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January 12, 2007

CERTIFICATE OF THE SECRETARY OF ENVIRONMENTAL AFFAIRS
ON THE
SUPPLEMENTAL FINAL ENVIRONMENTAL IMPACT REPORT

PROJECT NAME : Town of Reading Admission to the Massachusetts
Water Resources Authority (MWRA) Water System
PROJECT MUNICIPALITY : Reading
PROJECT WATERSHED : Ipswich/North Coastal, and Chicopee/Nashua
EOEA NUMBER : 12514
PROJECT PROPONENT : Town of Reading
DATE NOTICED IN MONITOR : December 6, 2006

As Secretary of Environmental Affairs, I hereby determine that the Supplemental Final Environmental Impact Report (SFEIR) **adequately and properly complies** with the Massachusetts Environmental Policy Act (G. L. c. 30, ss. 61-62H) and with its implementing regulations (301 CMR 11.00). While I find the SFEIR to be adequate, I note that additional information is required to complete the Interbasin Transfer Act (ITA) application as further detailed below.

Project Description and MEPA History

The town of Reading proposes to become a full-time member of the MWRA Waterworks System and purchase up to 829 million gallons of water annually from the MWRA, based on an average daily withdrawal of 2.27 million gallons per day (mgd). Reading proposes to cease withdrawal from its local water supply sources in the Ipswich River basin and maintain its sources as an emergency water supply. The purpose of the project is to ensure a safe water supply for the town and reduce adverse impacts to the Ipswich River.

The town previously filed a Final Environmental Impact Report (FEIR) that proposed a partial seasonal supply from MWRA (219 mgd from May 1st through October 31st). A Certificate on the FEIR, indicating that the project adequately and properly complied with MEPA, was issued October 31, 2003. In 2005, the Water Resources Commission approved a

transfer of 219 million gallons per year (mgy). The town subsequently filed a Notice of Project Change (NPC) for an alternative project that would result in the town obtaining all of its water supply from the MWRA. The NPC and request for a Phase I waiver were filed pursuant to an Administrative Consent Order (ACO-NE-06-F001) between Reading and the Department of Environmental Protection (MassDEP) as the result of unique circumstances regarding the town of Reading's water supply. The conditions of the ACO include requirements and timelines for the Town of Reading to file with MEPA, request approvals from the Water Resources Commission and obtain agreements and commitment from MWRA. The ACO also specifies withdrawal limits, and requirements for water conservation requirements and maintenance of the existing municipal water supply system.

The Secretary's Certificate on the NPC (dated September 14, 2006) required the preparation of a Supplemental Final EIR (SFEIR) and limited the scope to issues associated with the potential impacts of incremental increase in the proposed transfer from the MWRA system, and cumulative effects on downstream flow in donor basin rivers. A Final Record of Decision was issued on October 10, 2006 granting a Phase I waiver to allow the proponent to proceed with its proposed alternative to obtain all of the town's water from the Massachusetts Water Resources Authority (MWRA) prior to completion of the SFEIR for the entire project.

Water Management Issues

As my predecessor noted in his Certificate on the NPC, the Reading proposal comes against the backdrop of discussions related to the potential expansion of municipal water supply by the MWRA. Comment letters received on the NPC and SFEIR address water management issues that need to be addressed in a basin- and system-wide context. I acknowledge the significance of these issues and appreciate the detailed and thoughtful comment letters received from the Nashua River Watershed Association, Ipswich Watershed Association, Water Supply Citizens Advisory Committee and others. I also note that MEPA review of the Reading proposal does not require complete resolution of these water management issues. As part of the Water Resources Commission (WRC) review of Reading's pending application under the Interbasin Transfer Act (ITA), I will expect the WRC to require appropriate management measures to assess and mitigate the environmental impacts associated with water supply withdrawals in the Ipswich River watershed and the donor basins.

Commenters on the SFEIR continue to express concern regarding the adequacy of flow to downstream reaches of the donor river basins and have recommended further evaluation of the effects of variable flows, and the in-stream releases necessary to support fisheries, recreation, and a more naturalized flow. The concerns raised in comment letters received on both the NPC and SFEIR address cumulative impacts of existing and potential future withdrawals and highlight water resource management issues that need be addressed at a broader level by the WRC, MWRA, and other parties. The Division of Fisheries and Wildlife (DFW), while it does not oppose the Town of Reading's admission to the MWRA water system, has stated that it will not support any future admissions to the MWRA system until the MWRA addresses its environmental operations, including but not limited to, the in-stream flow needs of the Ware, Swift and Nashua River basins. I expect that these issues will be addressed by WRC during its review of projects under the Interbasin Transfer Act (ITA) and as part of the on-going dialogue

among MWRA, DFW, WRC, and other stakeholders.

