

File Copy

# SANTA MARGARITA RANCH

LLC

March 6, 2000

By Facsimile and U.S. Mail

Mr. Lamont Jackson  
United States Department of the Interior  
Fish and Wildlife Service  
2493 Portola Road, Suite B  
Ventura, CA 93003

Re: Santa Margarita Ranch ("the Ranch")

Dear Mr. Jackson:

This letter follows our telephone conversation on Friday, February 18, and responds to your correspondence to me dated February 15, 2000.

At the outset, I want to address an issue raised by your February 15<sup>th</sup> letter. As I explained, we did respond to your Department's letter of June 17, 1999 in a letter dated September 20, 1999, which I enclose for your reference (since you stated that it was not in the file you've been given). As you will see, the Ranch has no Section 7 consultation obligations and it believes that its vineyard planting and operations will not cause a "take" of any listed species.

I also enclose a copy of the 1994 Santa Margarita Ranch Constraints Study ("the Study"). You mentioned that you did not have a copy of this document in your file. Kate Symonds previously informed me at our June 1999 introduction that she was aware of the Study. On June 17, 2000 she wrote to us, noting that "surveys and habitat assessments have been completed", but that the Fish and Wildlife Service ("FWS") had not yet had an opportunity to review the survey results. Our understanding is that she was referring to this Study. In our September 20, 1999 letter we stated: "There is no reason to believe at this time that the planting or operation of vineyards will cause a prohibited 'take' of any endangered or threatened fish or wildlife species." This remains true today.

Normally, the kind of information set forth in the Study is not available for farming operations. However, the previous owners of the Santa Margarita Ranch considered various development scenarios, and thus contracted through the County of San Luis Obispo to prepare this study. It is therefore available for our use. Please note that the County retained Envicom and directed the scope of the study.

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The hydrologic information indicates the Santa Margarita Formation contains "about 750,000 AF of groundwater" storage. The Report goes on to indicate that over 1,000 acre-feet per year ("AFY") of percolating groundwater (unconnected with any stream flows) could be reliably and sustainably extracted from deep, onsite bedrock wells, with the potential for additional untapped resources. (See page 2-127.) Our field results to date have been consistent with projected supplies and potentially more. During the first season after planting, irrigation demand for the vines being planted this year will be less than 250 AF. The annual irrigation demand will decline as the root systems expand and mature. As you can see, existing groundwater resources are available for continued planting of vineyards over the next several years. Of course, planting of vineyards will be consistent with proven resources.

The Ranch is an ongoing agricultural operation with over 1000 head of cattle and about 3600 acres of tilled lands. When considering the Study, it is important to remember that over many decades, 3,000 to 4,000 acres of the Ranch - nearly a quarter of its total acreage - have been utilized as farmland. Additional acreage was used for grazing cattle. Continuation of agricultural activities, including preparation for vineyards and other crops, within the historically farmed areas, is one of the San Luis Obispo County General Plan's highest uses for the property. Significant efforts have been made to assure that any potential environmental impacts, particularly with respect to habitat issues, have been addressed.

As we discussed, experienced agriculturists are performing the current farming activities on the Ranch with particular attention to appropriate environmental standards. We have voluntarily established increased setbacks from riparian and culturally sensitive areas even though many were continuously farmed for years. Though no discretionary permits were required for the Ranch's agricultural activities, we voluntarily requested site visits and recommendations from agencies, then established setbacks from potentially sensitive areas. No trees have been or will be removed and no land leveling has taken or will take place. The established 75 to 100 foot setbacks from the four named creeks traversing the property remain intact, even though historically, farmed to their banks.

Certain areas of the Ranch required soil preparation to alleviate past farming compaction. That work was conducted with the utmost care under standards reviewed with representatives of the California Department of Fish and Game, County Ag Commissioner and the Planning Department.

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In advance of soil preparation we contracted with an archaeologist approved by the local Chumash Council to have all farmed areas surveyed for potential archaeological sites and verify setbacks from riparian and other environmentally sensitive areas. A geomorphologist selected by the Chumash conducted subsurface exploration for evidence of cultural artifacts. Chumash monitors participated in these surveys on a daily basis throughout the initial stages of soil preparation. As a result, the soil preparation has been setback from over sixty potential cultural and environmentally sensitive areas identified during that process.

A former United States Army Corp of Engineers official provided advice and direction on avoidance of potential wetlands during soil preparation and subsequently delineated wetlands within the potentially farmed area. Soil preparation has been kept out of those areas.

It was a pleasure speaking with you. If you need any additional information, please do not hesitate to call me at the Ranch offices at (805) 543-4477.

Very truly yours,



Rob Rossi

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Enclosures: *1994 Envicom Constraint Study*  
*September 20, 1999 Correspondence*

Cc: Ron W. Hertel  
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