SECTION 2.0

INTRODUCTION

CHAPTER 2.0
INTRODUCTION

2.1 PURPOSE OF THIS ENVIRONMENTAL IMPACT REPORT (EIR)

This Draft Environmental Impact Report (EIR) has been prepared to provide an environmental assessment of the City of Hollister Domestic Wastewater System Improvements (DWSI) Project and the San Benito County Water District Recycled Water Facility (RWF) Project, which together are referred to as the "Proposed Project."

The City of Hollister (City), the San Benito County Water District (SBCWD), and San Benito County (County) entered into a Cooperative Agreement that designated the City of Hollister as the lead agency under the California Environmental Quality Act (CEQA) for the Proposed Project. See California Code of Regulations (CCR), Title 14, Div. 6, Ch. 3 (State CEQA Guidelines). The Cooperative Agreement identifies the SBCWD and San Benito County as responsible agencies.

This document evaluates impacts identified as significant or potentially significant by community members, agencies, and the City and its consultants. The EIR provides information regarding the environmental effects of the Proposed Project and its alternatives. The EIR process and the information it generates are typically used for the following purposes:

- To give elected officials and the community the opportunity to provide input for the decision-making process;
- To provide agencies with information necessary to determine if they have jurisdiction over some aspect of the project, and if so, to identify project permitting requirements;
- To assist the community in understanding the expected project-related environmental effects and how elected decision makers plan to respond to and mitigate these effects; and
- To develop mitigation measures which reduce or eliminate the potential for environmental, public health, and safety impacts from the Proposed Project.

2.2 CEQA PROCESS

The California Environmental Quality Act of 1970 (Public Resources Code [PRC] Sections 21000 et seq.) is a State law that requires the evaluation and public disclosure of the environmental impacts of a proposed project. The State CEQA Guidelines are the administrative interpretation of the statute, and guide agencies in their implementation of CEQA.

An EIR is an informational document intended to disclose the significant impacts of a proposed project, and to identify actions, including mitigation measures that could avoid or reduce such significant impacts. The EIR is a source that citizens, agencies, and decision makers turn to for project environmental information, and in some cases social and economic information. An EIR must comparatively evaluate potential impacts of a range of reasonable alternatives to a proposed project, including the option to not implement any alternative. In this manner, technically accurate information describing an array of possible actions and their consequences is available as input to the decision-making process. The EIR provides citizens the means to determine how elected decision makers consider the environmental implications of their actions.

The EIR is one element of the decision-making process. The Lead Agency notifies the public and relevant regulatory and jurisdictional agencies that an EIR will be prepared, and requests input regarding the proposed project, alternatives, the project area, and issues and concerns so the appropriate "scope" (content and focus) of the EIR can be determined. This input is obtained at meetings, or via written or verbal communication. The Lead Agency thus draws on the knowledge and expertise of these groups to develop and analyze the project and its alternatives.

Once a Draft EIR is complete, the Lead Agency notifies the public and relevant agencies that the document is available for review and comment during a typical 45-day review period. Comments on the EIR are accepted during the review period and are provided to the Lead Agency via written or verbal communication, often at a public hearing held at the Lead Agency's discretion. The Lead Agency will respond to substantive comments and modify the Draft EIR, if necessary, as part of this response. A Final EIR, including the Draft EIR (often incorporated by reference), all substantive comments, and responses to these comments, is completed by the Lead Agency and submitted to decision makers to determine the appropriate course of action. Thus, agencies and citizens assist in the development of the EIR, and then use the document in its entirety as a decision-making tool.

Publication of this Draft EIR marks the beginning of a 45-day public review period, which expires on September 11, 2006. During this review period, written comments may be sent to the following address:

City of Hollister, Engineering Department
c/o: Steve Wittry, Interim Engineering Manager
375 Fifth St.
Hollister, California 95023
(831) 636-4340
(831) 636-4349 fax
steve.wittry@hollister.ca.gov

Comments received during the 45-day period will be responded to. Comments received after that date may not receive a response.

2.3 PROJECT LOCATION AND DESCRIPTION

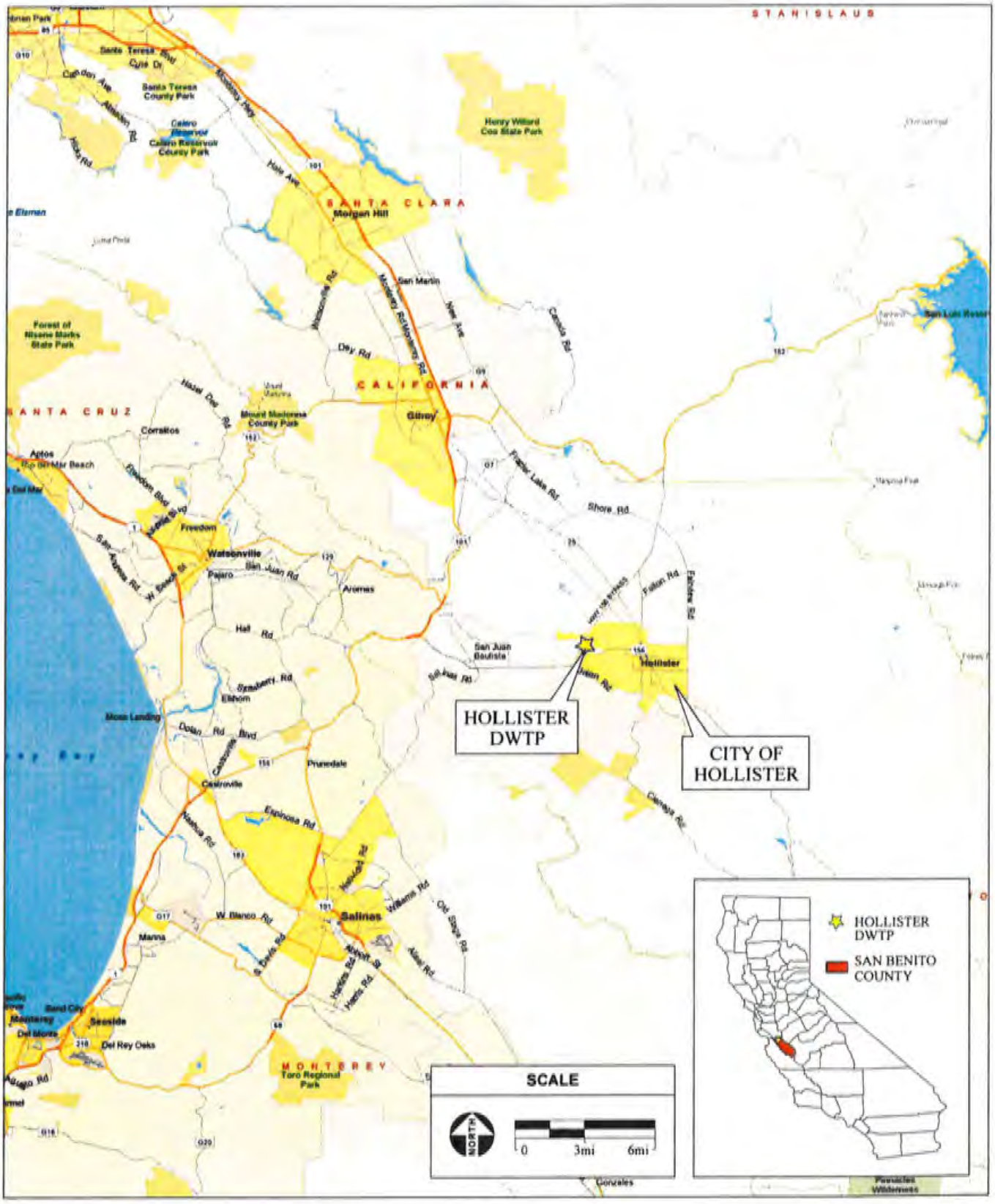
The project site is located in the western portion of the City of Hollister and adjacent unincorporated land within San Benito County. The Domestic Wastewater Treatment Plant (DWTP) site is bisected by State Route 156 just north of the intersection with San Juan-Hollister Road (**Figures 2-1** and **2-2**). Project components of the DWSI Project that would occur on the existing DWTP site include the construction of a membrane bioreactor (MBR) treatment facility, a septage receiving station, and a seasonal storage reservoir. The MBR facility would be located east of State Route 156 on an area currently developed with a storage pond. The septage receiving station would also be located east of State Route 156 on an area located in the vicinity of the plant entrance. The seasonal storage reservoir would be located west of State Route 156 on an area currently developed with disposal beds.

