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July 13, 2010

VIA EMAIL & REGULAR MAIL

OUR FILE NO. 17.06

Rick Hanson  
PBS&J  
1410 Rocky Ridge Drive, Suite 190  
Roseville, CA 95661

**Re: EIR SCH 2006061011; Three Springs Water System**

Dear Mr. Hanson,

You have requested additional information from the project Applicant concerning the Three Springs water system. On December 10, 2009, Lorri Lockwood commented on the DEIR, stating that the "150 year old ranch [was] historically watered by precipitation on the Three Springs area behind ranch headquarters as per agreement of Frances Molera with the Nature Conservancy 10 Feb. 1965, Monterey County Recorder Reel: 396, Page 866, wherein it was noted that water supplied Molera ranching north of the Big Sur River, west side of Highway 1."

Ms. Lockwood and I spoke on July 6, 2010, and she informed me her source for this information is the February 10, 1965 agreement, reportedly filed for record in the Office of the Monterey County Recorder at Reel 396, Page 866. I obtained the instrument in Reel 396, Page 866, and it is not an agreement between Frances Molera and The Nature Conservancy or anything bearing on the El Sur Ranch. Subsequently, I obtained from Ms. Lockwood a partial copy of the instrument she references. The February 10, 1965 document is in fact a Memorandum of Agreement recorded at Reel 395, Page 866. The complete and correct instrument is attached as **Exhibit "A"**. The underlying agreement is presumably not recorded and Ms. Lockwood has not provided that.

For all the reasons described in detail below, we have concluded that the Three Springs water system existed on what is now Andrew Molera State Park. A subsequent field investigation at the park has confirmed the location of a water system matching the description of the Three Springs system. It is also apparent that both the El Sur Ranch and the Molera ranch were extensively irrigated with water diverted from the Big Sur River, and that water from the Three Springs water system was insufficient for this purpose.

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The 1965 Memorandum of Agreement Does Not Describe The Three Springs As Being Located On The Present Day ESR.

Before discussing the 1965 Memorandum of Agreement, it is helpful to understand that the original El Sur Rancho land grant comprised 8,949 acres. This would be the “150 year old ranch” described by Ms. Lockwood. Through conveyances, these lands came to comprise both the present El Sur Ranch and the Molera Ranch. The latter is now Andrew Molera State Park.

In 1965, Frances Molera was the owner of the Molera Ranch. The Memorandum of Agreement between Frances Molera and The Nature Conservancy describes an agreement by Frances Molera to convey, upon her death, lands from her estate to create Andrew Molera State Park. The lands to be conveyed are described in the legal descriptions attached to the Memorandum as follows:

- 1) Parcel One: 2,088.6 acres of land;
- 2) Parcel Two: A 3/4th's interest in the 12.04 acre Reservation for Landing; and
- 3) Parcel Three: A concrete water tank, tank house enclosure and water pipelines “connecting said water tank with three springs”, “all of which were situated upon the high lands retained by deceased [Frances Molera] at the time of said agreement [the agreement being referred to is not specified, but possibly the agreement referred to in the February 10, 1965 Memorandum ]”, “together with the perpetual right to take and convey water from said three springs to the said water tank and thence through said pipelines, over said high lands, to the buildings located on Parcel One [the 2,088.6 acres of land now comprising Andrew Molera State Park]” ...“sufficient for the domestic needs of said buildings and the irrigation needs of the gardens and small orchard adjacent thereto;”

Contrary to Ms. Lockwood's statement, it should be noted that there is no reference in the Memorandum of Agreement to any “water supplied [to] Molera ranching north of the Big Sur River.” The only mention is of “water from said three springs” ...“sufficient for the domestic needs of said buildings [located on Parcel One of the Molera Ranch] and the irrigation needs of the gardens and small orchard adjacent thereto.”

More significantly, the legal description of Parcel Three in the 1965 Memorandum of Agreement only describes the location of the water system and the Three Springs as being somewhere within “the high lands retained by deceased [Frances Molera]”, “more particularly described as Lot II and portions of Lots III and IV of the El Sur Rancho as said lots are shown upon the map entitled Map of El Sur Rancho, filed March 21, 1892....” (A copy of the 1892 map is attached as **Exhibit “B”**).

