirements of the federally funded DWSRF Program, the City defined the social and environmental contexts of the project and assessed its potential impact. This information was presented in the EID and was made available to the community, regulatory agencies, and other interested parties.

Adverse effects on social and natural resources fall under the authority of various agencies. These regulatory agencies and participating area residents had the opportunity to address potential issues concerning construction practices, possible adverse effects within the project area, and the environmental conditions to be implemented during construction. The staff of the TWDB reviewed the EID, comments, and other data and prepared the present EA.

ENVIRONMENTAL SETTING

Existing Conditions

The project is located in the city of Terrell in the northern portion of Kaufman County, 30 miles east of Dallas, Texas. The proposed new EST and 16-inch water line would be constructed on newly acquired property adjacent to the existing EST location along FM 986, just north of the city limits. The total project site includes approximately 3.1 acres of land.

Current and past land use associated with the project site has been for agricultural purposes. Construction of the EST would convert approximately 2.5 acres of farmland to developed property. The water line extension would include 540 LF of 16-inch pipe within newly acquired property and easement. The new line would tie-in at an existing transfer meter vault. The EST site has been used for agricultural purposes dating back to the earliest available aerial imagery and topographic maps. Adjacent land uses include agriculture, residences/homesteads, and public utilities (existing Poetry Road EST and cell tower).

The project site would be permanently impacted by installation of the paved areas of the EST and driveway/parking spaces. The rest of the site would be temporarily impacted by construction activities, including open-cut methods of water line installation. The demolition of the existing EST would constitute a beneficial, permanent impact on approximately 0.6 acres of land. The project would be constructed near the existing EST site; therefore, a new EST would not alter the character of the immediate vicinity. Coordination with the owner of the nearby cell tower was conducted and the new EST would not pose a wide obstruction to the transmitted signal.

Geology and Soils

The project is located within the Gulf Coast Plains Physiographic Province of Texas, Blackland Prairie sub-province. According to Wermund, “on the Blackland Prairies of the innermost Gulf Coastal Plains, chalks and marls weather to deep, black, fertile clay soils. The blacklands have a gentle undulating surface, cleared of most natural vegetation and cultivated for crops” (1996).[2] Geologically, the project is underlain by Late Cretaceous Nacatoch Sand of the Gulfian Series. Nacatoch Sand (approximately 250 feet thick) is a quartz sand characterized as fine grained, poorly sorted, friable, silty, and glauconitic with local lenses of silty clay. It is compact and light gray to greenish gray in color, containing thin calcareous sandstone beds in the upper and lower parts and marine mega fossils.

There are no faults or other pertinent geologic features mapped in the project area. The project is not located in a karst or pseudo-karst zone. The project area is typical of the region and includes gently rolling plains. No direct impacts to geology are anticipated.

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[2] Wermund, E.G. (1996). “Physiography of Texas.” Bureau of Economic Geology, the University of Texas at Austin.

The proposed project site contains Crockett fine sandy loam, 1 to 3 percent slopes, and Lufkin-Rader complex. The site encompasses approximately 2.5 acres of farmland of statewide importance that would be converted directly as a result of the EST construction and water line extension. The rest of the project site, approximately 0.6 acres, was previously converted when the existing EST was built.

Soil will not be contaminated as a result of the project. The majority of soils would remain onsite. If excess soils are produced, then they would be removed offsite in accordance with local, state, and federal regulations, with a location selected by the contractor.

Water Resources

The project is located in the Trinity River Basin. The source of the City's water supply is from surface water, Lake Tawakoni (primary) and Lake Lavon (secondary). The Nacatoch minor aquifer is located below the project site. There are no Environmental Protection Agency (EPA)-designated sole source aquifers in the project area.

This project would increase the capacity of the District's water systems, allowing more water to be drawn from the local water supply. The proposed project will avoid direct impacts to groundwater. The project site will become partially paved, which could result in a permanent increase in surface runoff. Any overflow from the EST would drain into the adjacent existing bar ditch along FM 986 which discharges into an unnamed tributary of King's Creek. This overflow would be treated water and would be a permanent increase in surface runoff.

Topography and Floodplains

Elevation across the project area ranges from approximately 542 to 552 feet above mean sea level. The topography of the project area is flat to gently rolling agricultural land. Surface runoff and overflow from the EST will flow to the southwest toward Kings Creek.

The project is not located within a floodplain or other Special Flood Hazard Area (SFHA). The City and Kaufman County participate in the National Flood Insurance Program (NFIP). No permanent impact on the floodplain or floodway will occur because of the project.

Wetlands, Streams, and Waters of the United States
The project area is located within the watershed of the Kings Creek Headwaters. There are no streams or wetlands at the project site; therefore, the project will not adversely impact waters of the United States, including wetlands.

Based on aerial imagery, the proposed project site contains what appears to be an historical drainage pathway directing flow across the property, through a culvert to a stream, as delineated in the National Wetland Inventory (NWI) dataset, directly across FM 986. Drainage of the land for agricultural purposes appears to have occurred at least 30 years

ago. As such, an aquatic delineation report[3] determined that hydrologic indicators were not observed, and no wetlands occur on the project site.