The Proposed Project would change the way that treated effluent is disposed. Currently all of the treated effluent produced at the DWTP is disposed by percolation beds. The Proposed Project would reduce the amount of water disposed of by percolation by developing disposal sprayfields and providing treated effluent as a recycled water supply for agricultural and urban irrigation. **Figure 2-2** identifies the initial area where treated wastewater could be feasibly delivered to be disposed of by sprayfields or be reused through irrigation projects. Considerations taken into account in determining the initial area include proximity to the DWTP, land uses, infrastructure costs, and regional groundwater management goals. The Proposed Project would result in the initial development of sprayfields at the Hollister Municipal Airport, and recycled water use at the San Juan Oaks Golf Club. Selection of additional sprayfield and recycled water projects would be based on landowner interest, infrastructure costs, feasibility, consistency with groundwater management plans, adherence to recycled water regulations, environmental constraints, and other concerns.

Because of high levels of salts and minerals in the treated DWTP effluent, agricultural and urban irrigation would be limited. To broaden the range of crops that could be irrigated with the treated effluent and to reduce the amount of salts and minerals entering the groundwater basin, a Salt Management Program is included in the Proposed Project. The Salt Management Program would utilize education programs and rigorous source control, including but not limited to, the elimination of on-site regenerating water softeners and a household water softener ordinance to reduce sources of salts and minerals entering the wastewater system. Reverse osmosis or electro-dialysis reversal would be used to demineralize groundwater or treated effluent to achieve recycled water supply quality goals. As the quality of the recycled water improves as the result of the Salt Management Program, the initial area would be expanded to include additional irrigation use in surrounding areas.

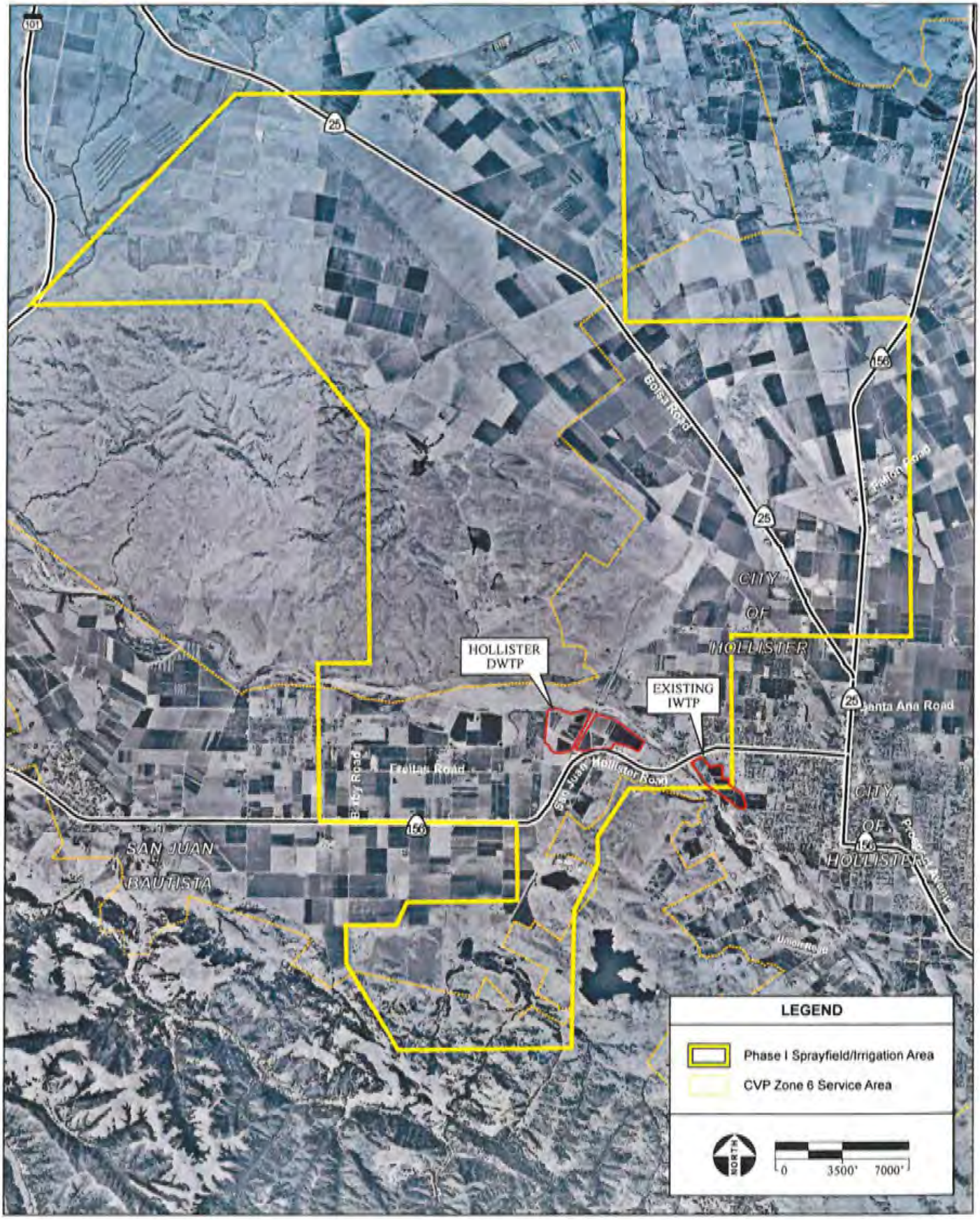
2.4 TYPE OF EIR

The State CEQA Guidelines identify several types of EIRs, each applicable to different project circumstances. The EIR developed for the Proposed Project will function on two levels, serving as both a



SOURCE: Microsoft Streets & Trips, 2004; AES, 2006

Figure 2-1
Regional Location



SOURCE: RMC Water and Environment, 2005; San Benito County Water District, 2005; City of Hollister, 2005; USGS Aerial Maps; AES, 2006

Figure 2-2
Site and Vicinity

Program EIR for the entire DWSI Project and RWF Project, and as a Project EIR for first-phase project components. **Table 2-1** illustrates the level of analysis in this EIR for each component of the Proposed Project. These elements of the Proposed Project are discussed in detail in **Section 3.0**.

TABLE 2-1
PROJECT COMPONENTS AND PHASING

Level of Analysis	DWSI Project	RWF Project
PROJECT	***Phase I***	***Phase I***

	- 4.0 MGD[1] Membrane Bioreactor Facility
	- New Septage Receiving Station
	- 1,500 AF[2] Storage Reservoir
	- Disposal sprayfields at the Hollister Municipal Airport
	- Continued percolation at the DWTP (3,133 AFY[3] maximum)
	- Storage and disposal at the IWTP (796 AFY maximum)
	- Recycled Water Pipelines
	- Phase I Salt Management Program:
	  • Salinity education program
	  • Industrial salt control in municipal wastewater
	  • Water softener ordinance
		- Recycled water use at San Juan Oaks Golf Club
		- Recycled Water Pipelines

PROGRAM	***Phase I*** - Additional disposal sprayfields in the project area* ***Phase II*** - Expand Membrane Bioreactor Facility to 5.0 MGD - An additional 670 AF of seasonal storage capacity either at the existing DWTP site or at an undetermined off-site location. - Additional disposal sprayfields - Reduced percolation at the DWTP - Gradual elimination of DWTP effluent storage and disposal at the IWTP - Phase II Salt Management Program. • Demineralization and concentrate disposal	***Phase I*** - Recycled water demonstration project (40 to 100 acres) in the Freitas Road Area* - Recycled water for existing irrigated areas* ***Phase II*** - Other irrigation projects (e.g. Ridgemark Golf Courses). - Deliver recycled water (700 mg/L TDS[4]) to San Juan Valley, Freitas Road and Wright Road and/or Buena Vista Road areas for agricultural use.