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It should also be noted that the above reference to Lot II as part of the “high lands” retained by Frances Molera is an error. Specifically, while Parcel Three states the “high lands retained by deceased [Frances Molera] are more particularly described as **Lot II** and portions of Lots III and IV of the El Sur Rancho”, at no time did Frances Molera ever own Lot II. Lot II was conveyed by Martha M. Cooper Hughes to Harry C. Hunt on January 31, 1928, and has been a part of the modern day El Sur Ranch ever since.

The description of Parcel One in the 1965 Memorandum of Agreement itself recognizes that Frances Molera conveyed only “a part of Lot III and Lot IV”, not Lot II. The subsequent conveyance of lands from her estate to The Nature Conservancy similarly conveyed only “a part of Lot III and Lot IV”. The conveyance of lands from the estate of Frances Molera to The Nature Conservancy does not describe an easement or other right to use the Three Springs water system, presumably because the system is located on the lands that were conveyed to The Nature Conservancy, so no easement was necessary.

Thus, the location of the Three Springs can only be roughly established as being somewhere within the high lands retained by Frances Molera. These are necessarily lands owned by Frances Molera in 1965 (portions of Lot’s III and IV of the El Sur Rancho), not lands owned by Mr. Hill. Nor has Mr. Hill acquired any lands from Frances Molera or her estate.

Consequently, while the “high lands” upon which the Three Springs are reportedly located were once part of the larger 8,949 acre El Sur Rancho as it was described in 1892 (See **Exhibit “B”**), they are not located within the present day 7,000 acre El Sur Ranch owned by James J. Hill, III. As described below, the Three Springs water system has now been located within the lands formerly owned by Frances Molera, which comprised only a portion of Lots III and IV of the El Sur Rancho, as said lots are shown upon **Exhibit “B”**.

### The Three Springs Water System Has Been Located On Andrew Molera State Park

In response to Ms. Lockwood’s identification of the 1965 Memorandum of Agreement, the El Sur Ranch foreman conducted a field investigation and located the water system described therein on Andrew Molera State Park. There is an old building and water system on the east side of Highway 1 approximately 800 ft south of the park entrance and 50 to 80 ft above the highway. (See the pictures attached to the electronic version of this letter.) There is no part of the water system showing from the highway, because it’s highly overgrown. Structures matching each of the system components described in the 1965 Memorandum are present. Specifically, there is: 1) An old cement tank roughly 20ft x 20ft x 8ft deep, possibly big enough for 20 thousand gallons. There was a date of 6/17/35 written within a repair to the original tank; 2) The tank has 2 inch plumbing for the inlet, outlet and overflow; and 3) A small wooden shed not far from the old tank, one small ridge away or about 400 ft. This may have been the tank house enclosure. Judging its age, it could possibly date back to the 1930’s. It appears that the shed was moved from its original building site. It is lying on its side as if it

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were dumped from a vehicle many years ago. It has a tongue and groove floor with framing that originally supported screen walls.

### The Three Springs Water System Was Relatively Small And Not Utilized For Pasture Irrigation

Notwithstanding Ms. Lockwood's interpretation of the 1965 Memorandum of Agreement, there is no historical suggestion that the Three Springs water system, with roughly only 20,000 gallons of storage and two-inch inlet and outlet pipes, ever provided water to "Molera ranching north of the Big Sur River, west side of Highway 1." To the contrary, those lands were historically supplied with water from the Big Sur River delivered via centrifugal pumps located in what is now Andrew Molera State Park.

A Notice of Claim of Water Rights from the Big Sur River was recorded by Martha M. Vasquez on January 14, 1905 in Book A of Water Rights, Page 216. The rights claimed were for purposes including agricultural and irrigation purposes. As far back as 1905 (well before the advent of electricity coming to the present El Sur Ranch in 1948, which made possible the present irrigation system), Lots I and II of the El Sur Rancho, including bench lands now in the permanent pasture north of the Big Sur River and west of Highway One, were historically irrigated with river water for the cultivation of alfalfa, barley and row crops, including artichokes, peas, corn, potatoes and carrots. Two centrifugal pumps were installed at the Molera Ranch for this purpose, on the north side of the river near the Cooper cheese house, on what is now Andrew Molera State Park. A centrifugal pump foundation can still be seen in the state park, and portions of the old pipe system can still be observed along the highway in what is now the El Sur Ranch permanent pasture.

