



**Summary report of the LEAP-Lebanon proposal to  
use and dispose of water to Citizens Energy Group's  
central Indiana supply system**

**April 2026**

## **Introduction**

This summary report presents an overview of the proposal to connect the LEAP industrial district (LEAP), Lebanon Utilities, and Citizens Energy Group's water supply and treatment systems. Due to substantial public interest, ranging from politicians, community members, non-profit institutions, and public universities in the state of Indiana regarding the proposed project and its impact on the environment, and particularly, water resources, Hoosier Environmental Council (HEC) has prepared this summary report to provide supplemental information. Here, we offer an analysis of the proposal, discuss current environmental studies, highlight concerns, and provide recommendations.

## **Overview**

According to public documents, Citizens Energy Group (CEG) has agreed to upgrade its existing infrastructure to supply water to Lebanon Utilities, a municipally owned water utility located in Lebanon, Indiana, to facilitate the development of the LEAP industrial district.

The proposal seeks to extend water main pipelines to withdrawal water from CEG's central Indiana water supply system, largely located in the Upper White River Watershed, and dispose of wastewater back to the Upper White River Watershed.<sup>1</sup> Specifically, the proposed discharge point is just upstream of the Eagle Creek Reservoir, which is a public water supply and flood storage reservoir located within Eagle Creek Park, one of the nation's largest city parks.

## **What is LEAP?**

LEAP, an acronym for Limitless Exploration/Advanced Pace, is a massive industrial and technology park development located in Lebanon, Indiana. Land estimates have ranged between 9,000 to 11,000 acres in size. It encompasses a substantial amount of land, and it is situated on the headwaters of Sugar Creek. LEAP has remained highly controversial and received significant public scrutiny due to a lack of transparency and poor community engagement.

## **How much water will be withdrawn and from where?**

Public documents and community discussions have revealed that the water withdrawal could total 25 million gallons per day (MGD) by 2031 from CEG's central Indiana supply system, with varying amounts coming directly from Eagle Creek Reservoir.

Historical figures for LEAP include water withdrawals of up to 100 million gallons per day, initially from the Teays Aquifer and Wabash River in Tippecanoe County. Tippecanoe County officials were swift to temporarily protect their water supply by enacting a water export moratorium which now enters its third year and will last until September 2026.<sup>2</sup>

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<sup>1</sup> Citizens – Lebanon Water Supply Program, Citizens Energy Group. Accessible at <https://info.citizensenergygroup.com/clws?hsCtaTracking=88589f10-05e0-42d5-81a8-7dee85fa4e78%7C2d5ac77f-a639-4632-ad8b-da92c15a98e9>.

<sup>2</sup> Tippecanoe County commissioners extend water-export moratorium for another year, Lafayette Journal & Courier. Accessible at <https://www.jconline.com/story/news/local/2025/09/02/tippecanoe-county-commissioners-extend-water-export-moratorium/85941220007/?gnt-cfr=1&gca-cat=p&gca-uir=true&gca-epi=z119242p118150c118150e004500v119242d--92--b--92--&gca-ft=179&gca-ds=sophi>.

### **Where is the proposed wastewater discharge location?**

The wastewater generated by all industries at the LEAP industrial district will be disposed of entirely at the north end of the Eagle Creek Reservoir, where ecologically important mudflats exist that are crucial for wildlife such as migratory and native birds.<sup>3</sup>

### **Have any environmental studies been completed?**

There have not been adequate, comprehensive environmental or hydrological studies to determine the impacts of both the (1) water withdrawal from CEG's central Indiana supply system and the Upper White River Watershed, and (2) the industrial wastewater disposal to Eagle Creek Park and Reservoir and its impact on the ecosystems, wildlife, and drinking water supplies.

### ***Citizens Integrated Water Resource Plan***

Citizens Energy Group cites their Integrated Water Resource Plan (IWRP), which is a 50-year outlook on water supply, as the basis for confirming that (1) there is enough water available, (2) that there will be no impact to downstream flows or historic draw down level within reservoirs or streams, and (3) that no adverse impacts will occur to natural water resources (Citizens Energy Group, 2024).

However, that study does not analyze water quality and ecological aspects of the proposed connection between CEG and Lebanon Utilities to facilitate the development of LEAP. It should also be noted that this is a plan that identifies projected demands and seeks to meet those demands by increasing water supply, specifically stating that “the IWRP allows Citizens to determine the timeline for future water projects needed to meet the future demand projections.”

It remains unclear from the CEG study whether it can safely be concluded if water resources are increasing or decreasing in central Indiana. CEG has remained focused on increasing water supply to meet demand, and the IWRP does not appear to be a study that analyzes the impacts of water withdrawal, but rather, it supports meeting demand for water by continuing to increase the amount of water available for use.