Notes: [1] Million gallons per day; [2] Acre-feet; [3] Acre-feet per year; [4] Total dissolved solids (measure of salinity).
* As specific sites and details have not been provided for development, these components of Phase I are analyzed within this EIR on a program level.
Source: AES, 2006.

2.4.1 PROGRAM EIR

CEQA defines a Program EIR as one "prepared on a series of actions that can be characterized as one large project and are related either:

1. Geographically;
2. As logical parts in the chain of contemplated actions;
3. In connection with issuance of rules, regulations, plans, or other general criteria to govern the conduct of a continuing program; or
4. As individual activities carried out under the same authorizing or regulatory authority and have generally similar environmental effects which can be mitigated in similar ways" (State CEQA Guidelines Section 15168.a).

A Program EIR allows the City of Hollister, SBCWD, and San Benito County to "consider broad policy alternatives and program-wide mitigation measures at an early time when the agency has greater flexibility to deal with basic problems or cumulative impacts" (State CEQA Guidelines Section 15168.b.4).

A Program EIR approach was selected because they are related geographically and functionally, and would have similar environmental effects that can be mitigated using similar measures. By preparing a Program EIR for these projects, the agencies can consider the cumulative effects of the projects on DWTP capacity, groundwater quality effects, and growth inducement issues, as well as the cumulative direct impacts such as construction disruption and land use compatibility.

The program-level analysis considers the broad environmental effects of the overall proposal. This program EIR also identifies performance standards (e.g., setbacks, measures to protect biological resources) and mitigation measures that would apply to all subsequent future activities. In addition, the program-level analysis addresses the cumulative impacts of the project.

State CEQA Guidelines Section 15168.c states that subsequent activities in the program which would result in effects not examined in the Program EIR may require additional environmental documentation. Documentation could take the form of a Notice of Exemption, Negative Declaration, or an EIR. The more comprehensive and detailed the analysis contained in the original document, the more likely that subsequent activities will be found to be within the scope of the original Program EIR, thus eliminating the need for further documentation. However, environmental setting changes, changes in the planned faculties, and the need for site-specific assessment may still warrant additional CEQA documentation.

~~The following project components will be analyzed on a program level:~~ Project components that will be analyzed on a program level are listed above in **Table 2-1.**

- ~~Future expansion of the MBR Facility from 4.0 to 5.0 MGD.~~

- ~~Sprayfields and irrigation projects in the proposed service area that have not been defined to project level detail.~~
- ~~Salt Management Program~~
- ~~Demineralization and concentrate disposal.~~

~~*These facilities are described in detail in Section 3.0.*~~

2.4.2 PROJECT EIR

A Project EIR examines the environmental impacts of a specific development project (State CEQA Guidelines Section 15161), covering all phases of the project. In general, a Project EIR is appropriate when there is sufficient detailed information available describing all project phases, and when the project sponsor proposes to proceed in the near future with the project.

For the components of the DWSI Project and RWF Project where there is sufficient detailed information on location and project features, the EIR will serve as both a Program and Project EIR that examines environmental impacts resulting from all phases of the project, including construction, operation and maintenance. For project components that would be completed in the future and are not clearly specified, this EIR will serve mainly as a Program EIR that provides an overview of the impacts associated with the total project. The EIR will discuss construction and operation phases of future projects to the extent possible although some specific design and construction details have not yet been finalized. As the time for the construction of the future projects nears and the final designs are completed, the City of Hollister and the SBCWD will review this Program EIR and its treatment of specific projects to determine whether project assumptions have changed and if the impact analysis still adequately addresses the potential environmental effects of the project. This would be accomplished through preparation of an initial study that would determine whether the project is within the scope of this EIR or whether additional CEQA documentation is required. It is likely that additional CEQA documentation would be required to address setting changes or project specific components not covered in the EIR.

~~The following project components will be analyzed to a project level in this EIR:~~ Project components that will be analyzed to a project level in this EIR are listed in **Table 2-1**.

- ~~DWSI Phase I:~~
  - ~~MBR facility~~
  - ~~1,500 acre-foot storage reservoir~~
  - ~~Septage receiving station~~
- ~~Phase I sprayfields and irrigation projects, the location of which are identified in Section 3.0:~~
  - ~~San Juan Oaks Golf Club~~
  - ~~Hollister Municipal Airport~~
- ~~Phase I pipeline alignments that are identified in Section 3.0~~

~~*These facilities are described in detail in Section 3.0.*~~

2.5 PROJECT BACKGROUND

2.5.1 REGIONAL WATER RESOURCES PLANNING

The Proposed Project is part of a series of on-going efforts to manage water resources in the region. These efforts are guided by two overarching plans - the Groundwater Management Plan, first developed in 1998, and the Hollister Urban Area Water and Wastewater Master Plan, which is currently under development. The relationship of the Proposed Project to these two planning efforts is discussed below.

GROUNDWATER MANAGEMENT PLAN

The Groundwater Management Plan (GWMP) for the San Benito County Part of the Gilroy-Hollister Groundwater Basin is the principal plan for the management of groundwater in the region (SBCWD & WRASBC, 2004a). The GWMP was last updated in 2004 by the Water Resources Association of San Benito County (WRASBC). The WRASBC includes the City of Hollister, the City of San Juan Bautista, San Benito County Water District, and the Sunnyslope County Water District. The GWMP identifies existing groundwater quantity and quality concerns and presents a range of alternative methods to address them. Groundwater issues addressed in the GWMP include the imbalance of areas of high and low groundwater, inadequate disposal of wastewater, and the accumulation of salts and nitrates in the basin. The GWMP identifies an extensive list of programs and projects to address these concerns. These range from conservation measures and education programs to the development of higher quality water sources and water import/export management. Several of the components included in the Proposed Project first emerged as management alternatives identified in the GWMP. As such, the Proposed Project can be viewed as the development of specific projects and programs identified to help manage groundwater in the basin. A programmatic EIR completed for the 2004 Update of the GWMP addressed impacts associated with these projects and programs (SBCWD & WRASBC, 2004b). This EIR incorporates and expands the analysis presented the 2004 Update GWMP EIR. Components of the Proposed Project that are identified in the GWMP include the following:

RECYCLING WASTEWATER EFFLUENT

Section 5.5.7 of the GWMP identifies a program to reuse recycled effluent from wastewater plants. The GWMP identified possible sources of recycled effluent as Hollister, San Juan Bautista, and the Sunnyslope County Water District. The GWMP identifies that direct reuse would be beneficial as it would serve to conserve a valuable water supply and provide a disposal mechanism that would reduce the impact of effluent percolation on groundwater levels (SBCWD & WRASBC, 2004a).

SALINITY EDUCATION PROGRAM

Section 5.3.3 of the GWMP identifies a program to reduce salts entering the groundwater from agricultural and municipal and industrial (M&I) water users. The GWMP indicates that imported Central

Valley Project (CVP) water, fertilizers from agricultural and urban users, and concentrate from water softeners from M&I users account for 20,941 tons per year or 53% of all the salts entering the groundwater basin. The salinity education program consists of assisting agricultural water users to manage salt additions from fertilizers and other products. Salinity Education of M&I users would occur primarily through implementation of the water softener ordinance described below (SBCWD & WRASBC, 2004a).