Big Sur River water was diverted by a temporary dam into a ditch that conveyed the water to a basin located at the centrifugal pumps. These pumps connected to two 12" metal pipes that delivered the diverted water to the crops on the bench lands. The irrigation pipes ran all the way over to the opposite side of Lighthouse Canyon where they irrigated artichoke and pea fields by a lister furrow system that permitted flood irrigation without a perfect system of land leveling. The engines and pumps were removed by Harry C. Hunt in 1939.

Crop irrigation also took place on the Molera Ranch itself, now in Andrew Molera State Park, using another water system. This irrigation was accomplished with one or more engines and pumps. One engine and pump was already present at the Molera Ranch in 1920, and by 1921, 1,500 lineal feet of concrete pipeline had been completed. Water was diverted from a diversion reservoir located behind a seasonal dam erected in the Big Sur River into ditches on both sides of the river. Irrigation continued on the Molera Ranch using this system long after the 1939 removal of the El Sur Ranch centrifugal pumps by Harry Hunt.

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To the extent that Ms. Lockwood's comment can be interpreted as stating that the El Sur Ranch and the Molera Ranch were historically watered only by precipitation or the Three Springs system, it is not correct.

### Summary

In summary, a concrete water tank, tank house enclosure and water pipelines matching the description of the Three Springs system in the 1965 Memorandum of Agreement have been located on lands previously owned by Frances Molera, now in Andrew Molera State Park. Since those lands were a part of the original 8,949 acre El Sur Rancho in 1892, it may be technically accurate that the Three Springs system once served the "150 year old ranch", but the system wasn't located on the portion of the Rancho comprising the El Sur Ranch and it did not serve those 7,000 acres.

The Three Springs system apparently only supplied water sufficient for the domestic needs of buildings, adjacent gardens and a small orchard on what is now Andrew Molera State Park. There is no historical suggestion that it ever provided water to "Molera ranching north of the Big Sur River, west side of Highway 1." Irrigation of those lands on the El Sur Ranch was historically accomplished by centrifugal pumps located in Andrew Molera State Park. Irrigation of lands within the Molera Ranch was accomplished with a separate irrigation system constructed there. Both irrigation systems depended upon diversion of river water, not springs.

