

**United States Department of the Interior  
U.S. Fish and Wildlife Service  
2321 West Royal Palm Road, Suite 103  
Phoenix, Arizona 85021  
Telephone: (602) 242-0210 FAX: (602) 242-2513**

AESO/FA

January 12, 2001

Ms. Cindy Lester  
Chief, Regulatory Branch  
U.S. Army Corps of Engineers  
3636 North Central Avenue, Suite 760  
Phoenix, Arizona 85012-1936

Dear Ms. Lester:

On November 20, 2000, we provided comments on Public Notice (PN) 2000-00153-SDM requesting that the permit be held in abeyance. We have since received additional project information and offer the following comments under the authority of and in accordance with the Fish and Wildlife Coordination Act (FWCA) (48 Stat. 401, as amended U.S.C. 661 et. seq.).

Arizona Lifestyle Homes has applied for a Section 404 permit to develop a community of manufactured homes and travel trailers known as Castle Hot Springs Junction (also Hassayampa Highlands) on 105 acres of land near Morristown, Maricopa County, Arizona (NE 1/4 Sec 24, T6N, R4W).

Initially, our primary concern was the potential for groundwater pumping to affect subsurface water flow towards the Hassayampa River. The Report for Test Pumping Of The Morristown Water Company Well prepared by Leedshill-Herkenhoff, Inc. indicates that the aquifer drawdown would be zero feet at a distance of 2,241 feet from the project's well. The Hassayampa River is over a mile from the well and is outside the projected area of impact. However, we continue to be concerned about the integrity of the biological resources of the Hassayampa River and recommend the Corps take steps to assess the cumulative impact of 404 permitted activities on the regional groundwater system.

The PN and 404 permit application package, dated April 2000, both state that for the purpose of mitigation, efforts have been made to investigate the viability of revegetating portions of the project area, but establishing newly planted areas or augmenting existing vegetation would be problematic due to the potential lack of a long-term water supply. However, additional project information submitted by the applicant on December 21, 2000, states there is not a potential lack of long-term water supply for this project, or in the area of influence of the project, and the original reference was discussing the fact that the project did not intend to supply irrigation.

The original statement seemed to imply that on-site mitigation was technically infeasible due to water constraints. In light of this new information, which indicates that water supply is not a technical constraint, we believe that a fee payment in lieu of on-site mitigation is inappropriate. As such, we recommend that an on-site revegetation plan to mitigate the totality of project related impacts be crafted. We are available to assist in the development of a revegetation plan. If you have any questions regarding this matter, please contact Mike Martinez (x 224) or Don Metz (x217).

Sincerely,

/s/ David L. Harlow  
Field Supervisor

cc: Regional Administrator, Environmental Protection Agency, San Francisco, CA  
Supervisor, Project Evaluation Programs, Arizona Game and Fish Department, Phoenix, AZ