WATER SOFTENER ORDINANCE

Section 5.3.4 of the GWMP indicates that water softeners add 2,270 tons per year or 6% of the total salt inputs to the groundwater basin. According to the GWMP, urban water purveyors have implemented ordinances requiring new home water softeners to be the type that is regenerated offsite to prevent the introduction of salts into the sewer system. Additionally, the GWMP acknowledges that a retrofit ordinance applicable to the resale of homes and a grant program for home owners are under consideration (SBCWD & WRASBC, 2004a).

INDUSTRIAL SALT CONTROL

Section 5.3.5 of the GWMP identifies a program to work cooperatively with food processors and other industrial dischargers whose operations contribute elevated levels of salts to municipal wastewater treatment plants (SBCWD & WRASBC, 2004a).

GROUNDWATER TREATMENT AND CONCENTRATE DISPOSAL

Section 5.5.5 of the GWMP identifies demineralization of groundwater as a means to reduce salt loads to the basin. The GWMP indicated that a major issue with groundwater treatment is the disposal of the concentrated brine that is a by-product of demineralization. The GWMP considers the most feasible means of brine disposal as being fueled evaporation or land evaporation reduction of the brine to a condensed form capable of being trucked to a landfill or the City of Watsonville Wastewater Treatment Plant (SBCWD & WRASBC, 2004a).

These components have been incorporated into the Proposed Project and are described in detail in **Section 3.0**. Additionally, this EIR incorporates the analysis of these components contained in the EIR completed for the GWMP Update (SBCWD & WRASBC, 2004b).

HOLLISTER URBAN AREA WATER AND WASTEWATER MASTER PLAN

In 2004, the City of Hollister, the San Benito County Water District, and San Benito County entered into a Memorandum of Understanding (MOU) for the development of the Hollister Urban Area Water and Wastewater Master Plan (Master Plan). The Master Plan will identify specific programs and projects to address a range of water resource management issues to support the attainment of goals and objectives of the City of Hollister and San Benito County General Plans. The Master Plan will address water quality, water supply reliability, water and wastewater system improvements and the regional balance of water

resources. While the Master Plan is not expected to be complete until 2007, the MOU identifies principles that the Master Plan will be based on. Many of these principles have guided the design of the Proposed Project. The following discussion identifies the principles relevant to specific issues and summarizes how the Proposed Project addresses these issues.

MOU Issue: Regional Planning	How the Proposed Project addresses this issue:
2.1.1 The Hollister Domestic Wastewater Treatment Plant is the primary wastewater treatment plant for the Hollister Urban Area including areas within the County that are designated to be served by that facility. 2.2.4 Within the Hollister Urban Area all wastewater shall be treated at a central wastewater treatment plant and City and County General Plans and supporting public service plans and implementing Ordinances/ Regulations shall be consistent with that requirement. This provision shall not preclude satellite wastewater separation plants for the recovery of water for recycling.	With the proposed improvements, the DWTP would provide service to the Hollister Service Area. This area includes Hollister, the Sunnyslope County Water District, and surrounding areas in unincorporated San Benito County that are within and adjacent to the City's Planning Area (**Figure 2-4**). Improvements to the DWTP would provide adequate capacity to accept wastewater from the Sunnyslope County Water District. However, the Proposed Project would not preclude the development of a satellite wastewater separation plants for the recovery of water for recycling. Sunnyslope County Water District may independently construct a wastewater treatment plant. Developments outside of the Hollister Service Area, such as San Juan Oaks Golf Club, may also incorporate wastewater treatment to recycle wastewater.

MOU Issue: Impact Assessment	How the Proposed Project addresses this issue:
2.1.7 The impacts of water supply and treatment and wastewater treatment and disposal including reclamation on the culture, economy and environment of the City of Hollister and San Benito County shall be carefully evaluated and negative impacts minimized. The impacts considered shall include, but not be limited to, impacts on air quality, surface water and groundwater quality and quantity, rates and charges including connection/impact fees, property values, industry and business, preservation of agriculture and agricultural land, and aesthetics.	The Proposed Project includes wastewater treatment improvements at the DWTP and expanded disposal methods (sprayfields and recycled water use). This EIR analyzes the potential environmental impacts from the construction and operation of the proposed facilities. Categories of impacts addressed include air quality, water quality, agriculture, biological resources, aesthetics, and impacts to residents located in proximity to proposed facilities. Impacts from changes in rates and fees are not addressed in this EIR, as these changes are not expected to result in changes to the natural or human environment. Such fiscal impacts are addressed by the capital planning and rate analyses conducted by the City of Hollister and the San Benito County Water District.

MOU Issue: Water Quality	How the Proposed Project addresses this issue:
2.1.2 The standards for the quality of the wastewater to be discharged (percolated, reused or discharged to surface water) shall be developed and agreed to by the City Hollister, San Benito County and the San Benito County Water District and shall include appropriate consideration of regional issues. These standards shall be the most stringent of local standards, state or federal regulations and shall include careful consideration of anticipated future regulations	The proposed immersed membrane bioreactor (MBR) facility is a state-of-the-art wastewater treatment process that would improve the effluent quality at the DWTP. These improvements would allow the City to meet existing quality standards and would put the City in a strategic position to meet future regulations. However, the upgraded DWTP would not reduce dissolved salts and minerals that exist in the water system. A Salt Management Plan is therefore proposed to address this issue.

future regulation. 2.1.4 Urban water supply including as appropriate blending of treated surface water and groundwater, removal of hardness and other minerals from groundwater to provide urban water users with uniform water quality, shall minimize the need for water softeners, assure reliability of the urban water supply and support direct use of urban wastewater. The urban water supply shall include provision(s) for drinking water service to areas in and adjacent to Hollister Urban Area where Health and Safety issues exist. 2.1.6 The standards for the quality of potable (drinking) water delivered to urban users shall be developed and agreed to by the City of Hollister, San Benito County and the San Benito County Water District and shall include appropriate consideration of regional issues while focusing on economic and health impacts. These standards shall be the most stringent of local standards, state and federal regulations and shall include careful consideration of anticipated future regulation. 2.2.2 Drinking water shall have a TDS concentration of not greater than 500 mg/L and a hardness of not greater than 120 mg/L (Calcium Carbonate). 2.2.3 Recycled wastewater shall have a target TDS of 500 mg/L and shall not exceed 700 mg/L TDS. To meet this objective, the wastewater treatment plant(s) shall include provision(s) for demineralization. This objective shall be met first by rigorous source control including, but not limited to, the elimination of on-site regenerating water softeners and second by demineralization. Blending recycled water with San Felipe water is ONLY an interim measure for achieving recycled wastewater quality objectives. The recycled wastewater objective shall be met by two measures identified above and the objectives of Section 2.2.2 as soon as practical and not later than by 2015. 2.2.7 Centralized wastewater treatment including specialize treatment as required to produce reclaimed water for agricultural purposes and disposal by means other than reclamation shall be the responsibility of the City of Hollister.	In Phase I, the Salt Management Plan would include a salinity education program, industrial salt control program, and a water softener ordinance. During Phase II, demineralization, through reverse osmosis treatment or electro-dialysis, would be provided to reduce salt and mineral levels. This would be provided either as treatment of groundwater supplies prior to municipal use or as an additional wastewater treatment process. Implementation of the Salt Management Plan is essential to meet effluent standards identified in MOU Sections 2.2.2 and 2.2.3. The Salt Management Plan would be implemented to reduce minerals to target levels thereby supporting direct use of wastewater (Section 2.2.3). If demineralization is provided for the groundwater supply (an option in the implementation of Phase II), it would allow for the reduction of salts and minerals in public drinking water to target TDS levels (Section 2.2.2). This would provide urban users with more uniform quality, and would minimize the need for water softeners. The Proposed Project would utilize the blending of treated wastewater with San Felipe (CVP) water or groundwater to meet recycled wastewater quality objectives. However, this would only be used as an interim measure until implementation of the Salt Management Plan reduces salts to levels that would allow unblended use. Taken together, the proposed MBR facility and the Salt Management Plan would result in wastewater quality that would be suitable for agricultural purposes and other recycled water uses. The only limitation on recycled water uses would be initially high TDS levels that would restrict the types of crops that could be irrigated. As the Salt Management Plan is implemented, TDS levels would drop to levels allowing use for salt-sensitive crops.
MOU Issue: Treatment and Disposal	**How the Proposed Project addresses this issue:**
2.1.3 The selection of wastewater treatment processes and disposal methods shall include careful consideration of future wastewater disposal requirements and provision for maximum reuse of wastewater. The selection	The proposed MBR facility and the Salt Management Plan would improve the effluent quality at the DWTP thereby allowing the City to meet existing quality objectives and standards and would put the City in a strategic position to meet future regulations. The