Sincerely,

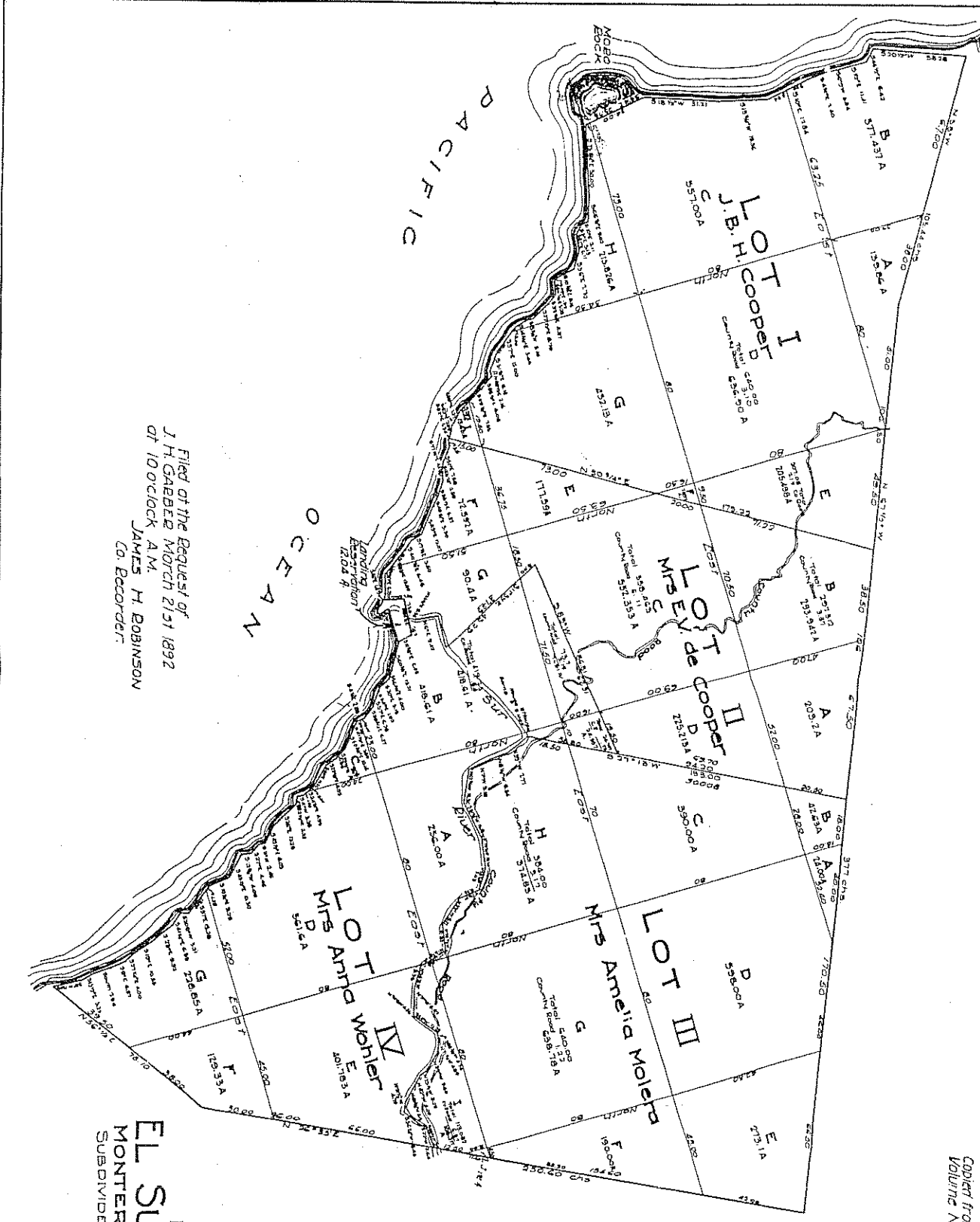


Mark A. Blum, Esq.

MAB:mh

Enclosures

Cc: Client  
Paul Murphey  
Janet Goldsmith, Esq.  
Tom Berliner, Esq.  
Lorri Lockwood



Filed at the Request of  
 J.H. Gaerber March 21st 1892  
 at 10 o'clock A.M.  
 JAMES H. ROBINSON  
 Co. Recorder

MAP OF  
 EL SUR RANCHO  
 MONTEREY CO. CALA.  
 SUBDIVIDED FOR ASSESSOR

EXHIBIT B

MEMORANDUM OF AGREEMENT OF SALE

THIS AGREEMENT OF SALE, entered into on February 8th, 1969, between FRANCES M. MOLESA, a single woman, hereinafter called the "Owner", and THE NATURE CONSERVANCY, a non-profit corporation of the District of Columbia, hereinafter called the "Buyer":

W I T N E S S E T H :

That, in consideration of the covenants, terms and conditions set forth in that certain Agreement of Sale of even date between the parties hereto, which is hereby referred to for the particulars thereof, Owner has agreed to sell to Buyer that certain parcel of real property situate in the County of Monterey, State of California, and more particularly described in Exhibit A, attached hereto, and by this reference made a part hereof.

IN WITNESS WHEREOF, the parties hereto have duly executed this agreement on the day and year first above written.

Frances M. Moleza  
Frances M. Moleza

Owner

THE NATURE CONSERVANCY

By George L. Collins  
Vice President

By Putnam Livermore  
Assistant Secretary

Buyer

63152

63152

EXHIBIT A

PARCEL ONE:

Certain real property situate in the Rancho El Sur in the County of Monterey, State of California, being a part of Lot III and Lot IV, as said lots are shown on map entitled, "MAP OF EL SUR RANCHO", filed March 21, 1892 in Volume 1 of Outside Lands at Page 3, records of said county, said part being particularly described as follows:

BEGINNING in the Southeasterly boundary of said Rancho El Sur at the intersection of the centerline of California State Highway No. 1 (80 feet wide) as described in Deed from Frances M. Molera to State of California dated September 30, 1933 and recorded in Volume 373 Official Records at Page 173, records of said county, and running thence along said State Highway centerline as so described