The project will not involve significant impacts to water quality. Temporary impacts associated with project construction are possible. As part of project construction, a stormwater pollution prevention plan (SWPPP) will be developed alongside a TCEQ construction stormwater permit to identify best management practices for the prevention of erosion into local waterways. Treated water discharged as overflow at the EST will drain into a ditch alongside FM 986 which discharges to an unnamed tributary of King's Creek.

Biological Elements

The project area is located within the EPA Level III Texas Blackland Prairie Ecological Region. A biological survey[3] was conducted on January 29, 2025. Pedestrian surveys by environmental scientists familiar with the ecology of the area were completed. No potential habitat for federally listed threatened or endangered species was identified. The project site has been previously disturbed by agricultural activities.

Vegetation within the project site primarily consisted of Bermuda grass (*Cynodon dactylon*). Other species observed included nutsedge (*Cyperus* spp.), annual ragweed (*Ambrosia artemisiifolia*), curly dock (*Rumex crispus*), broomsedge bluestem (*Andropogon virginicus*), Johnson grass (*Sorghum halepense*), giant ragweed (*Ambrosia trifida*), sugarberry (*Celtis laevigata*), vetch (*Vicia* spp.), and henbit deadnettle (*Lamium amplexicaule*). Wildlife observed during the site visits included meadowlarks (*Sturnella* spp.), bluebirds (*Sialia sialis*), black vultures (*Coragyps atratus*), and crows (*Corvus brachyrhynchos*). No known occurrences of or potential habitat for federally listed candidate, threatened, or endangered species were present within or adjacent to the project area during the field survey.

Databases of sensitive species maintained by the United States Fish and Wildlife Service (USFWS) and Texas Parks and Wildlife Department (TPWD) were reviewed to verify any state and/or federally listed threatened or endangered species that occur, or have historically occurred, in Kaufman County. There was no designated critical habitat within the project area.

According to the U.S. Fish and Wildlife Service's (USFWS's) Information for Planning and Consultation (IPaC) resource list received on January 6, 2025, the following five species are federally listed as threatened or endangered, or proposed threatened and endangered, under the Endangered Species Act (ESA) and may occur in the project site located within Kaufman County, Texas: piping plover (*Charadrius melodus*), red knot (*Calidris canutus rufa*), whooping crane (*Grus americana*), alligator snapping turtle (*Macrochelys temminckii*), and monarch butterfly (*Danaus plexippus*). Habitat for these species does not appear to occur in the project area. Nectaring plants (vetch, henbit deadnettle) for the monarch

[3] Freese and Nichols (January 29, 2025). Biological Field Survey and Permitting Evaluation, prepared on behalf of the City of Terrell.

butterfly were observed during two site visits; however, no milkweed, which are the primary host plant for the monarch, was observed. However, the project area is unlikely to be suitable habitat for the monarch due to hay baling and mowing and the likelihood that the site is managed with pesticides and herbicides.

Permanent adverse impacts would include paving for the new EST and parking/driveway area. Temporary adverse impacts would include installation of the water line extension, which would impact vegetation along FM 986.

While the proposed project is not anticipated to affect state or federally listed threatened or endangered species, multiple Species of Greatest Conservation Need (SGCN) may find habitat in agricultural fields including the southern crawfish frog (*Lithobates areolatus areolatus*), eastern box turtle (*Terrapene carolina*), Strecker's chorus frog (*Pseudacris streckeri*), and Woodhouse's toad (*Anaxyrus woodhousii*). Special environmental conditions are incorporated into this finding to mitigate any potential impacts to SGCN species in project design and construction.

No state or national parks, forests, wildlife refuges, wild or scenic rivers, or natural areas or similar preserves are located within the project area.

Cultural Resources

The Texas Historical Commission's (THC) Archeological Sites Atlas was reviewed to identify historic properties, archeological sites, and cultural resources near the project area. There are no previously recorded significant or potentially significant sites within or adjacent to the project footprint, nor is the project within the protected area surrounding a historic cemetery, structure, or district.

A cultural resources survey was not conducted due to the disturbed nature of the project area and the results of the desktop review. The Texas Historical Commission (THC) concurred that a field survey was not needed and no historic properties were present or affected by the proposed project.

Hazardous Materials

There are no Superfund Sites from the EPA National Priorities List located on the proposed subject property or in areas associated with the proposed project. A Hazardous Materials Environmental Records Review, including a site visit, consistent with the standard regulations and guidance for Phase I Environmental Site Assessments was conducted on March 19, 2024. The TWDB does not fund the testing, remediation, removal, disposal, or related work for contaminated or potentially contaminated materials.

A desktop review of federal and state environmental databases was conducted to identify potential concerns within the project site and surrounding properties. Federal and state regulatory agency records were reviewed for information regarding facilities that historically

or currently use or dispose of hazardous substances or petroleum products or incidents involving those materials. No evidence of environmental hazards was observed during the site visits.

A search of federal, state, and tribal environmental and regulatory records sources was performed by Banks Environmental Data for sites within the American Society for Testing and Materials (ASTM)-required search distances from the project boundaries. The federal environmental and regulatory records did not identify properties or records located within the project review area and disclosed one unmapped site within applicable search distances of the proposed project site was identified as a State/Tribal Hazardous Waste facility, the Four Post Community Water System. After further investigation, no recognized environmental condition (REC) was identified, and the site was determined to be of low environmental concern. One irrigation well was identified directly east of the project review area, at an elevation of 542 feet.