of wastewater disposal options and sites shall be agreed to by the City of Hollister, San Benito County and San Benito County Water District provided that disposal shall not: a. Impact drinking water supplies or negatively impact adjacent land uses or property values unless fully mitigated to the satisfaction to the City of Hollister, San Benito County and San Benito County Water District, or b. Be inconsistent with applicable General Plans or Policies including preservation of agricultural land, or c. Be or result in conditions inconsistent with the quantity, quality, or groundwater levels objectives of groundwater management plans for the area of disposal.	high effluent quality would allow for a wide range of disposal options, including agricultural use. The proposed wastewater disposal methods include sprayfields and recycled water use for irrigation. Percolation, the method by which all treated wastewater is currently disposed, would continue to be used. However, the use of percolation would be significantly reduced as the Salt Management Plan is implemented and lower TDS levels allow for expanded recycled water use. The intent of this disposal strategy is to minimize and eventually eliminate groundwater quality impacts. Disposal sites have been selected to avoid or minimize impacts to drinking water supplies and adjacent landowners. Where impacts have the potential to occur, this EIR identifies measures to mitigate the impacts. The disposal strategy also minimizes impacts to agricultural land and conflicts with applicable general plans and policies, because recycled water use would support agriculture and would not require changes in land use. An additional storage reservoir and evaporative beds that may be required in Phase II may be developed off the existing DWTP site, however these could be sited in locations that avoid prime agricultural land. Additional facilities required in Phase II are addressed at a programmatic level in this EIR; additional environmental review would be required when the location of these facilities are determined.

MOU Issue: Water and Wastewater Management	**How the Proposed Project addresses this issue:**
2.1.5 Surface water and groundwater supplies shall be managed to sustain the area water supply and manage groundwater levels to avoid negative impacts on overlying land uses. 2.1.8 Water and wastewater management to protect and sustain the local surface and groundwater supplies of San Benito County. 2.2.1 The urban water supply (surface and groundwater) and water system for the Hollister Urban Area shall be capable of meeting 100% of the demands during wet, above normal, normal and dry years and in the first year of a critically dry period. That supply shall be consistent with meeting 100% of the San Benito County Water District Zone 3 and Zone 6 demands under the same conditions. During the second and subsequent years of multi-year droughts/water shortages the water supplies (surface and groundwater) shall be capable of meeting 85% of the Municipal and Industrial demands and 75% of the agricultural demands. 2.2.5 Within the Hollister Urban Area reliable and sustainable water supply shall be provided and	The Proposed Project would assist in the management of water resources in the region by providing a recycled water source and reducing TDS levels in treated effluent. This would assist in protecting surface and groundwater supplies and would assist in managing groundwater levels by expanding disposal options and reducing the amount of treated wastewater percolated at the DTWP site. Disposal sites (sprayfields and recycled water projects) have been selected to avoid or minimize negative impacts to overlying land uses. Only sites that would benefit from recycled water use have been identified. The City and the SBCWD are working cooperatively to market and distribute recycled water in the region. For projects outside of the city limits, SBCWD is the primary agency responsible for marketing and distributing recycled water. The Proposed Project does not address the water supply and distribution objectives identified in the MOU (Sections 2.2.1, 2.2.5, 2.2.6, 2.2.9). The attainment of these objectives is generally outside the scope of the Proposed Project and is being addressed by other planning efforts, including development of the Master Plan. An exception

maintained. The water conservation goals of the Groundwater Management Plan Update for the San Benito County Portion of the Gilroy-Hollister Groundwater Basin shall be used as the basis for all water and wastewater Demand/flow projects. Water supply, treatment, transmission, storage (fire suppression, emergency and operational), and distribution facilities shall meet water industry and regulatory standards for service and reliability. The MASTER PLAN shall include an evaluation of the current systems service and reliability levels. The MASTER PLAN shall include an evaluation of the Hollister Urban Area water supply meeting California Urban Water Management Plan requirements including Chapters 642 and 643, Statutes of 2001 (Senate Bill 221 and 610 respectively). It is the intent of the parties that these evaluations be used to determine and define the ability of the Hollister Area water systems to service additional customers and that these evaluations will be the basis for General Plans and supporting policies and plans including input to LAFCO determinations and that the Master Plan be updated at seven (7) to ten (10) year intervals.	occurs in that if demineralization is provided for the groundwater supply during Phase II, it would allow for the reduction of salts and minerals to target levels in the public drinking water supply and would provide a more reliable water supply. The Proposed Project is not consistent with Section 2.2.5 to the extent that the water conservation goals of the Groundwater Management Plan Update were not used as the basis of wastewater flow estimates. The Proposed Project utilized existing flows and growth projections to estimate future flows. This issue is addressed under in the Section 4.1 of this EIR (Impact 4.1.2).
2.2.6 Urban water supply including the treatment of surface and groundwater for wholesale delivery shall be the responsibility of the San Benito County Water District. Continued, managed use of groundwater is necessary to protect portions of the Hollister Urban Area including the City of Hollister Industrial and Domestic Wastewater Treatment Plants and areas susceptible to liquefaction from adverse impacts of high groundwater. To achieve this continued and managed use of groundwater, groundwater supplies from the existing City of Hollister wells will be made available to SBCWD for water supply purposes ONLY if the City of Hollister consents and agrees to specific terms and conditions for that use.	
2.2.8 Marketing and distribution of recycled water for agricultural purposes and for any purpose outside the city limits of the City of Hollister shall be the responsibility of the San Benito County Water District.	
2.2.9 Within the Hollister Urban Area dual water supplies and dual distribution systems shall be required for all new development and for new parks, school grounds, cemeteries, and other large landscaped areas. Every reasonable effort shall be made to provide existing park, school grounds, cemeteries and other large landscape areas with supplies separate from the domestic water system. Nothing shall prevent the San Benito County Water District from developing groundwater supplies for	

