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September 14, 2006

CERTIFICATE OF THE SECRETARY OF ENVIRONMENTAL AFFAIRS ON THE NOTICE OF PROJECT CHANGE

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	: August 8, 2006

Pursuant to the Massachusetts Environmental Policy Act (G.L. c. 30, ss. 61-62H) and Section 11.10 of the MEPA regulations (301 CMR 11.00), I have reviewed the Notice of Project Change (NPC) submitted on this project and hereby determine that it **requires** the preparation of a Supplemental Final Environmental Impact Report (SFEIR).

This Notice of Project Change and request for a Phase I waiver has been filed pursuant to an Administrative Consent Order between Reading and the Department of Environmental Protection (MassDEP) as the result of unique circumstances regarding the town of Reading's water supply. As discussed in a Draft Record of Decision (DROD) also issued today, I propose to grant a Phase I Waiver for Reading's proposed immediate tie-in to the Massachusetts Water Resources Authority (MWRA) system, subject to conditions that include completion of the SFEIR Scoped below. The DROD will be published in the September 26, 2006 issue of the *Environmental Monitor* and subject to a fourteen day public comment period, after which I shall reconsider, modify, or confirm the waiver.

I have received detailed and thoughtful comments from the Water Supply Citizens Advisory Committee, Ipswich River Watershed Association and others that speak to the need to address water management issues specific to the Reading proposal in a basin- and system-wide context. I also note that Reading's proposal comes against the backdrop of discussions related to the potential expansion of municipal water supply by the MWRA. I acknowledge that many

issues raised relate to cumulative impacts of existing and potential future withdrawals and highlight water resource management issues that need be addressed at a broader level by the Water Resources Commission (WRC), MWRA, and other parties. As part of the 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.

However, while the current proposal from Reading highlights the need to address significant water management issues, the review of Reading's current proposal does not require their complete resolution. This Certificate requires Reading to provide the level of information and commitments necessary to demonstrate that potential damage to the environment is avoided, minimized or mitigated to the maximum extent feasible, to satisfy the WRC process, and to respond substantively to the comments described above.

Project Description and MEPA History

The Town of Reading proposes to increase the amount of water purchased from MWRA to enable the town to meet all its water supply needs and subsequently eliminate withdrawal from the Ipswich River basin except on an emergency basis. The purpose of the project is to ensure a safe water supply for the town and reduce adverse impacts to the Ipswich River. The project previously underwent MEPA review and a Certificate on the Final EIR, indicating that the project adequately and properly complies with MEPA, was issued October 31, 2003. At that time, the Town of Reading proposed purchasing up to 219 million gallons of water from MRWA during the May 1st – October 31st period and limiting the town's use of Ipswich River basin sources to 1 million gallons per day (mgd) during that same time period. The Water Resources Commission subsequently approved a transfer of 219 million gallons per year (mgy) (based on an average of 1.2 mgd during the months of May through October). According to the NPC, the Town of Reading is currently proposing to increase its water purchase from MWRA from 219 to 829 mgy and proposes to use the MWRA system to fully meet the Town's year-round water supply needs. The Town of Reading proposes to cease withdrawal of water from its municipal supply wells located in the Ipswich River basin and intends to maintain its local sources as an emergency supply with the capacity to provide disinfection and to maintain or improve existing wellhead protection areas.

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 gpd 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.

SCOPE

Given the level of analysis and information provided in previous filings for the proposed interbasin transfer, this Scope is limited to the 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. Where appropriate, the SFEIR should incorporate information and discussion provided in the FEIR. The SFEIR should include information and analysis necessary to complete the ITA application process and to respond to the comments received on the NPC.

Interbasin Transfer Act

The SFEIR should provide sufficient information to demonstrate that all reasonable efforts have been made to identify and develop all viable sources in the receiving area of the proposed interbasin transfer. As noted by WRC in its comment letter and in the June 2005 WRC decision, the use of Reading's water supply well during low flow conditions adversely impacts the Ipswich river. However, the WRC decision found that withdrawals had little effect on moderate to high flows. The SFEIR should demonstrate why the water sources in the receiving basin are no longer considered viable during moderate to high flows. The SFEIR should provide an analysis of potential impacts to the donor basin as a result of the increased transfer, and discuss mitigation measures proposed.

The SFEIR should provide a justification for the proposed alternative to obtain the town's entire water supply from MWRA. If this preferred alternative is being selected on the basis of economic viability, the SFEIR should include a cost comparison over twenty years as further detailed in the WRC comment letter. The SFEIR should include a revised Local Water Resources Management Plan that incorporates changes identified by WRC in its comment letter.

The SFEIR should provide additional information on the town's water conservation program as required by the WRC. This should include, but not be limited to:

- Documentation of the latest leak detection survey and last annual meter calibration;
- An update of the phased meter replacement program;
- Information on the most recent rate structure and billing program;
- Annual statistical reports for 2004, 2005, and 2006 (if available);
- A report on the system-wide audit and recommendations that will be implemented;
- A copy of the latest water use restriction by-law and drought plan;
- A discussion of progress on renovation and water saving retrofits for the High School and Barrows School; and
- Details on water conservation actions taken as part of Reading's four-year, \$1 million conservation program.