Due to the age of the existing EST and its commercial application, there may be lead-based paints present. The Hazardous Materials Environmental Records Review report recommended testing prior to demolition of the EST. If a lead-based paints survey is not conducted prior to demolition, the report indicates that the contractor will be responsible for demolition in accordance with OSHA standards. TWDB funds cannot be used for disposal or handling of potential hazardous materials, including lead-based paint.

Socioeconomics

A socioeconomic analysis was performed on March 14, 2024, within a 0.5-mile radius of the project area using data from the United States Census and the EPA's EJScreen tool, as reported in the EID. Data include the population, percentage of minority residents, percent low income, and per capita income for the project area, for comparison with data for the county and state.

Area	Population	Percent Minority	Percent Below Poverty Level	Per Capita Income
State of Texas	30,029,572	60.2	14	$34,255
Kaufman County	172,366	49.8	8.9	$31,376
City of Terrell	20,050	59.3	13.4	$24,586
Project Area (0.5-mile buffer)	461	58	42	$27,817

The socioeconomic analysis indicates that the area within 0.5 mile of the project has a minority population greater than that of Kaufman County and a percent of the population below the poverty level greater than the city, county, and state. However, the latter disparity may be located in the difference in measurement criteria between census data and EJScreen. The per capita income, which is the average income per person in a population, of the project area is less than that of Kaufman County and the state of Texas but greater than the city of Terrell.

The project will require an increase in monthly service rates of approximately one percent and will not require an increase in taxes to finance the debt. People or businesses will not be relocated as a result of the project and eminent domain will not be required. The population of this project area will be the recipients of benefits derived from the proposed improvements. The current owner of the proposed EST site as well as the adjacent residence is a former City employee and proponent of the project. Therefore, the project will not disproportionately, adversely impact minority or low-income populations.

Secondary and Cumulative Impacts

The project area is located within the DFW Counties area and is listed as “moderate non-attainment” for ozone (O_3). The potential impact on ambient air quality related to suspension of dust and exhaust from construction equipment is expected to occur temporarily during construction. These potential impacts are expected to be minor and temporary. An SWPPP will be implemented including erosion, sedimentation, and dust control BMPs.

The existing EST is located immediately adjacent to two residences. The proposed EST would be constructed on a site immediately adjacent to the existing EST site. The permanent view from the two residences would change slightly with the change in location of the EST, but the project will result in similar impacts to existing conditions. Construction noise will occur during construction. Construction will primarily be scheduled for daytime hours. Traffic will not be disrupted due to project construction, nor will it permanently affect traffic in the area.

Past projects include the construction of the existing EST, 16-inch water line, transfer meter vault, and Poetry Water Supply Line through portions of the project site. Upon completion of the proposed project, the reliability of the system would be improved, thereby reducing the potential for major disruptions to the City’s water supply system that would affect current and future residential and commercial properties in the area. However, growth in North Texas increases water demand, affecting the water supply, potentially depleting the resource over time.

The project is not anticipated to significantly affect the projected rate, density, or type of development in the vicinity of the project area. The land use in surrounding areas will generally remain in agricultural and residential uses following the construction of the project.

AGENCY COORDINATION AND COMPLIANCE

To ensure due consideration of the project’s potential impact, the City prepared an EID describing the results of that investigation, held an open meeting to familiarize the community with the project and solicit public comment, and coordinated with all required regulatory agencies and other interested parties to define and avoid, minimize, or mitigate adverse effects. The City has provided assurance that environmental conditions will be implemented in a manner consistent with the requirements of state and federal regulatory agencies and rules of the TWDB.

"Cross-Cutter" Compliance

The project has been reviewed for potential impacts to the quality of the environment following the procedures provided in 31 Texas Administrative Code § 371.41, to ensure compliance with DWSRF program requirements and federal and state regulations, including the federal cross-cutting environmental authorities from the EPA listed below.

(1) National Environmental Policy Act of 1969, Public Law (PL) 91-190
(2) Archeological and Historic Preservation Act of 1974, PL 93-291
(3) Clean Air Act, 42 USC 7506(c)
(4) Coastal Barrier Resources Act, 16 USC 3501 *et seq*.
(5) Coastal Zone Management Act of 1972, PL 92-583, as amended
(6) Endangered Species Act, 16 USC 1531, *et seq.*
(7) Executive Order 11593, Protection and Enhancement of the Cultural Environment
(8) Executive Order 11988, Floodplain Management
(9) Executive Order 11990, Protection of Wetlands
(10) Farmland Protection Policy Act, 7 USC 4201, *et seq.*
(11) Fish and Wildlife Coordination Act, PL 85-624, as amended
(12) National Historic Preservation Act of 1966, PL 89-665, as amended
(13) Safe Drinking Water Act, § 1424(e), PL 92-523, as amended
(14) Wild and Scenic Rivers Act, PL 90-542, as amended
(15) The Wilderness Act, 16 USC 1131, *et seq*.
(16) Environmental Justice, Executive Order 12898
(17) Flood Insurance Reform Act of 2004, PL 108-264
(18) National Flood Insurance Reform Act of 1994, PL 103-325
(19) Flood Disaster Protection Act of 1973, as amended, PL 93-234
(20) Clean Water Act, PL 92-500, as amended

Agency Coordination

This environmental review included coordination with various state and federal regulatory agencies, local authorities, and other stakeholders and interested parties regarding the project's potential impact. The City submitted notifications to and requests for input from all required parties. Some entities did not require a response. The respondents are listed below, and the results of coordination are summarized in the EID and reflected in the environmental conditions.