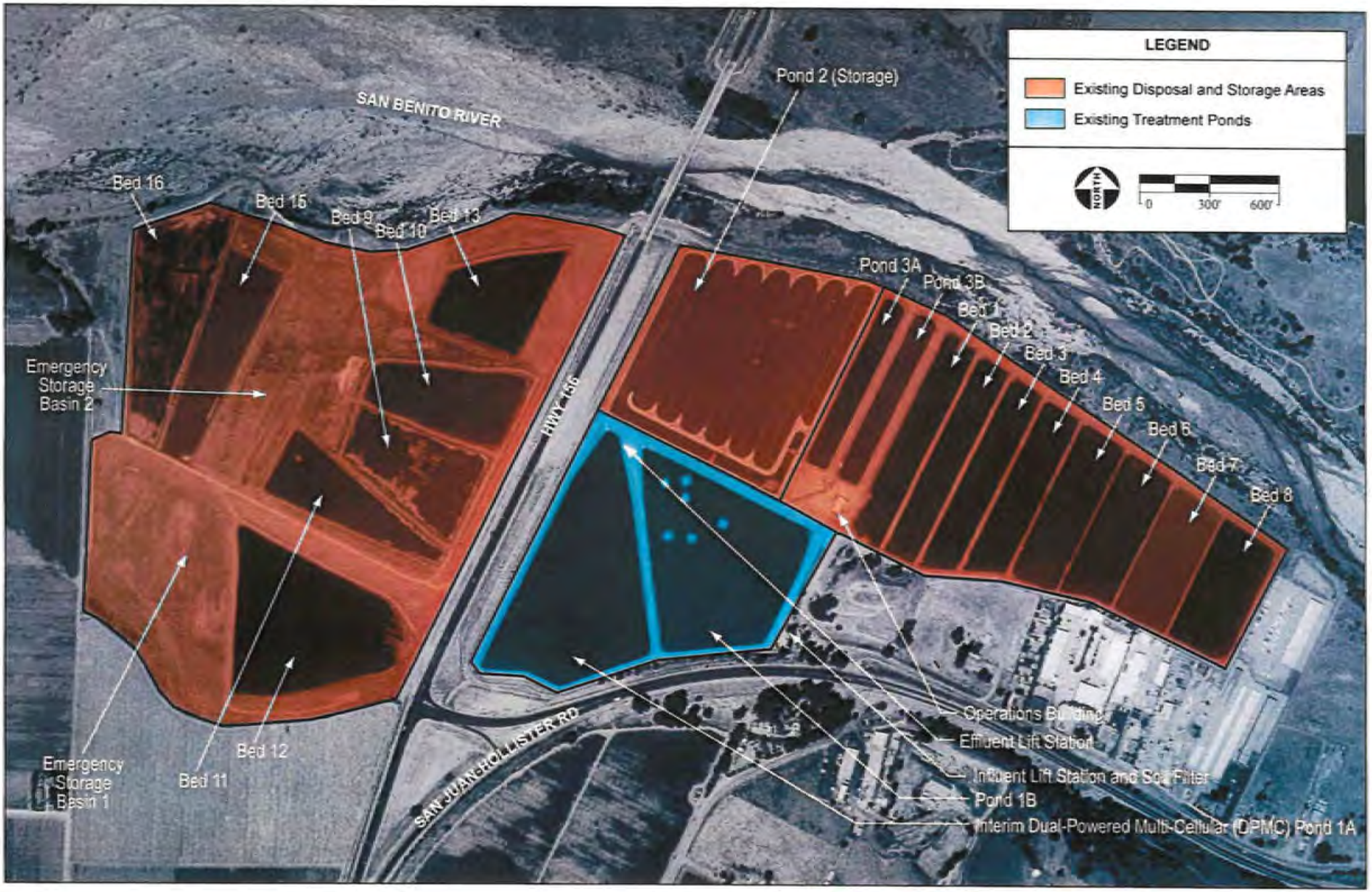
parks, school grounds, cemeteries and other large landscaped areas. The Parties recognize that these objectives may require revision in order to be achieved at the lowest practical lifecycle cost and earliest practical time. Any such revision shall be made in accordance with Article 13.	

2.5.2 EXISTING WASTEWATER SYSTEM

The DWTP was originally built in 1979 and became operational in 1980. At that time, the treatment plant consisted of a primary and secondary pond system with percolation beds (**Figure 2-3**). In 2003, the City completed interim improvements at the DWTP to improve treatment and disposal quality and efficiency until the Long Term Wastewater Management Program (LTWMP) could be implemented. These interim improvements introduced considerable changes to the treatment process by converting to a dual-powered multi-cellular (DPMC) process to improve efficiency. In addition to the treatment process changes, a new influent lift station was constructed to control odors and improve flow measurement. Currently, the DWTP disposes of treated effluent in fifteen percolation beds located on the east and west sides of State Route 156, and additional beds located at the Industrial Wastewater Treatment Plant (IWTP). The IWTP, which was constructed to serve adjacent cannery facilities, is located about a mile east of the DWTP and has been in operation since 1971.

The treatment plant system is capable of disposing of all of the current effluent flow of approximately 2.7 million gallons per day (MGD). However, the percolation beds are operating near maximum capacity and the system will not accommodate projected growth within the City. Additionally, while the current treatment plant meets all existing waste discharge requirements, new Central Coast Regional Water Quality Control Board (CCRWQCB) nitrate limits have been established in the local groundwater basin plan. The existing treatment plant is not capable of meeting this nitrate requirement. The disposal of treated effluent at the existing percolation beds has also been identified as contributing to high groundwater levels and high salinity levels in the San Juan Groundwater Sub-Basin of the Gilroy-Hollister Groundwater Basin. High groundwater levels can result in crop reduction or failure and can impact the stability of buildings and roads as well as the functioning of leachfields. High salinity levels in groundwater can harm or kill plants and make it unsuitable as a drinking water source.

In 2000, the City received approval from the CCRWQCB to temporarily divert a portion of its domestic wastewater from the DWTP to the IWTP. This diversion was an interim solution to decreased percolation capacities. Between June 1, 2001 and March 31, 2002, approximately 6,100 gallons of treated undisinfected wastewater seeped into the San Benito River channel from disposal bed 13 of the DWTP. On May 6, 2002, the levee of Pond 6 at the IWTP breached, resulting in the discharge of an estimated 15 million gallons of treated undisinfected wastewater to the San Benito River. The CCRWQCB issued Cease and Desist Order (CDO) No. R3-2002-0105 on September 19, 2002, and an associated Administrative Civil Liability (ACL) Order No. R3-2002-0097 on November 7, 2002. The ACL sets