Jurisdiction

The project is undergoing MEPA review and requires a mandatory EIR pursuant to Section 11.03(4)(a)(2) because it will involve a new interbasin transfer of water of 1,000,000 or more gallons per day or any amount determined significant by the WRC. The project requires approval from the WRC under the ITA and approval from the MWRA for admission to its water supply system. The proponent is not seeking financial assistance from the Commonwealth. Therefore, MEPA jurisdiction is limited to those aspects of the project within the subject matter of required permits that are likely to cause damage to the environment as defined in the MEPA regulations. In this case, MEPA jurisdiction extends to water supply and broad issues of water use and management.

Supplemental FEIR Review

The SFEIR provided additional information as required by the Scope including information related to the viability of sources in the receiving area, cumulative impacts associated with the proposed interbasin transfer, water supply protection in the receiving basin, and the town's water conservation program. The SFEIR provided an update on MWRA discussions with state agencies and other stakeholders regarding system expansion and cumulative impacts, and management strategies to support adequate stream flow. The SFEIR also include a detailed response to comments, a draft Section 61 Findings, and a draft plan for decommissioning the town's water treatment plant and converting from inactive to emergency supply status.

While the SFEIR provided much of the information requested by WRC, the proponent will be required to provide additional information and clarifications in order to complete the ITA application. The additional information required for the ITA application includes, but is not limited to:

- information on the town of Reading's contract with MWRA and maximum daily limits;
- release data from the Quabbin and Wachusett reservoirs;
- clarifications on the United States Geological Service (USGS) analysis regarding viability of Ipswich River basin as a water supply source;
- cost data for recently built water treatment plants in Massachusetts and comparison of water rates against other similar communities;
- information on water treatment plant construction costs and clarification of findings relating to limited facility use and local source viability;
- additional information concerning cost estimates for water purchased from MWRA and MWRA cost projections;
- town of Reading water rates (clarify if seasonal water rate has been replaced with a higher year-round rate);
- updates to Local Water Resource Management Plan to reflect current and proposed conditions;
- clarification of data in 2004/2005 Annual Statistical Report (ASR) reports; and

- the Annual Statistical Report for 2006 (which should be provided to WRC concurrent with the MassDEP filing due by February 28, 2007).

The proponent should provide the additional information as further detailed in the WRC comment letter to WRC staff in the Department of Conservation and Recreation (DCR) Office of Water Resources and other EOEA ITA reviewers, to the public libraries in the donor and receiving basins, and to the MEPA Office for the project file.

The SFEIR concludes that potential impacts to the donor basin associated with providing an additional 1.67 mgd to Reading are negligible because the MWRA decrease in system demand far exceeds the cumulative demands of Reading. The SFEIR refers to MWRA's determination of insignificance. As stated in the WRC comment letter, the WRC will determine whether reasonable in-stream flow will be maintained in the donor basins.

Some commenters objected to the town of Reading's proposal to retain its Water Management Act registration of 2.57 mgd and raised concerns about potential future allocation of the registered volume. As discussed in the SFEIR, the town is seeking full-time membership in the MWRA Waterworks System and proposes to preserve and protect local water supply sources, which will be reclassified for future emergency use. I note that the Administrative Consent Order (ACO) between MassDEP and the town of Reading specifies maximum withdrawals allowed from the town's registered water supply sources, and I expect that MassDEP will address any future revisions to the town's WMA registration that may be necessary.

In order to protect local water supply sources and promote conservation, the town of Reading has committed to a range of mitigation measures. As further detailed in the SFEIR, the town will:

- maintain ownership and control of the Zone I areas of public water supply wells and the capacity to provide disinfection;
- survey Zone II areas annually;
- maintain land use restrictions provided by the current zoning regulations for the Aquifer Protection District;
- assist the USGS in locating sites for installation and maintenance of stream gauges in the Ipswich River; and
- continue to implement the town's water conservation program, which includes outdoor water restrictions, annual master meter calibration and maintenance, an annual leak detection and repair program, a multi-year meter replacement program, a large user water audit/retrofit program, a water conservation rebate program, and a public education program.

Based on a review of the SFEIR, consultation with state agencies, and review of the comment letters received, I hereby find that the SFEIR adequately and properly complies with MEPA and its implementing regulations. I am satisfied that any outstanding issues can be addressed during the state agency review and permit process. No further MEPA review is

required for the proposed project. I remind state agencies to forward copies of final Section 61 Findings to the MEPA Office for the project file.

January 12, 2007

DATE



Ian A. Bowles Secretary

Comments received

1/04/07	Nashua River Watershed Association
1/05/07	Massachusetts Water Resources Commission
1/05/07	Water Supply Citizen's Advisory Committee
1/05/07	Massachusetts Department of Environmental Protection, Northeast Regional Office
1/08/07	Ipswich River Watershed Association
1/08/07	Massachusetts Division of Fisheries and Wildlife

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