Cumulative Impacts

Comment letters received have raised important issues relating to the cumulative impacts associated with community connections to the MWRA system, including the need for further assessment and downstream flow issues and measures to ensure adequate quantities and timing of releases to support healthy fisheries and other components of donor basin ecosystems. The town of Reading should consult with the WRC and other appropriate agencies, as well as the Connecticut River Watershed Council and other groups working on these broader watershed issues as referenced by WSCAC in its comment letter during preparation of the SFEIR.

The cumulative impact analysis in the SFEIR should take into consideration the proposed Reading increase as well as other proposed connections and MWRA supply expansion plans. I note that the NPC includes an analysis by MWRA. The Town of Reading should consult with WRC during preparation of the SFEIR for guidance on additional analysis to be presented in the SFEIR. The SFEIR should provide sufficient information and analysis for the WRC review process and demonstrate that impacts associated with the Reading transfer increase will be avoided, minimized and mitigated to the maximum extent feasible.

The SFEIR should provide additional information and analysis to respond to the comments received relating to basin-wide impacts including releases needed to support fisheries and adequate stream flow in the Nashua River. The SFEIR should provide an update on consultations with state agencies and other groups as part of the discussion of cumulative impacts and management strategies to support adequate stream flows and ecological protection in donor river basins.

Ipswich River Basin Impacts

The NPC and comment letters received describe the positive impacts expected as a result of the proposed MWRA transfer since the town will no longer be withdrawing from the stressed Ipswich River basin. The SFEIR should discuss plans to monitor and evaluate improvements to the Ipswich River. I encourage Reading to coordinate and consult with other communities in the Ipswich River headwaters with regard to river monitoring and water supply issues and to provide an update in the SFEIR. The SFEIR should also discuss Reading's long-term plans to protect the water supply and river basin, including any limits on future withdrawals. The SFEIR should clarify the status of Reading's WMA registration including its expiration date and whether or not the withdrawal volume allowed under Reading's current registration will be available to any future user or retired so that this water continues to be available to enhance flow in the Ipswich River.

Water Resource Protection

The NPC and some comment letters describe the risks to Reading's water supply from contaminated sites and threats associated with current land uses. The SFEIR should provide an update on Reading's efforts to protect the Zone I and Zone II of existing and potential future water supply sources. The SFEIR should include information on clean-up efforts, and strategies

to address hazardous materials use and other factors affecting water supply. The SFEIR should demonstrate compliance with the conditions of the ACO as it relates to Zone I and II protection.

The SFEIR should include a draft plan to address the decommissioning of Reading's Water Treatment Plant (WTP) and conversion of the existing water supply sources from inactive to emergency status.

Permitting

The SFEIR should include a detailed discussion of each state permit and approval required and demonstrate how the project meets applicable regulatory and performance standards. The SFEIR should include an update on Reading's compliance with the conditions and requirements of the ACO, and an update on the status of the permitting and approval process for the project.

Mitigation and Section 61 findings

The SFEIR should include a detailed description of all feasible measures to avoid, minimize and mitigate adverse effects on the environment which will be incorporated as part of the project. The SFEIR should include a summary of commitments to mitigate adverse environmental impacts and a cost estimate for mitigation measures. The SFEIR should include proposed Section 61 Findings for all state permits and approvals that describe mitigation measures to be implemented, contain clear commitments to mitigation and a schedule for implementation, and identify parties responsible for funding and implementing the mitigation measures.

Comments

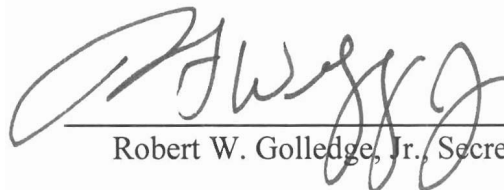
The SFEIR should include copies of all comment letters received on the NPC and respond to the comments received to the extent they are within MEPA jurisdiction. The proponent should use either an indexed response to comment format, or direct narrative response. The SFEIR should present any additional narrative or quantitative analysis necessary to respond to the comments received.

Circulation

The SFEIR should be circulated in accordance with Section 11.16 of the MEPA regulations. A copy should be sent to all those who commented on the NPC as listed below and to any agency from which the proponent will seek permits or approvals. A copy of the SFEIR should also be made available at the Reading Public Library and libraries in the donor basin area.

September 14, 2006

DATE



Robert W. Gollledge, Jr., Secretary

Comments received

8/11/06 Town of Reading
9/01/06 Massachusetts Water Resources Authority (MWRA) Advisory Board
9/06/06 Water Supply Citizen's Advisory Committee
9/07/06 Ipswich River Watershed Association
9/07/06 Department of Environmental Protection, Northeast Regional Office
9/07/06 Commonwealth of Massachusetts Water Resources Commission (WRC)
9/08/06 Commonwealth of Massachusetts Riverways Program

12514 Draft ROD
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