SOURCE: USGS Aerial Photograph, 8/21/1998; AES, 2006

Figure 2-3
Existing DWTP Facilities

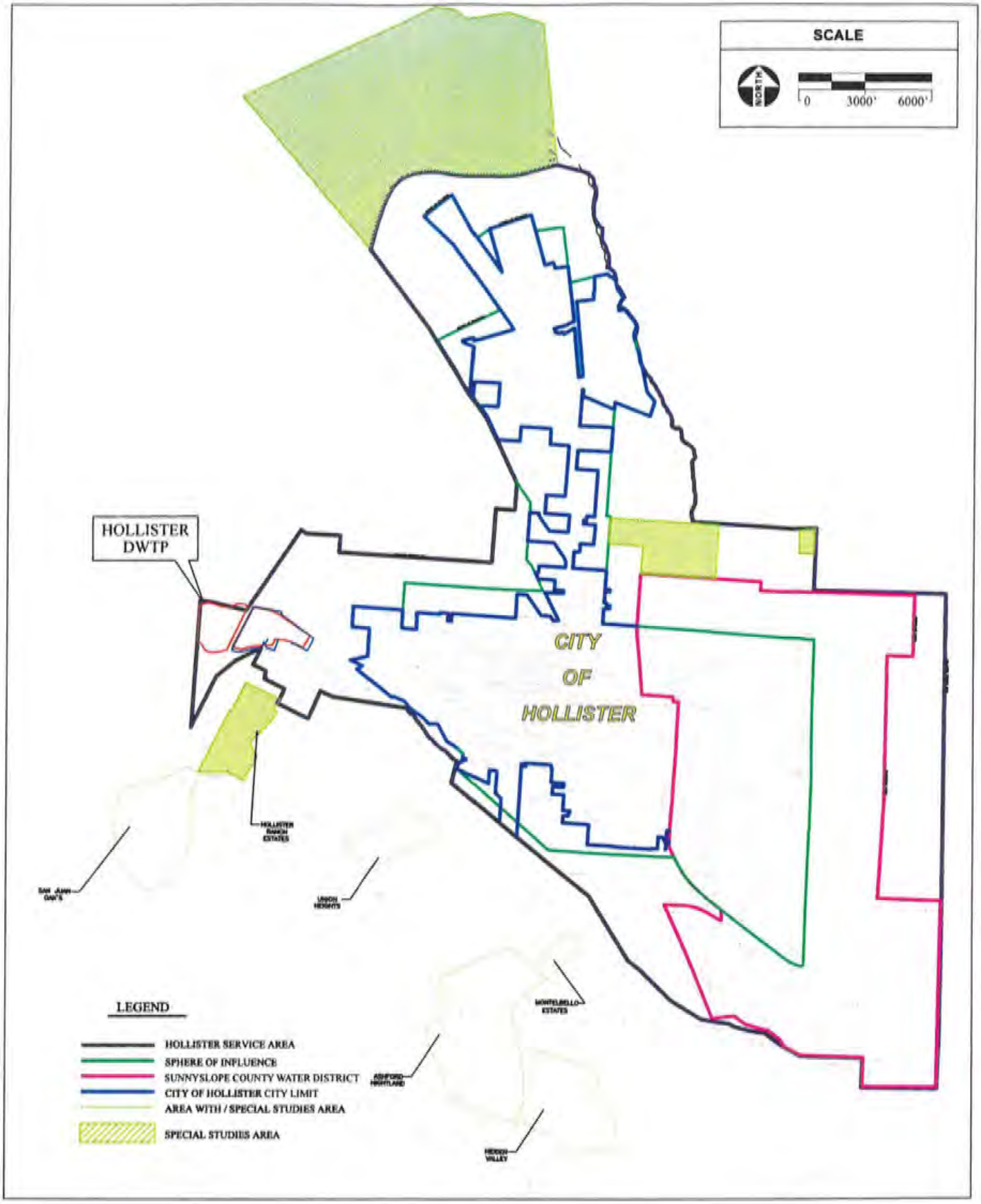
financial penalties for non-compliance with the CCRWQCB's orders. The CDO requires the City to cease issuing permits for connection to the municipal sewer system. At the time the City had already passed a building moratorium ordinance (Ordinance No. 974, May 2002) that suspended the issuance of building permits for new construction. The CDO and ACL also outlined milestones to achieve a properly functioning DWTP, including new headworks, emergency storage basin, and implementation of the LTWMP. The City completed the new headworks and emergency storage basin in 2002 and submitted a draft LTWMP to the CCRWQCB. Completion of DWTP improvements contained in the LTWMP is the subject of this EIR. On April 17, 2006, the CCWQCB provided comments and suggested revisions to the draft LTWMP. In response, the City is currently revising the LTWMP in order to provide clarification of specific issues prior to finalization of the document. However, it is not expected that revisions to the final LTWMP would significantly change the components of the LTWMP that are evaluated in this EIR. The City is required under CEQA to certify this EIR prior to implementing the LTWMP.

2.5.3 Regional Growth and Wastewater Flow Projections

The design of the Proposed Project is based upon the projected increase in population within the Hollister Service Area. The Hollister Service Area includes the City of Hollister, Sunnyslope County Water District, and surrounding areas in unincorporated San Benito County that are within and adjacent to the City's Planning Area (**Figure 2-4**). Future wastewater flows are based on projected growth through the year 2023, the planning horizon for the City's General Plan. The year 2023 thus forms the basis for planning the proposed facilities to provide sufficient wastewater treatment and disposal capacity. The following discussion describes regional population growth projections and projected wastewater flows.

Growth rates used by the City of Hollister in identifying the appropriate treatment capacity of the DWTP are based on the City of Hollister 2005 General Plan projections. The City of Hollister General Plan projects a population of 55,192 by 2023, or an average annual population increase of 2.6 percent. The General Plan assumed commercial growth at 2.9 percent. Taking into account the proportional contribution of residential and commercial wastewater flows, the weighted average annual increase in wastewater flows from the City of Hollister is estimated to be 2.67 percent. This weighted average of 2.67 percent also was applied to wastewater flows from the unincorporated portion of the Hollister Service Area with the exception of the Sunnyslope CWD. Flow projections from the Sunnyslope CWD are based on an initial flow of 0.25 mgd and a 4.2 percent annual growth rate. Overall projected wastewater flows for the Hollister Service are provided in **Table 2-12**. These projections vary slightly from those identified in the Hollister General Plan EIR (Table 4.10-A). The General Plan identifies an initial flow of 2.98 mgd and a year 2023 flow of 4.57 mgd (including flows from the Sunnyslope CWD). This minor variance is due to the refinement of existing wastewater flow data and projections since the General Plan EIR was completed.

The growth projections reported above are based on the City of Hollister General Plan. Growth projections also have been developed by other regional planning agencies and in other project forums, and



SOURCE: City of Hollister, 2006; AES, 2006

Figure 2-4
Hollister Service Area

TABLE 2-21
WASTEWATER FLOW PROJECTIONS FOR THE HOLLISTER SERVICE AREA

Year	Flow Projection (MGD)
2008	2.97
2009	3.05
2010	3.14
2011	3.22
2012	3.31
2013	3.41
2014	3.51
2015	3.60
2016	3.71
2017	3.81
2018	3.92
2019	4.02
2020	4.14
2021	4.26
2022	4.37
2023	4.50

Note: Annual dry weather flow. Includes projected flows from Sunnyslope County Water District.
Source: HydroScience Engineers, 2005.

there are slight discrepancies with the San Benito County General Plan. These are summarized below in comparison to the City of Hollister General Plan.

AMBAG

The Association of Monterey Bay Area Governments (AMBAG) has responsibility for forecasting growth in developing regional plans for transportation and air quality management. AMBAG projects a 2023 population of 55,350 for the City of Hollister, which is 158 more residents than projected in the City of Hollister General Plan. This discrepancy occurred because the City of Hollister modified the AMBAG forecasts slightly to account for Hollister's housing needs. This difference will be resolved with implementation of an adopted mitigation measure identified in the Hollister General Plan EIR to initiate a process to amend AMBAG forecasts to be consistent with the Hollister General Plan (Mitigation Measure 4.1-1).

GROUNDWATER MANAGEMENT PLAN

The 2004 GWMP used existing population data provided by the California Department of Finance, and estimated future growth on the assumption that the City's Growth Management Plan would limit the development of residential homes to 244 units per year. Based on a household size of 3.537, the GWMP projected a 2022 population of 53,600. Extrapolated to 2023, this would result in a population of 54,463,

or 729 fewer residents than projected in the Hollister General Plan. This difference (1.3%) would not create a significant difference in the planning assumptions used by the City of Hollister in this EIR and by the WRASBC in the GWMP.

San Benito County General Plan

In 2005, San Benito County adopted a new land use designation within the unincorporated portion of the Hollister Service Area. The "Sphere of Influence Rural/Urban" designation would allow higher densities in residential areas in order to stimulate the construction of affordable housing and housing for special needs groups. The effect of this designation would be limited to the short-term as it is provided only until Hollister's building moratorium is lifted. While the new Sphere of Influence Rural/Urban designation could result in higher densities in some areas, it is unlikely to substantially affect initial wastewater flows or population growth estimates assumed in the LTWMP. Additionally, approximately half of the area redesignated is located within the service boundary of the Sunnyslope County Water District, which is assumed to contribute flows to the DWTP.

2.5.4 Previous Environmental Review

Previous environmental review for aspects of the Proposed Project has included the following documentation:

- An EIR was completed for the 2004 Groundwater Management Plan Update for the San Benito County Part of the Gilroy-Hollister Groundwater Basin. The Groundwater Management Plan provides an overview of water resource management efforts, and specifically addresses projects incorporated into the Proposed Project, including demineralization of groundwater.
- An EIR was completed for the 2005 Hollister General Plan. The General Plan EIR addresses the impacts of growth within the Hollister Planning Area, which includes the City of Hollister, and land for potential annexation within the City's sphere of influence.
- An EIR for development of the original DWTP project (east of State Route 156) was certified by the City on April 29, 1976.
- A Categorical Exemption for the original, eastern 30-acre disposal bed area of the DWTP was prepared in August 1994. This project included the removal of approximately 6 to 12 inches of soil from the beds and re-leveling of the bed bottoms, with the excavated material stockpiled on site.
- A Categorical Exemption for the construction of two temporary disposal beds (#9 and #10) on land west of State Route 156 was prepared in September 1996.
- A Categorical Exemption for the development of permanent and additional temporary disposal beds in the area west of State Route 156 was prepared in February 1997. This project included renovation of the existing beds and installation of an effluent distribution pipeline system.