### ***Central Indiana Water Study***

Similar to CEG's Integrated Water Resource Plan, the Central Indiana Water Study (CIWS) is a study done to analyze future water demand and identifies options for new supplies. Completed in 2021 as a collaboration between state and federal agencies and private entities, the goal of the study is to identify areas within the region where future demands may exceed available local supplies (Indiana Finance Authority, 2021). The locations with gaps between availability and demand are mapped to suggest how new regional water supplies and conservation could meet future demands.

Importantly, the study concludes that water withdrawals in central Indiana are occurring at or near the limit of water availability. It goes on to discuss and suggest recommendations to

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<sup>3</sup> Protect Eagle Creek's Mudflats, Protect Our Birds, Indiana Audubon. Accessible at <https://indianaudubon.org/2026/01/12/protect-eagle-creeks-mudflats-protect-our-birds/>.

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increase water availability, including (1) increasing surface water storage capacity, (2) developing short-term emergency groundwater supplies that draw from groundwater storage, and (3) importing a supply from outside the region. The study states that “treated wastewater discharge is a critical regional asset from a water-availability perspective. In Central Indiana, some of the fastest growing communities depend on their upstream neighbors to discharge reliably clean and consistent flows to the stream.” Treated wastewater discharge has thus emerged from the study as an important factor to ensuring water availability in central Indiana.

### **What makes Eagle Creek environmentally significant?**

Eagle Creek is one of the main tributaries that flows to the White River in central Indiana. It was dammed years ago to create the Eagle Creek Reservoir, which provides flood control and drinking water supply. But the reservoir is more than just a standing body of water – it is a living extension of Eagle Creek, whose water still flows through the reservoir, and a sensitive aquatic ecosystem that supports robust populations of fish, amphibians, birds, and mammals.

Unlike similarly sized reservoirs in central Indiana, the northern half of Eagle Creek Reservoir is surrounded by protected public land and nature preserves. A portion of the reservoir is entirely closed off from boating and recreational activities and exists solely as a natural area where visitors can watch Cormorants, American White Pelicans, and other fascinating bird species. And if you travel a bit further north of that, the reservoir tapers off and starts resembling its original stream state.

This location, which borders the Scott Starling Nature Sanctuary and is home to the ecologically important mudflats within the riparian corridor of Eagle Creek, is the site of the proposed industrial wastewater discharge for LEAP. At present, this location is well adapted to current water level fluctuations – both natural and manmade – and it remains unclear how discharging 25 million gallons of water a day to this location will affect the stream and mudflat ecosystem, as well as the broader impacts to the Eagle Creek Park and Reservoir.

Consisting of 3,900 acres of land containing forests, prairie, and open space, and 1,400 acres of water, Eagle Creek Park is one of the largest municipal parks in the United States. It is home to several state-endangered and state special concern species such as Kirtland's Snakes, Northern Harriers, Sedge Wrens, Virginia Rails, American Bitterns, Eastern Box Turtles, Great Egrets, American Woodcocks, Osprey, Eastern Red Bats, Solitary Sandpipers, and Peregrine Falcons. Each species relies on the water and wetlands in Eagle Creek Park to thrive, and it is possible that industrial pollutants and processes could have serious negative consequences on the wildlife within the park without proper environmental studies and due diligence. In this era of federal and state environmental deregulation, it is imperative that local governments take swift action to safeguard natural resources and biodiversity.

Instead of being expanded and protected, this proposal opens the door to development and could potentially undermine the integrity and long-term success of the park. The community has been outspoken in their opposition to using the park as the site of wastewater disposal for LEAP, with members routinely attending and organizing meetings, sending letters, conducting research, and advocating for solutions. An online petition that seeks to prohibit LEAP from utilizing Eagle

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Creek Reservoir has gathered nearly 17,000 signatures,<sup>4</sup> and the Protect Pike Township Group has been active in advocating for more robust environmental studies so that this project does not cause harm to their community or drinking water resources.

### Our Concerns

1. **The push to approve a wholesale water system connection between LEAP and CEG's central Indiana water supply system at this time, despite having an inaccurate estimate of what industries will be at LEAP.** This prevents us from measuring the impacts of the total water withdrawal from the Upper White River watershed and CEG's central Indiana water supply system. It also prevents us from analyzing the impacts of the industrial water pollutants that will be introduced to Eagle Creek Reservoir and hydrologically connected waterbodies.
2. **The inappropriate use of CWSRF funding,** which is intended for water quality improvement projects and underserved communities, not economic development purposes. Specifically, CWSRF is to be used to improve water quality, promote climate resilient communities, encourage the adoption of green infrastructure and other nature-based solutions, and provide support for disadvantaged communities.<sup>5</sup>
3. **The impact of wastewater disposal from LEAP's high-tech industrial facilities,** including the current META data center and Eli Lilly Pharmaceutical plant, on the ecologically sensitive mudflats, Eagle Creek Park and Reservoir, and its aquatic ecosystem. Eagle Creek Reservoir and the majority of its watershed is listed as impaired according to IDEM's 2024 303(d) Impaired Waters list, indicating that it is already suffering from pollution. Great care and caution should be taken to protect the Eagle Creek watershed from further harm.