- THC, State Historic Preservation Officer, Austin in accordance with Section 106 of the National Historic Preservation Act; Antiquities Code of Texas; and other applicable regulations (Tracking No. 202409870)
- United States Army Corps of Engineers (USACE), Regulatory Branch, Fort Worth District, in accordance with Section 404 of the Clean Water Act; and Section 10 of the Rivers and Harbors Act of 1899 (Project Number SWF-2024-00463)
- TPWD, Wildlife Division, Ecological & Environmental Planning Program, Austin, in accordance with the Endangered Species Act of 1973, as amended; Migratory Bird

Treaty Act; Texas Parks and Wildlife Code; and other applicable regulations (Project No. 52875)
- United States Fish and Wildlife Service (USFWS), Arlington Ecological Services Field Office, in accordance with the Endangered Species Act and statutes affecting other federally protected species (Project Code 2024-0017471)
- United States Department of Agriculture, Natural Resources Conservation Service (USDA-NRCS) pursuant to the Farmland Protection Policy Act
- Texas Commission on Environmental Quality (TCEQ) in accordance with 40 CFR Part 93 and National Ambient Air Quality Standards (TCEQ NEPA Request No. 2025-217)

No response was required from the following entities:

- Bureau of Reclamation, Oklahoma-Texas Area Office
- Bureau of Land Management
- Mayor of the City of Terrell
- Terrell Economic Development Corporation
- North Central Texas Council of Governments

Texas Historical Commission

The THC staff concurred with the City in correspondence dated May 23, 2024, that no direct impacts to cultural resources/historic properties are anticipated as a result of the project (THC Tracking No. 202409870).

United States Army Corps of Engineers

The USACE, Fort Worth District Office, Regulatory Branch staff was given the opportunity to review the project (USACE Project Number SWF-2024-00463). A No Permit Required letter was issued by the USACE on September 24, 2024. The decision was based on an Approved Jurisdictional Determination that there are no waters of the United States on the project site. A jurisdictional determination identifies what waterbodies in the project area qualify as waters of the United States (WOTUS) according to Section 404 of the Clean Water Act and Section 10 of the Rivers and Harbors Act.

Texas Parks and Wildlife Department

The TPWD Wildlife Division, Ecological & Environmental Planning Program staff reviewed the project in accordance with the Texas Parks and Wildlife Code, and provided a response dated October 7, 2024 (Project No. 52875). The TPWD staff made recommendations and in correspondence dated October 24, 2024, Freese and Nichols, Inc., on behalf of the City responded regarding their commitment to the recommendations. Recommendations related to SGCN species are reflected in the environmental conditions of this environmental finding.

United States Fish and Wildlife Service

The USFWS Arlington Ecological Services Field Office, in accordance with the Endangered Species Act and statutes affecting other federally protected species, was given the opportunity to review the project through the Information for Planning and Consultation (IPaC) system (Project Code 2024-0017471). The USFWS technical assistance letter dated January 21, 2025, issued a *No effect* determination for the listed species in the project area and a formal Section 7 consultation was not required.

Texas Commission on Environmental Quality

In a response dated June 25, 2025, the TCEQ stated that a review of the proposed project for general conformity impact, in accordance with 40 CFR Part 93 and Title 30, TAC § 101.30, indicates that Kaufman County is designated nonattainment for the 2008 eight-hour ozone National Ambient Air Quality Standard (NAAQS) with a classification of severe, and is designated nonattainment for the 2015 eight-hour ozone NAAQS with a classification of serious; therefore, federal Clean Air Act, §176(c) general conformity requirements apply (TCEQ NEPA Request No. 2025-217). Per federal general conformity regulations at 40 CFR §93.153, a conformity demonstration may be required when the total projected direct and indirect volatile organic compounds (VOC) and nitrogen oxides (NOX) emissions—precursor pollutants that lead to the formation of ozone—from an applicable federal action are equal to or exceed the *de minimis* emissions level of 50 tons per year (tpy) for ozone NAAQS serious nonattainment areas and 25 tpy for severe nonattainment areas.

In the same letter, the TCEQ Office of Water noted that significant long-term impacts are not anticipated to result from the project as long as construction and waste disposal activities are completed in accordance with applicable local, state, and federal permits, statutes, and regulations.

United States Department of Agriculture – Natural Resource Conservation Service

As required by the Farmland Protection Policy Act (FPPA), the United States Department of Agriculture - Natural Resources Conservation Service (USDA-NRCS) reviewed the proposed project. In a response dated March 19, 2025, the USDA-NRCS provided a Farmland Conversion Impact Rating (form AD-1006).

Although the proposed project site contains Prime Farmland, the combined rating for the project is 132. The FPPA states that sites with a rating less than 160 will need no further consideration for protection and no additional evaluation is necessary. Erosion control best management practices were encouraged in coordination.

PUBLIC PARTICIPATION

The project is consistent with local, regional, and statewide planning. Coordination with the appropriate governmental agencies has been made and no adverse comments have been received.
Public participation conducted during facilities planning included a public meeting held on December 5, 2024, which was advertised in *The Terrell Tribune*, a newspaper of general circulation in the service area. The notice was published on November 2, 2024, and contained information regarding availability of planning documents, including the EID, for public review at Terrell City Hall at 201 East Nash Street, Terrell, Texas, 75160, during normal business hours (8 a.m. to 5 p.m.).