- (1) curving to the left on a circular arc of 1,000 feet radius (concave to the South and from a tangent that bears South 71° 42' 38" East,) through an angle of 33° 04' 20" for a distance of 477.3 feet; thence tangentially
- (2) South 75° 13' West, 167.84 feet; thence tangentially
- (3) curving to the right on a circular arc of 1,000 feet radius for a distance of 1,266.74 feet; thence tangentially
- (4) North 31° 14' West, 133.86 feet; thence tangentially
- (5) curving to the left on a circular arc of 1,000 feet radius for a distance of 1,110.61 feet; thence tangentially
- (6) South 81° 08' West, 111.13 feet; thence tangentially
- (7) curving to the right on a circular arc of 1,400 feet radius for a distance of 1,134.67 feet; thence tangentially
- (8) North 47° 23' West, 2,296.2 feet; thence tangentially
- (9) curving to the left on a circular arc of 1,400 feet radius for a distance of 523.72 feet; thence tangentially
- (10) North 68° 49' West, 1,402.17 feet; thence tangentially

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- (11) curving to the right on a circular arc of 1,000 feet radius for a distance of 809.129 feet; thence tangentially
- (12) North 71° 27' West, 108.77 feet; thence tangentially
- (13) curving to the left on a circular arc of 1,000 feet radius for a distance of 1,011.3 feet; thence tangentially
- (14) North 77° 13' West, 116.11 feet; thence tangentially
- (15) curving to the left on a circular arc of 1,000 feet radius for a distance of 1,011.3 feet; thence tangentially
- (16) North 77° 13' West, 116.11 feet; thence tangentially
- (17) curving to the right on a circular arc of 1,000 feet radius for a distance of 1,011.3 feet; thence tangentially
- (18) North 77° 13' West, 116.11 feet, more or less to intersection with the northwesterly boundary of said lot IV at a point from which the most westerly corner of said lot bears along last mentioned boundary North 11° 31' West, 10.3 feet distant; thence leave said Highway centerline and running along the boundaries of said lot IV as described in Deed from Emmerston Vallejo de Cooper, et al to Anna Cooper de Schler, dated September 11, 1891 and recorded in Volume 3 of Deeds, at Page 276, records of said county,
- (19) South 11° 31' East, (designated South 11° 31' West, in said Deed to Schler) 21.13 chains to stake standing in Sur River; thence down said river
- (20) South 6° West, 9.0 chains to stake; thence
- (21) South 66° 15' West, 3.36 chains to stake standing on the Northern boundary of the "Landing Reservation"; thence along the Northern boundary of said reservation
- (22) South 66° 15' East, 7.67 chains to a station on a high rock on the Eastern bluff of the Sur River; thence along the Eastern boundary of the "Landing Reservation"
- (23) South 15° 34' East, 6.07 chains to top of a large rock at foot of bluff on shore of ocean station; thence along the foot of said bluff and along the ocean shore
- (24) South 66° 15' East, 13.11 chains; thence

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- (1) South 83 3/4° East, 8.00 chains; thence
- (2) South 90° East, 8.13 chains; thence
- (3) South 90° East, 1.30 chains; thence
- (4) South 87° East, 6.18 chains; thence
- (5) South 83 3/4° East, 6.17 chains; thence
- (6) South 81 1/2° East, 4.00 chains; thence
- (7) South 81 1/2° East, 4.70 chains; thence
- (8) South 81 1/2° East, 10.10 chains; thence
- (9) South 81 1/2° East, 6.10 chains; thence
- (10) South 81 1/2° East, 6.10 chains; thence
- (11) South 80° East, 10.10 chains; thence
- (12) South 80 1/2° East, 4.00 chains; thence
- (13) South 80° West, 4.00 chains; thence
- (14) South 80 1/2° East, 2.00 chains; thence
- (15) South 80° East, 1.10 chains; thence
- (16) South 80 1/2° East, 3.00 chains; thence
- (17) South 80° West, 10.00 chains; thence
- (18) South 77° East, 4.00 chains; thence
- (19) South 85 3/4° West, 4.00 chains; thence
- (20) South 80 1/2° East, 10.30 chains; thence
- (21) South 80 1/2° East, 2.00 chains; thence
- (22) South 87° East, 13.13 chains; thence
- (23) South 80 1/4° West, (shown as South 80 1/4° West, on said filed map), 3.11 chains; thence
- (24) South 81 1/4° East, 6.30 chains; thence
- (25) South 83° East, 3.10 chains; thence
- (26) South 81° East, 10.10 chains (shown as 10.30 on said filed map) chains; thence
- (27) South 87 1/4° East, 4.00 chains; thence
- (28) South 80° East, 6.37 chains; thence
- (29) South 7.90 chains; thence
- (30) South 80 1/2° East, 4.10 chains; thence