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<sup>4</sup> Prohibit the LEAP Project from using Eagle Creek Reservoir, change.org. Accessible at [https://www.change.org/p/prohibit-the-leap-project-from-using-eagle-creek-reservoir?source\\_location=search](https://www.change.org/p/prohibit-the-leap-project-from-using-eagle-creek-reservoir?source_location=search).

<sup>5</sup> The proposed LEAP-Lebanon and Citizen Utilities agreement is funded by the Clean Water State Revolving Fund (CWSRF). According to public documents (Citizens Energy Group, 2025) (Lebanon Utilities), the purpose of the water main and wastewater treatment plant expansions is to support the growth of Lebanon, and specifically, the growth of the LEAP district, which is an economic development proposal spearheaded by the Indiana Economic Development Corporation (IEDC).

The intended use of the CWSRF directly contradicts this proposal. CWSRF is to be used to improve water quality, promote climate resilient communities, encourage the adoption of green infrastructure and other nature-based solutions, and provide support for disadvantaged communities (Katy Hansen) (Mastropolo, 2023). Further, the Indiana Finance Authority (IFA), which is the issuing entity for SRF funds, states that these funds are not to be used for projects solely intended for economic development (Indiana Finance Authority, n.d.).

Using funding that is intended to provide assistance to underserved communities, improve water infrastructure, address water quality problems, and promote climate resilient communities to instead tap the central Indiana water supply system to further economic growth in Lebanon undermines the program, allocates money away from actual communities in need, and prevents the loans from being used for actual water quality improvement projects.

4. **The lack of safeguards and state or local policy preventing increases in water withdrawal beyond 25 million gallons per day.** While only 1 to 2 million gallons per day will be withdrawn from Eagle Creek Reservoir, the current proposal promises to deliver 25 million gallons per day from the CEG central Indiana water supply system by 2031, which will draw surface water and groundwater from the Upper White River watershed, to LEAP. There are currently no protections or limits in place that would prevent that number from increasing, nor are there requirements for environmental impact studies if it does increase.

Historical estimates of water use for the LEAP industrial district include 100 million gallons of water use per day, or roughly 36,500 million gallons per year. With only two announced tenants, there are serious concerns that the 25 million gallons per day figure may increase without an environmental review of the impacts of water withdrawal on the Upper White River watershed. According to the Indiana Department of Natural Resources (DNR), Marion County's total water withdrawals for the entire year in 2024 totaled 110,333 million gallons (Indiana Department of Natural Resources, 2024). If LEAP were to need 100 million gallons per day when it is fully operational, it would use the equivalent of a third of the water used by Marion County in an entire year ( $36,500/110,333=0.33$ , or 33 percent). That is not a drop in the bucket, and this proposal opens the door for unsustainable water withdrawals which can have negative impacts on all wetlands, rivers, streams, and aquifers in the Upper White watershed, as well as limiting regional investments and future economic growth in the region by straining water supplies.

#### **Local recommendations**

1. The completion of a comprehensive antidegradation study by the Indiana Department of Environmental Management for the proposed new outfall at Eagle Creek that accurately identifies and analyzes potential pollutants that will be introduced into Eagle Creek Park and Reservoir, its watershed, and the broader Upper White River watershed.
2. Require public disclosure of water withdrawals associated with the LEAP industrial district.
3. A comprehensive, independent environmental impact study of the proposed water withdrawal and wastewater disposal before further implementation, including a water column study and biological survey.
4. Consideration of citizen concerns and recommendations during the 2026 contract renewal process between CEG and the Department of Public Works, including increased safeguards for Eagle Creek Park and Reservoir.

#### **Regional and state recommendations**

1. Place a protective mechanism, either at the county, watershed, or state level, to require an environmental impact study of any future increases in water withdrawals.

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2. Conduct an Indiana or Upper White River watershed freshwater availability study to determine the rate of change of groundwater and surface water resources. A recent global study indicated that overall, global freshwater resources are declining.<sup>6</sup>
3. Increased public education and awareness of Indiana's water resources and existing water quality, including the functions and benefits of rivers, streams, aquifers, and wetlands and their utility beyond economic growth and development.

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<sup>6</sup> Global Freshwater Abruptly Declines, National Aeronautics and Space Administration (NASA). Accessible at <https://science.nasa.gov/earth/earth-observatory/global-freshwater-abruptly-declines-153608/>.