EXHIBIT XX-D



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

Southwest Region 777 Sonoma Ave., Room 325 Santa Rosa, CA 95404-6528

June 9, 2006

In response refer to: 151416SWR2006SR00350:JEA



Henrietta Stern, Project Manager Monterey Peninsula Water Management District P.O. Box 85 Monterey, California 93942-0085 .UN 1 = 2006

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Dear Ms Stern:

Thank you for the opportunity to comment on the Initial Study (IS) and Proposed Negative Declaration for Approval of Application #20031208DUN to Create St. Dunstan's Water Distribution System. The proposed project entails approval of operation of a Water Distribution System, based on a new water well, to: 1) serve existing and expanded needs at St. Dunstan's Episcopal Church, including landscaping church grounds, and 2) replace the current source of supply by California-American Water (Cal-Am).

The maximum estimated water use is 7.5 acre-feet per year (AFY), 0.7 AFY for the enlarged sanctuary/parish hall and 6.8 AF for landscape irrigation. Actual water use in the past five years has not exceeded 1.66 AFY. Currently Cal-Am water is not available for church expansion due to State Water Resources Control Board (SWRCB) Order 95-10. The well would be located in the Carmel Valley Alluvial Aquifer at approximately River Mile 8.5. It is noted the proposed project intends to divert additional water from the Carmel River Basin on a year-round basis with the highest rate of diversion occurring during the low flow season to meet increased landscape irrigation needs.

South-Central California Coast Evolutionarily Significant Unit (ESU) steelhead are listed as threatened under the Endangered Species Act (ESA) of 1973 and are present in the Carmel River. Populations of steelhead within the South-Central California Coast ESU are at critically low levels. Any adverse impacts to them must be minimized to assure these species do not become extinct. Decreasing flows in the river can delay the migration of upstream adults and downstream juveniles within the system. Decreased flows can contribute to increased water temperatures and a decrease in water quality, both detrimental to salmonids.

The IS discloses the well would "cumulatively contribute to extractions from the Carmel Valley Alluvial Aquifer that cumulatively affect Carmel River flow," but then goes on to dismiss the impact because of the "relatively low water use from the proposed well" and the 'hydrologic regime



in dry periods is controlled by much larger well production in the vicinity of the proposed well, including two major Cal-Am production wells." We disagree with this IS finding.

Adverse impacts to listed species in the Carmel River Basin are well documented. SWRCB Order 95-10 and Order 2002-0002 do not allow Cal-Am to increase its diversions for expanded water needs or new water users and orders Cal-Am to pump from the lowermost wells to protect listed species. For MPWMD to approve a new Water Distribution System because Cal-Am cannot provide for expansion does not negate the on-going adverse impacts to listed species from water withdrawals. In fact, any increase in diversions on the Carmel River will be cumulative and only exacerbate the impacts. By changing who does the pumping, whether it be Cal-Am or a new diverter, does nothing to reduce or eliminate the impacts of increased diversions, especially in the low flow season. The flow prescriptions provided under Order 95-10 and 2002-0002, restricting the ability of Cal-Am to serve additional water requests and preserve year-round flow as far downstream as possible, are intended to support public trust resources, and are not intended to provide water for additional diversions that will perpetuate adverse impacts to these resources.

NOAA's National Marine Fisheries Service's (NMFS) June 2002 report, "Instream Flow Needs for Steelhead in the Carmel River, bypass flow recommendations for water supply projects using Carmel River waters" establishes bypass flows for new projects to ensure that no new diversions are developed that would be counter to the efforts to restore flows to protect listed species while a long-term solution to a sustainable water supply is found. This document recommends "no new diversions should be permitted, authorized, or otherwise sanctioned for the period June 1 to October 31." As noted in the IS, most of the increased diversion for the proposed project is for landscape irrigation which usually is needed during this low flow period. Approval of any diversions, especially during this critical flow period only serves to increase the over-pumping impacts the agencies are attempting to reverse.

NMFS believes the finding of a Negative Declaration is inappropriate because the proposed project will result in and cumulatively contribute to the continuation of significant impacts to the environment. NMFS recommends MPWMD provide full disclosure of significant impacts through an Environmental Impact Report. NMFS also recommends revising the proposed project to minimize impacts to listed species, including, but not limited to: 1) delaying the expansion until alternative water sources are available; 2) reducing or eliminating the amount of landscape irrigation water required during the low flow season; and 3) permitting pumping at the new well only when no impacts to resources would occur, *i.e.*, during the high flow season.

NMFS also recommends MPWMD establish a mitigation fee for non-Cal-Am diverters to provide for mitigation of impacts to the Carmel River Basin resources in the same manner as Cal-Am customers are levied a fee for mitigation. We believe all diverters, whether riparian or otherwise, have a responsibility to mitigate impacts and protect the resources of the Basin.

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If you have any questions concerning the above comments, please contact Ms. Joyce Ambrosius at (707) 575-6064 or joyce.ambrosius@noaa.gov.

Sincerely,

Dick Butler Santa Rosa Area Office Supervisor Protected Resources Division

cc: R. Strach, NMFS, Sacramento L. Hanson, CDFG, Yountville