EXHIBIT A

- (9) North 8° West, 17.00 chains to stake on top of very high rock being station E.S. No. 2 of the Official Survey of the El Sur Rancho; thence leaving the seacoast and ascending hills along the southeasterly boundary of said Rancho
- (10) North 17° East, 70.10 chains to 4" x 4" redwood stake marked "E.S. 3" being corner No. 3 of the Official Survey of said Rancho; thence continuing along said southeasterly boundary
- (11) North 60° 35' East, 0,198.00 feet, more or less, to the place of beginning.

CONTAINING an area of 3,000.0 acres of land, more or less. Courses all true.

PARCEL TWO:

An undivided three-fourths (3/4ths) interest in and to that portion of the El Sur Rancho described as that certain 12.0- acres more or less designated as "Reserved for Landings" more particularly described in the Notice of Lis Pendens in the case of Constant T. Hill, Plaintiff, vs. Abernathio H. G. Cooper, et al, Defendants, dated May 29, 1964 and recorded May 29, 1964 in Reel 326 Official Records, Monterey County, at Page 240.

PARCEL THREE:

That certain concrete water tank, the tank house enclosure surrounding said water tank, the water pipelines connecting said water tank with three springs, and the water pipelines connecting said water tank with PARCEL ONE, all of which were situated upon the high lands retained by decessed at the time of said agreement, which high lands are more particularly described as Lot II and portions of Lots III and IV of the El Sur Rancho, as said lots are shown upon the map entitled "MAP OF EL SUR RANCHO", filed March 21, 1892 in Volume 1 of Outside Lands at Page 6, Official Records of Monterey County;

TOGETHER WITH the perpetual rights to take and convey water from said three springs to the said water tank and thence through said pipelines, over said high lands, to the buildings located on Parcel One on the right bank of the Big Sur River, in an amount sufficient for the domestic needs of said buildings and the irrigation needs of the gardens and small orchard adjacent thereto;

TOGETHER WITH a non-exclusive appurtenant easement to enter upon said high lands to inspect, maintain, repair, and replace said water tank, tank house, and water pipelines;

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RESERVING AND EXCEPTING title to said three springs and all excess water therefrom, and the right to develop excess water at and from the said springs for domestic, agricultural, or any other use on the said high lands.

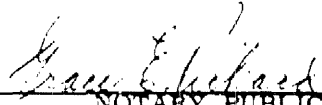
EXHIBIT A

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STATE OF CALIFORNIA )  
 ) ss.  
CITY AND COUNTY OF SAN FRANCISCO )

On this 10<sup>th</sup> day of February, 1965, before me, GRACE E. PICKARD, a Notary Public in and for the City and County of San Francisco, State of California, personally appeared FRANCES M. MOLERA, known to me to be the person whose name is subscribed to the within instrument, and she duly acknowledged to me that she executed the same.

IN WITNESS WHEREOF, I have hereunto set my hand and affixed my official seal the day and year in this certificate above written.

  
GRACE E. PICKARD  
NOTARY PUBLIC  
In and for the City and County of  
San Francisco, State of California.  
My Commission Expires March 1, 1967.

STATE OF CALIFORNIA }  
CITY AND COUNTY OF SAN FRANCISCO } ss.

On this 10th day of March, 1964, before me ALICE C. MORSE  
a Notary Public in and for the City and County of San Francisco,  
State of California, personally appeared GEORGE L. COLLINS and  
FITZPATRICK LIVERMORE, known to me to be the Vice President and  
Assistant Secretary, respectively, of the corporation described  
in and that executed the within Memorandum of Agreement of Sale,  
and also known to me to be the persons who executed the within  
Instrument on behalf of the corporation therein named, and  
acknowledged to me that such corporation executed the same.

IN WITNESS WHEREOF, I have hereunto set my hand and  
affixed my official seal in the City and County of San Francisco  
the day and year in this certificate first above written.

*Alice C. Morse*  
ALICE C. MORSE NOTARY PUBLIC  
in and for the City and County of  
San Francisco, State of California

My Commission Expires: AUGUST 25, 1967

\*END OF DOCUMENT\*

Exhibit A  
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