The public meeting was held at 6:30 p.m. on December 5, 2024, at Terrell City Hall Council Chambers. A total of four people attended the meeting, none of whom were members of the public and not part of the project team. No other concerns or adverse comments were voiced at the public meeting or received during the 30-day public review period.

ENVIRONMENTAL CONDITIONS

An environmental review of the project consistent with NEPA has been completed following the guidelines provided in 31 TAC § 371.45. Mitigation measures were defined through the agency coordination process and public participation and are listed below as applicable environmental conditions. These conditions will pertain to the project throughout construction and beyond as warranted. Based on information provided by the City, the proposed project is considered environmentally sound with the following special and standard environmental conditions:

<u>Special Environmental Conditions</u>

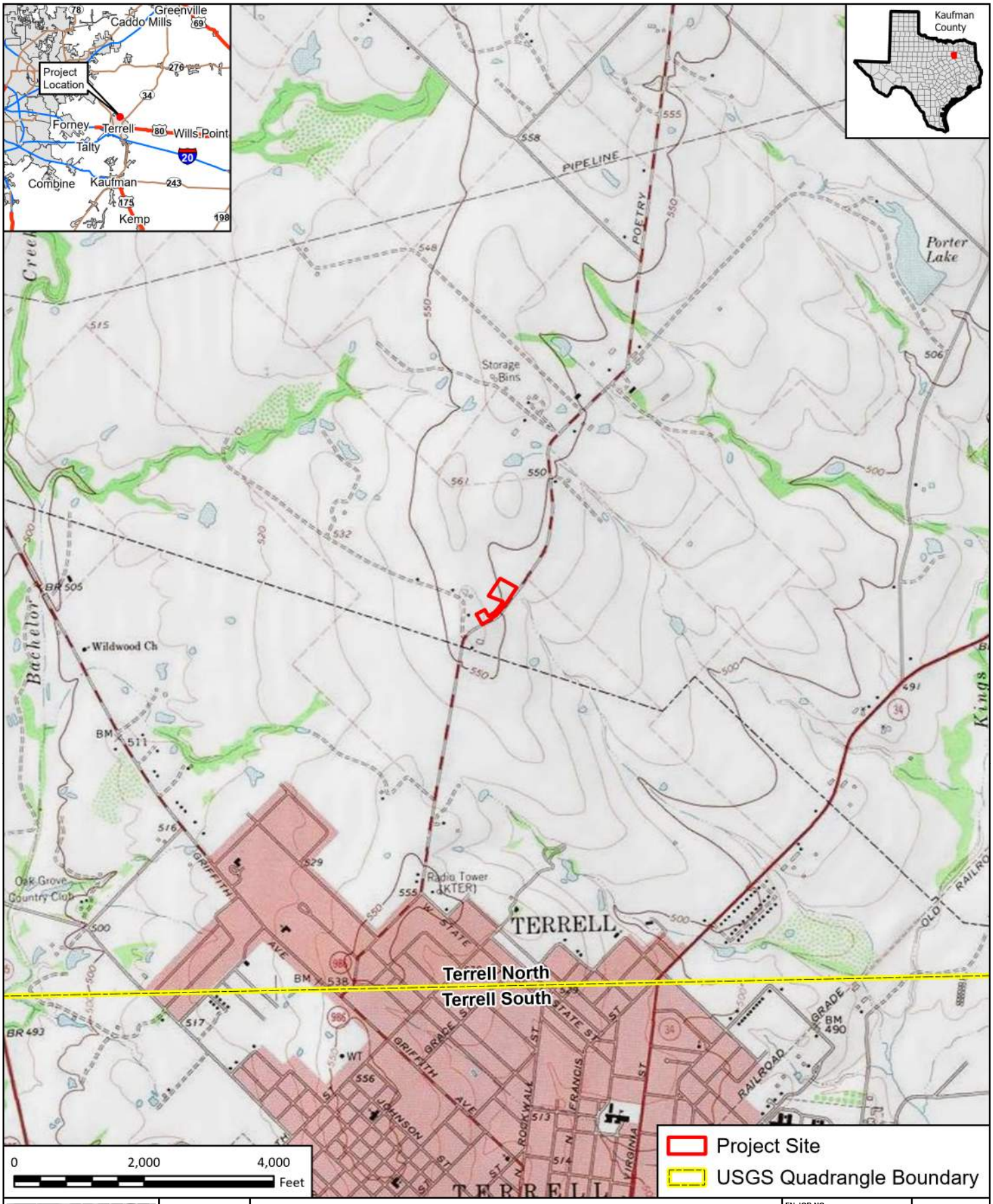
- As per an agreement with the Texas Parks and Wildlife Department (TPWD), Ecological & Environmental Planning Program (TPWD Project No. 52875), to ensure compliance with Texas Parks and Wildlife Code, Chapters 12 and 67, and applicable federal regulations pertaining to protected species including the southern crawfish frog (*Lithobates areolatus areolatus*), eastern box turtle (*Terrapene Carolina*), Strecker's chorus frog (*Pseudacris streckeri*), and Woodhouse's toad (*Anaxyrus woodhousii*), the following measures will be implemented:
    - The length of trenches left open at any given time during construction will be minimized. Trenching and backfilling activities will be kept close together in time. Trenches and excavation areas will be covered overnight and/or inspected every morning or if left open longer than two daylight hours to ensure no wildlife species have been trapped. If trenches cannot be backfilled the day of initial trenching, then escape ramps will be installed every 300 feet, in the form of short lateral trenches or wooden planks sloping to the surface at an angle of less than 45 degrees, at a ratio one horizontal foot for every one foot of depth.

