



REPLY TO
ATTENTION OF

DEPARTMENT OF THE ARMY
SAN FRANCISCO DISTRICT, U.S. ARMY CORPS OF ENGINEERS
1455 MARKET STREET, 16TH FLOOR
SAN FRANCISCO, CALIFORNIA 94103-1398

JUN 20 2013

Regulatory Division

SUBJECT: 1991-194740N

CERTIFIED MAIL - RETURN RECEIPT REQUESTED

Mr. Charlie Fielder
District 1 Director
California Department of Transportation
P.O. Box 3700
Eureka, California 95502

Dear Mr. Fielder:

This letter is written in reference to Department of the Army Permit 1991-194740N, which authorized you to construct a new segment of U.S. Highway 101 (U.S. 101) that will bypass the City of Willits in Mendocino County California (Willits Bypass Project), beginning at Post Mile 43.1 and terminating at Post Mile 45.6, City of Willits, Mendocino County, California. The Corps appreciates Caltrans' diligence in complying with Special Condition 3 – Financial Assurances, and Special Condition 10 – Baseline Data reporting. However, there are a number of issues regarding compliance which the Corps requests Caltrans' response. These issues were collated from public comments or observed through the Corps' monitoring of project and mitigation construction. We have enclosed copies of recent public comment letters and e-mails for your information and response. The public comment and compliance issues are as follows:

1. Financial assurances, specifically allocation of a long-term endowment for transfer to a non-profit conservation investment organization, and full funding of all tasks, such as inspectors, related to mitigation compliance. How do you intend to complete the Mitigation and Monitoring Plan with less funds than anticipated? Provide cost breakdown of how you will successfully complete the MMP in a timely fashion.
2. Hydrologic studies related to the impact that permanently placed wick drains will have on subsurface flow through the valley. Will the wick drains create a permanent curtain of dry soil that prevents groundwater flow across the gradient of the bypass footprint? If not, provide data to verify your conclusions.
3. Updated mitigation implementation schedule. As stated in the Corps' letter, dated January 25, 2013, we expect to be kept up-to-date on mitigation activities. Figure 7-1 of the Mitigation and Monitoring Plan, dated January 2012, is a Mitigation Implementation Schedule that indicates that site preparation should commence June 1, 2013, for eight of the off-site mitigation parcels. Since the Baseline data study, required by Special Condition 10, has not been concluded and the resulting report approved by the Corps, this schedule may need

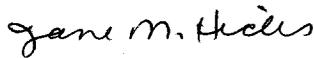
revision. You are also advised that delays in the mitigation implementation schedule may result in the requirement of additional mitigation to compensate for the temporal loss. Provide an updated Figure 7-1 that reflects the current anticipated schedule.

Failure to remain in compliance with the permit, including all Special Conditions, may result in permit suspension, revocation or modification and administrative penalties. Pursuant to Section 309(g) of the Clean Water Act, the Corps of Engineers is able to levy Class I Administrative Penalties of up to \$11,000 per violation of a Special Condition of a permit, to a maximum of \$27,000. Among the other enforcement options available are actions in Federal District Court for fines and injunctions requiring work cessation and/or restoration. The court may also require that the restoration be performed by a third party and be funded through a money judgment against the permittee.

Within 15 days of the receipt of this letter, please provide any relevant information you have relating to these issues. Submit this information to the Chief, Regulatory Division, Attn: Sahrye Cohen, 1455 Market Street, San Francisco, California 94103. Failure to comply with this order may result in suspension of your permit or administrative penalties.

If you have any questions regarding this matter, please contact Sahrye Cohen in our Regulatory Division at 415-503-6779 or via e-mail at Sahrye.E.Cohen@usace.army.mil.

Sincerely,



Jane M. Hicks
Chief, Regulatory Division

Enclosures

Copies furnished:

US Attorney, San Francisco, CA
US EPA, San Francisco, CA
California Department of Fish and Game, Eureka, CA
North Coast Regional Water Quality Control Board, Santa Rosa, CA
National Marine Fisheries Service, Santa Rosa, CA