- An EIR for the temporary diversion of a portion of the domestic wastewater from the DWTP to the IWTP through June 2005 was certified by the City in January 2000.
- A Categorical Exemption for the construction of the emergency storage basin in October 2002.
- An Initial Study/Mitigated Negative Declaration for the Interim Improvements at the Hollister DWTP was prepared in January 2003. This project included the emergency storage basin, new headworks, and adding a dissolved air floatation system to the existing DPMC treatment system.

2.6 SCOPE OF THE EIR

"Scope" is a term that describes the breadth and depth of an EIR (i.e., the content, as well as the level of analysis and discussion). The City identified the appropriate scope of this EIR by preparing a Notice of Preparation (NOP) and engaging agencies and the public to provide input. As required by CEQA, this Draft EIR focuses on significant environmental effects expected to result from the Proposed Project (State CEQA Guidelines, Section 15143).

The Draft EIR characterizes the existing environmental resources of the project site, analyzes potential impacts to those resources (as a result of implementation of the Proposed Project), and identifies mitigation measures to reduce impacts. The programmatic aspects of the project will be broadly analyzed. Other CEQA-related issues, such as cumulative and growth-inducing effects resulting from the Proposed Project, are also analyzed. Several alternatives to the Proposed Project, including a No Project Alternative, are analyzed in this Draft EIR.

A Notice of Preparation (NOP) notifying the public and public agencies of the City's intent to prepare this EIR was issued on February 1, 2006. Related to the release of the NOP, the City held a public scoping meeting at the Veterans Memorial Hall in downtown Hollister on February 16, 2006. The NOP is included in **Appendix A**. Comment letters responding to the NOP are included in **Appendix B**.

An Initial Study (**Appendix C**) was prepared for the Proposed Project in accordance with State CEQA Guidelines Section 15063. Based on the Initial Study, it was determined that an EIR should be prepared. The issues discussed in this Draft EIR are those that have been identified as having the potential for significant effects to the environment. Based on the comments received on the NOP, and the analysis contained in the Initial Study, the following environmental issues were identified as having the potential for significant effects to the environment and are analyzed in detail in this EIR:

- Land Use and Planning
- Geology, Soils, and Seismicity
- Hydrology and Water Quality
- Biological Resources
- Cultural Resources
- Hazardous Materials and Public Health & Safety

- Utilities and Public Services
- Air Quality
- Traffic

2.7 IMPACT TYPES, SIGNIFICANCE, AND MITIGATION

2.7.1 IMPACT TYPES

There are several types of impacts typically evaluated in an EIR. Potential impacts can be short-term (such as construction-related impacts), long-term (such as operations-related impacts), direct (primary), indirect (secondary), and/or cumulative (project impacts in combination with impacts from other past, present, or reasonably anticipated future activities).

2.7.2 IMPACT SIGNIFICANCE AND SIGNIFICANCE CRITERIA

As defined by CEQA, a significant effect is a "substantial or potentially substantial" adverse change in the physical environment (PRC Section 21068). Significance varies with the physical conditions affected and the setting in which the change occurs. If an impact is determined to be significant, an effort must be made to mitigate the impact to a level that is less than significant.

Physical impacts which trigger the requirement to make "mandatory findings of significance" include impacts which:

- Substantially degrade the quality of the environment, substantially reduce the habitat of a fish or wildlife species, cause a fish or wildlife population to drop below self-sustaining levels, threaten to eliminate a plant or animal community, reduce the number or restrict the range of a rare or endangered plant or animal, or eliminate important examples of the major periods of California history or prehistory;
- Result in cumulatively considerable effects; or
- Result in substantial adverse effects on human beings (State CEQA Guidelines, Section 15065).

The EIR makes a determination of the significance of each identified adverse impact using the following system:

- Less than significant, and no mitigation measures required;
- Significant or potentially significant, and can be mitigated to a level that is less than significant; and
- Significant or potentially significant, and cannot be mitigated to a level that is less than significant.

The analysis for each environmental factor (or "resource area") utilizes a distinct set of criteria against which the significance of impacts is gauged. For impacts that can be quantified, quantifiable significance criteria are utilized. For less easily quantifiable impacts, qualitative indicators of significance are used. The use of levels of significance and significance criteria promotes consistent evaluation of impacts for all alternatives considered.

2.7.3 MITIGATION

Mitigation is required for adverse impacts identified as significant (State CEQA Guidelines, Section 15126.4(a)(1)). Mitigation can avoid, minimize, rectify, reduce, eliminate over time, or compensate for significant impacts, with the intent of reducing these impacts to a level that is less than significant. If the "residual impact" remains significant after mitigation, the impact is considered unavoidably adverse and significant, and decision makers must chose whether to approve the project, even if it would result in such an impact. This EIR recommends specific mitigation measures for each significant impact identified.

In accordance with PRC Section 21081.6 (b), a Mitigation Monitoring Plan will be prepared for the project. This plan will contain the mitigation measures identified in this EIR and will identify the schedule for the implementation of mitigation, the party responsible for implementation, the party responsible for monitoring, and the criteria for completion.

2.8 ORGANIZATION OF THIS EIR

The contents of this document exceed the minimum EIR content requirements identified in Article 9 of the State CEQA Guidelines, and include the following:

Chapter 1.0, Executive Summary provides information regarding project characteristics, impacts and mitigation, areas of interest or controversy, required project approvals, and alternatives. It contains a brief overview of the EIR, providing the reader an alternative to reading the entire document, or an opportunity to become familiar with the contents of the EIR prior to reading the entire document.

Chapter 2.0, Introduction, describes the purpose and type of this EIR, the CEQA process, the scope of this document, the approach to analysis and mitigation, and the organization of the EIR.

Chapter 3.0, Project Description, includes a project overview and details regarding project characteristics, general characteristics of the project area, project objectives, and project permitting requirements. Also included is a detailed discussion of the programmatic components of the project including potential future uses of recycled water, and identification of the region north of the San Benito River where preliminary studies have examined the feasibility of establishing new disposal facilities.

Chapter 4.0, Environmental Setting, Impacts, and Mitigation Measures, includes a description of the regulations relevant to the Proposed Project, a description of environmental resources within the region and project area, a discussion of environmental consequences of the

Proposed Project (i.e., potential environmental impacts), and a discussion of measures to mitigate the effect of adverse impacts. Potential impacts of the program components are generally discussed. As described above, additional CEQA documentation may be required for components analyzed at a program level.

Chapter 5.0, CEQA-Required Sections, includes a discussion of growth inducement, cumulative effects, unavoidable significant impacts, and significant irreversible environmental impacts.

Chapter 6.0, Project Alternatives, describes alternatives to the Proposed Project, evaluates the potential environmental impacts of these alternatives, and describes alternatives that were eliminated from detailed consideration.

Chapter 7.0, References, lists sources of information used in the preparation of this document.

Chapter 8.0, Report Preparation and Persons/Organizations Consulted, provides a list of agencies and persons consulted prior to and during development of the EIR, describes CEQA-required consultation/coordination activities as well as a community outreach effort that exceeds CEQA requirements, and lists individuals who contributed to the EIR.

Chapter 9.0, Acronyms, provides a list of all the abbreviations used in the EIR, and also a list of technical terms and definitions.

The **Appendices** include supplemental information that augments the contents of the EIR.