- Contractors and construction crews will be provided with informational materials identifying potential protected species that may occur in the project area and instructing them on how to avoid impacts to wildlife that are encountered: If wildlife are encountered, the animals will be allowed to leave the area safely. Wildlife in danger from project activities that will not readily leave the site can be translocated to a nearby area with similar habitat. Any translocations of reptiles will occur within 100-200 yards from the initial encounter location. State-listed species will be handled only by persons with authorization obtained through the Texas Parks and Wildlife Department.
- For soil stabilization and revegetation, no-till drilling, hydromulching (avoiding plastic ingredients), and/or hydroseeding will be used rather than erosion control blankets or mats, which pose an entanglement hazard to wildlife. If erosion control blankets or mats cannot be avoided, products that contain no netting or loosely woven natural fiber netting will be used, avoiding any type of plastic netting.
- The project will be designed to utilize the minimum amount of nighttime light needed for safety and security. Lights will be focused downward with cutoff luminaries to avoid light emitting above the horizontal. Nighttime lighting will be designed to be illuminated only when needed, will only be as bright as needed, will be fully shielded, and will minimize blue light emissions.

<u>Standard Environmental Conditions</u>

- Consistent with the TWDB Supplemental Construction Contract Conditions (TWDB-0550), the City of Terrell (City) will abide by the standard emergency condition for the discovery of cultural resources.
- Consistent with the TWDB Supplemental Construction Contract Conditions (TWDB-0550), the City will abide by the standard emergency condition for the discovery of threatened and endangered species.

Therefore, it is recommended that a Finding of No Significant Impact be issued.



FREESE AND NICHOLS, INC
12770 Merit Drive,
Suite 900,
Dallas, TX 75251
(214) 217-2200

City of Terrell

Poetry Road Elevated Storage Tank

USGS Topographic Map

Quad Name: Terrell North

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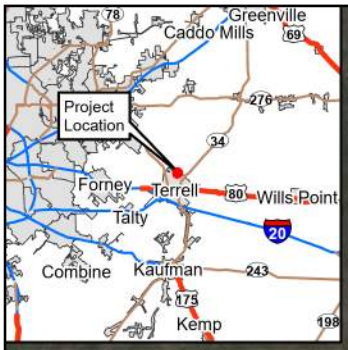

FM 986

FM 986

0 100 200 Feet

NHD Flowline

Project Site

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Dallas, TX 75251
(214) 217-2200

N W E S

City of Terrell

Poetry Road Elevated Storage Tank

Project Footprint Map - Aerial

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FIGURE

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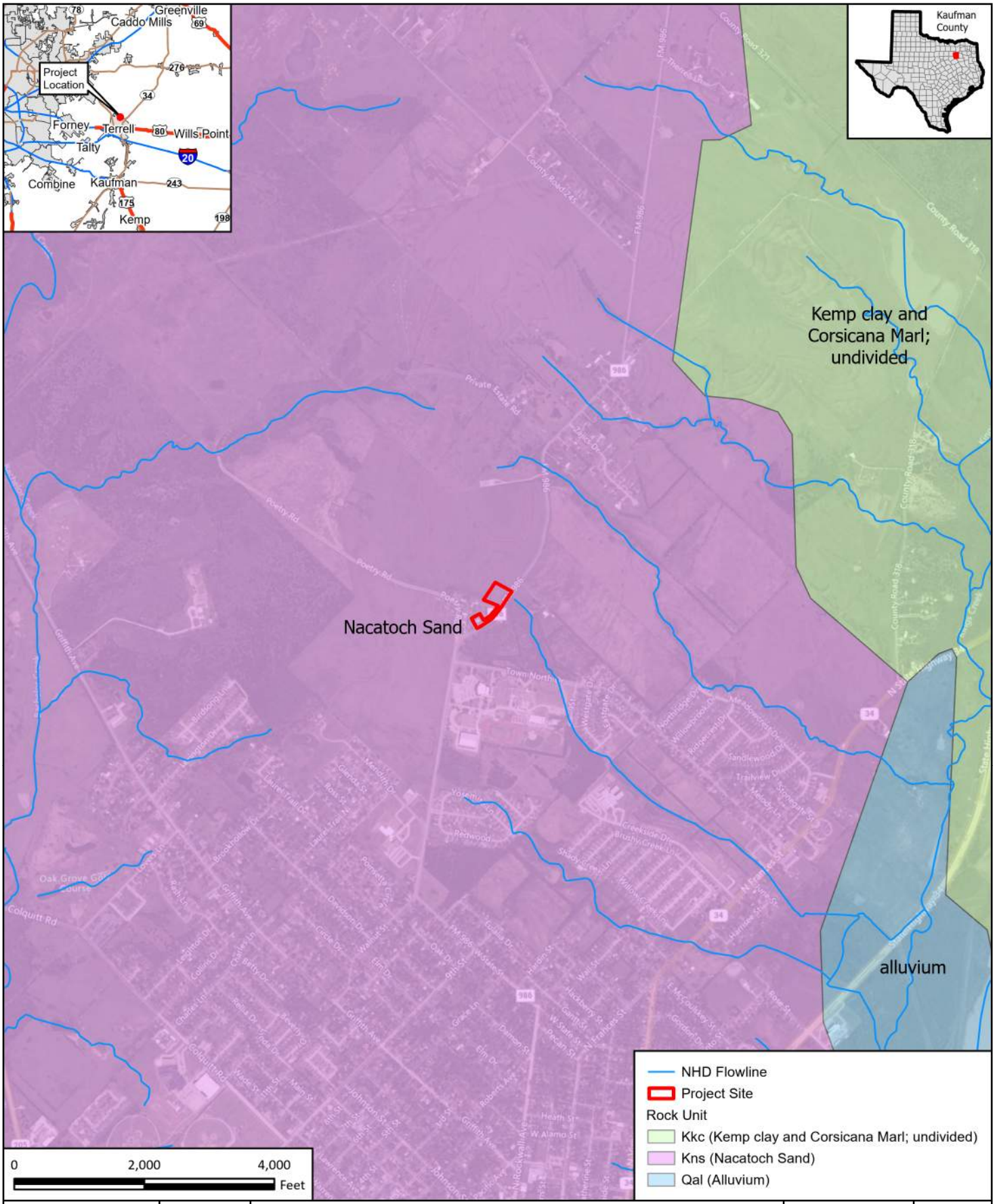

