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UNITED STATES DEPARTMENT OF COMMERCE
National Oceanic and Atmospheric Administration
 NATIONAL MARINE FISHERIES SERVICE

Southwest Region
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 Santa Rosa, California 95404

Post-It® Fax Note	7671	Date	4/19	# of pages	3
To	RICH WALTER				
From	THOM McCUE				
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In Response Refer To:

April 13, 2004 151416SWR04SR9234:WH

Mr. Thomas McCue
 County of Monterey
 Planning and Building Inspection Department
 2620 First Avenue
 Marina, CA 93933

Dear Mr. McCue:

The National Marine Fisheries Service's (NOAA Fisheries) staff has reviewed the Draft Environmental Impact Report (DEIR) for the Pebble Beach Company's Del Monte Forest Preservation and Developmental Plan. We recognize that the public review period for this document has recently closed; nevertheless, we offer the following comments that reflect our concerns about the project's potential effects upon fisheries resources associated with the Carmel River.

We understand that the proposed project includes development of a new 18-hole golf course with clubhouse and visitor-serving suites; relocation of the existing equestrian center; construction of 91 visitor-serving units, additional meeting space, a new underground parking lot, and new driving range/golf teaching facility at Spanish Bay; construction of 63 visitor-serving units, additional meeting and hospitality space, and new underground parking structure at the Lodge at Pebble Beach; creation of 33 residential lots in various locations; construction of 12 employee housing units near Spanish Bay and 48 at the Pebble Beach Company's Corporation Yard; road, infrastructure and trail improvements; preservation and conservation of 500 acres of open space; and a proposal to amend prior permits/conservation easements issued to the applicant.

The DEIR states that water for this facility will be derived from a claimed water entitlement of 355 acre-feet per annum (afa) that was obtained by Pebble Beach Company in return for financial support for the Carmel Area Wastewater District/Pebble Beach Community Services District Wastewater Reclamation Project. We understand that agreement for that water entitlement predates State Water Resources Control Board (SWRCB) Order 95-10 and is considered by SWRCB as a separate additional volume of potable water that California -American Water Company (Cal-Am) may provide to Pebble Beach Company beyond its mandatory service delivery cap of 11,285 afa of Carmel River water per Order 95-10. As a result of this additional diversion, the proposed *"project would increase withdrawals by Cal-Am from the Carmel River aquifer and/or the Seaside aquifer relative to a current (2002) baseline."* The environmental justification for allowing this additional diversion is that those diversions are offset by reductions in diversions that were achieved through the existing Recycled Water Project implemented during the 1990's.



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The proposed development is being pursued despite numerous legal and administrative findings that excessive and unauthorized water diversions by Cal-Am are having significant deleterious effects on the riparian corridor along the Carmel River and upon steelhead that spawn in the river. Subsequent proceedings related to Condition 6 of Order 95-10 (e.g., Order 98-04, the SWRCB hearing in Fall 2001, and the resulting Order 2002-02) have all recognized the significant adverse effects of excessive direct diversions from the river. Order 2002-02 provided interim measures to be taken to mitigate those impacts until long-term solutions are obtained for resolving ongoing impacts to steelhead and water supply needs for the Carmel River Valley.

The importance of addressing these impacts is of even greater urgency than it was during the proceedings associated with Order 95-10, because these steelhead are now federally listed as threatened. Steelhead trout (*Oncorhynchus mykiss*) comprising the South-Central California Coast Evolutionarily Significant Unit (ESU) are listed as threatened (62 Fed. Reg. 43937, August 18, 1997) under the Endangered Species Act (ESA). Protective regulations prohibiting "take" of steelhead went into effect on September 8, 2000. "Take" as defined in the ESA, includes, in part, to harm or harass the species. These protective regulations describe certain activities that may injure or kill listed steelhead and result in legal liability. These activities include, in part:

Physical disturbance or blockage of the streambed where spawners or redds are present concurrent with the disturbance; ...Blocking fish passage through fills, dams, or impassable culverts; or water withdrawal...; and water withdrawals that impact spawning or rearing habitat.

Habitat degradation has nearly extirpated steelhead from several streams in the range of this ESU. Today, the Carmel River supports the most significant run of the South-Central California Coast steelhead, even though steelhead returns to the Carmel River are now less than 10% of historic levels.

Diversions from the Carmel Valley Aquifer have a direct effect on surface flow in the Carmel River. As a result of these diversions, the Carmel River usually goes dry downstream from approximately Rivermile 6 or 7 by July of each year. From July until the winter rains begin, the only water remaining in the lower river is in isolated pools that gradually dry up as the groundwater table declines in response to pumping. Surface flow from the Carmel River into the lagoon normally recedes after the rainy season in late spring, and it ceases in summer as rates of water extraction exceed baseflow discharge.

The annual dewatering of the lower Carmel River adversely affects anadromous runs of steelhead. Each year, the Monterey Peninsula Water Management District (MPWMD) conducts a "fish rescue" operation that relocates 10,000+ juvenile steelhead from the dewatered segment to holding facilities or to permanently flowing upstream segments. These activities likely save some steelhead that would otherwise die from stranding; however, the rescue effort only accounts for a portion of the wild fishes potentially lost in the lower river, and many that are collected are undoubtedly lost during their capture or from overcrowding in upper river segments or the holding facility.

NOAA Fisheries prepared a report entitled Instream Flow Needs for Steelhead in the Carmel River – bypass flow recommendations for water supply projects using Carmel River waters (dated June 3, 2002). We have attached a copy of this report, which describes the issue of water diversion impacts on steelhead in the Carmel River and recommended bypass flows for alleviating these impacts. That report identifies minimum bypass flows for future diversions and recommends that, to protect and restore runs of steelhead to the Carmel River, no new diversions should be permitted, authorized, or otherwise

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sanctioned for the period of June 1 to October 31. The report states, *"To that end, those with existing, authorized diversions from the Carmel River during summer and early fall should be encouraged to pursue alternative sources of water."*

A decision on the Del Monte Forest Preservation and Development Plan that would result in additional direct diversions from the Carmel River would further degrade stream habitat, and it may likely contribute to additional take of federally listed threatened species. This would be especially unfortunate given the ongoing progress towards a long-term solution to the water supply problem in the Carmel River Valley. The California Public Utilities Commission finalized a feasible alternative water supply plan for the Carmel Valley (Plan B Project Report, dated July 26, 2002), and MPWMD is pursuing a substantial Aquifer Storage and Recharge Project for the area.

Given all of these concerns and the prospect for new water supplies for the Carmel River Valley, NOAA Fisheries recommends that this project, which entails considerable new development and additional diversion from the Carmel River, be deferred until new, alternative water supplies are developed for the area.

Thank you for your consideration of this important issue. If you have any questions or comments concerning the contents of this letter, please contact Dr. William Hearn at (707) 575-6062 or Joyce Ambrosius at (707) 575-6064.

Sincerely,



Patrick J. Rutten
Santa Rosa Field Office Supervisor
Protected Resources Division

Attachment (original only)

cc: J. Lecky, NOAA Fisheries
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C. Lester, Cal. Coastal Commission
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