UNITED STATES ENVIRONMENTAL PROTECTION AGENCY
REGION IX
75 Hawthorne Street
San Francisco, CA 94105

June 29, 2006

Robert Smith
U.S. Army Corps of Engineers
San Francisco District
333 Market Street
San Francisco, CA 94105

Subject: Draft Environmental Impact Statement (DEIS) for the San Clemente Dam Seismic Retrofit Project (CEQ# 60182)

Dear Mr. Smith:

The U.S. Environmental Protection Agency (EPA) has reviewed the DEIS referenced above. Our review is pursuant to the National Environmental Policy Act (NEPA), Council on Environmental Quality (CEQ) regulations (40 CFR Parts 1500-1508), and Section 309 of the Clean Air Act. Our detailed comments are enclosed.

The San Clemente Dam needs to be strengthened in order to comply with the California Department of Water Resources, Division of Safety of Dams requirements to address safety deficiencies and eliminate the risk of failure from a Maximum Credible Earthquake (MCE) and Probable Maximum Flood (PMF) event. The Carmel River Watershed Assessment and Action Plan (2004) documented the need to upgrade or remove the dam (DEIS, p. 5-14). The U.S. Army Corps of Engineers (Corps) and the California Department of Water Resources are proposing to strengthen the dam and replace the existing fish ladder.

Based on our review, we have rated the document as Environmental Concerns - Insufficient Information (EC-2) (see enclosed "Summary of Rating Definitions"). We have some concerns with the proposed retrofit plan and request that additional clarifications be made in the FEIS regarding the long-term impacts and benefits associated with the alternatives. EPA recommends that the FEIS include additional information related to the Clean Water Act (CWA) Section 404(b)(1) process and the short and long-term economic and environmental costs and benefits of each alternative. In particular, the FEIS should include an analysis of the projected long-term benefits to the River and the steelhead population from the removal of the dam.

We appreciate the opportunity to review this DEIS. When the FEIS is released for public review, please send (2) copies to the address above (mailcode: CED-2). If you have any questions, please contact me at 415-972-3988 or Summer Allen, the lead reviewer for this project. Summer can be reached at 415-972-3847 or allen.summer@epa.gov.

Sincerely,

/S/
Duane James, Manager
Environmental Review Office

Main ID # 4462

Enclosures: Summary of Rating Definitions
Detailed Comments

Clean Water Act, Section 404(b)(1)

All project alternatives will have impacts to Waters of the U.S. and wetlands and will need a Clean Water Act (CWA), Section 404(b)(1) permit. The CWA, Section 404(b)(1) Guidelines (40 CFR 230.10(a)) require the selection of the Least Environmentally Damaging Practicable Alternative (LEDPA). This determination must take into account effects to all resources.

Recommendation:
The FEIS should include a summary of the CWA, Section 404(b)(1) permitting process and ensure that the LEDPA will be selected in the Record of Decision (ROD).

Cost Analysis

We recognize that one of the project objectives is to minimize the financial impacts to California American Water Company (CAW) rate payers (p.1-2). Appendix D in the DEIS includes the costs associated with various sediment disposal sites, which represent a portion of the costs of Alternative 2. However, it does not include a cost analysis for the other alternatives proposed, future maintenance costs, or alternative funding possibilities. This information is important to help inform decisions regarding the long-term economic costs or benefits of various measures such as dam removal and on-site sediment stabilization, as well as other alternative measures.

Recommendation:
The Alternatives Analysis in FEIS should be expanded to include a short and long-term cost analysis of the alternatives in a comparative format to help inform decisions. It should include information on the feasibility of funding for these projects and any interested parties that may be able to coordinate on project costs or related monitoring and mitigation.

Alternatives Analysis

All project alternatives may have short-term impacts to California red-legged frog habitat and water quality due to sedimentation or sediment deposition. However, we note that selecting an alternative that incorporates dam removal (such as Alternative 2 or 3) would meet the project purpose and need, restore the natural basin hydrology, and provide long-term benefits to the threatened steelhead population in the Carmel River by improving fish passage and the stream gravel replenishment necessary for spawning. The document notes that passage in a free-flowing stream is preferable to a fish ladder (p. 5-22). It also documents a concern that the steelhead population is threatened by the development of water resources, drought, and watershed, land use, and environmental problems (p. 4-103). However, the analysis in the DEIS does not fully describe the environmental benefits (both in the River and the steelhead population) that may result from removal of the dam.

In addition, we note that the decision to stabilize the sediment in place (as proposed in Alternative 3) would reduce habitat impacts to special status species in the area, as disposing of large volumes of sediment at the proposed sediment disposal site could destroy habitat and may also injure or kill special-status wildlife species (p. 4-209). Alternative 3 (Carmel River Reroute

and Dam Removal) is expected to take the same amount of time to complete as the Proposed Project (Dam Strengthening), but unlike the Proposed Project, it would not have unmitigatable significant turbidity impacts to the Carmel River from sluicing (p. 2-37 and 5-2).

Recommendations:
In order to fully weigh the costs and benefits of each proposed alternative, the FEIS should include a detailed analysis of the projected effects of the removal of the dam on the River and the steelhead population. This information should be used in the determination of the LEDPA.