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City of Terrell

Poetry Road Elevated Storage Tank

Geologic Map

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FIGURE

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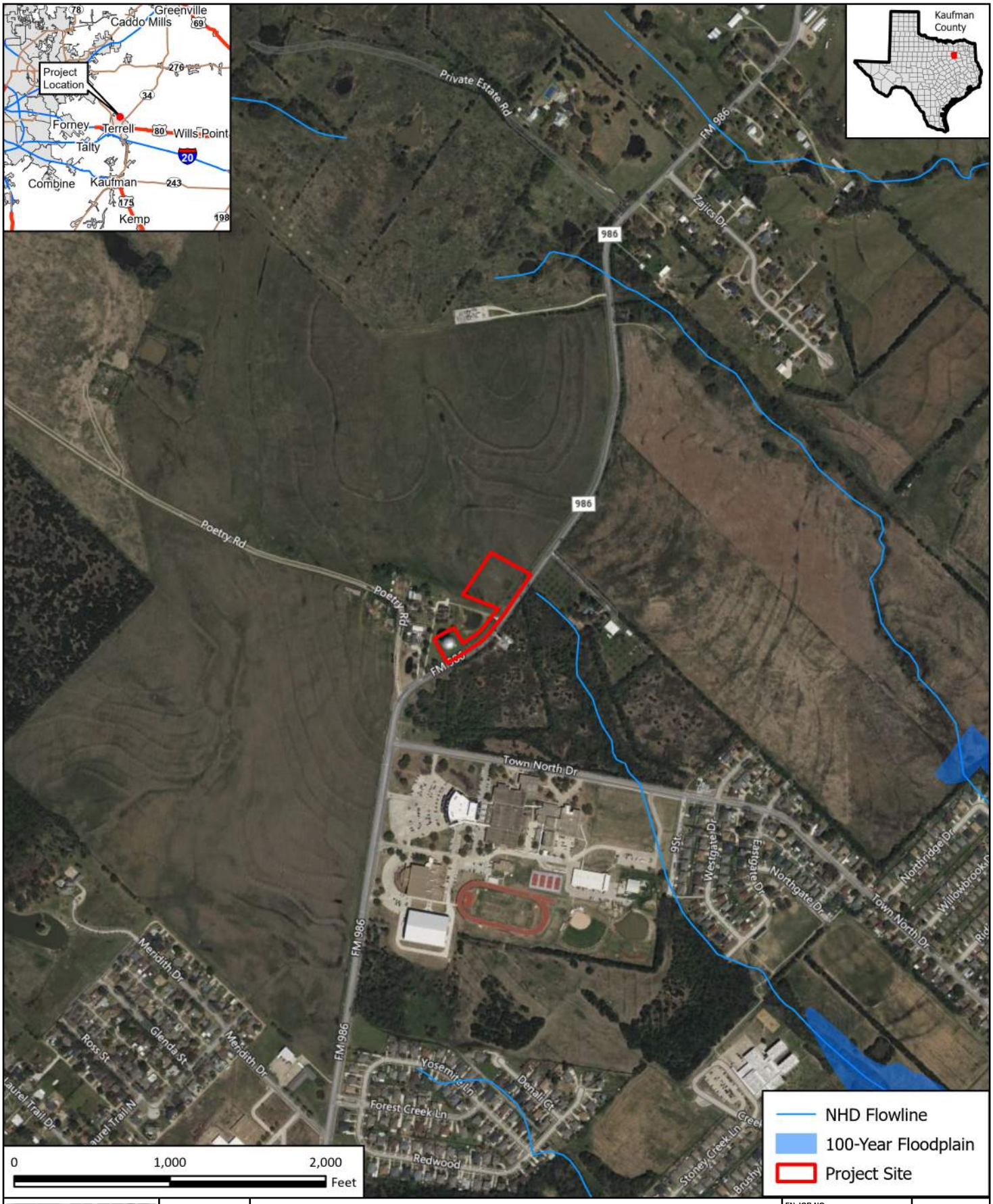

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City of Terrell

Poetry Road Elevated Storage Tank

100-Year Floodplain Map

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FIGURE

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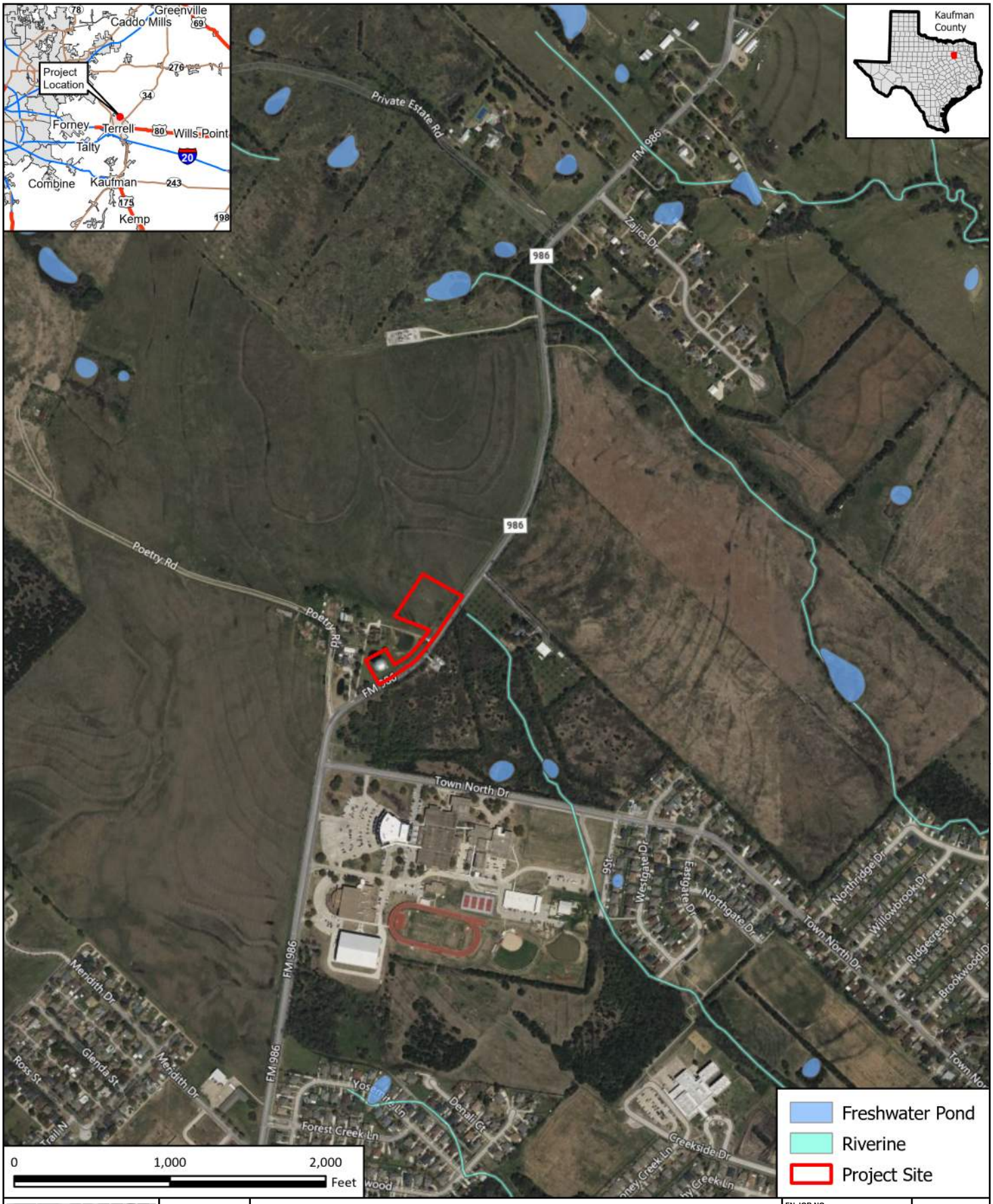

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City of Terrell

Poetry Road Elevated Storage Tank

National Wetland Inventory Map

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FIGURE

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NAD 1983 StatePlane Texas North Central FIPS 4202 Feet

FIGURE 3

CITY OF TERRELL

POETRY EST SITE 1

LEGEND

- Proposed 2MG EST
- Water Line Extension
- Existing Water Line
- Poetry Water Supply Line
- 8' Chain Link Fence
- 24' Gate
- Parking Lot Lines
- OHE Line
- Elevation Contour
- Stream
- Transfer Meter Vault
- Driveway
- Parcel

Terrell AMERICA

FREESE AND NICHOLS

1.0 MG Poetry
Elevated Storage Tank
Overflow Elev.: 695'

Transfer Meter Vault

POETRY WATER SUPPLY LINE

FM 986

(290')
(250')
(250')
(250')
(36')
(24')
16"
16"
16"
12"
12"
12"
16"
16"
16"

558 556 554 552 550 548 542 540 562 560

0 60
SCALE IN FEET

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