

COASTAL CONSERVANCY

Staff Recommendation
June 15, 2017

**CARMEL RIVER WATERSHED
FISH PASSAGE RESTORATION**

Project No. 17-006-01
Project Manager: Tom Gandesbery

RECOMMENDED ACTION: Authorization to disburse up to \$350,000 to Trout Unlimited for preparation of plans, designs and permit applications for fish passage improvements on San Clemente Creek and other creeks within the Carmel River Watershed, Monterey County.

LOCATION: Monterey County.

PROGRAM CATEGORY: Integrated Marine and Coastal Resources Protection

EXHIBITS

- Exhibit 1: [Location Map](#)
Exhibit 2: [Project Figures and Maps](#)
Exhibit 3: [Photos](#)
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RESOLUTION AND FINDINGS:

Staff recommends that the State Coastal Conservancy adopt the following resolution pursuant to Section 31220 of the Public Resources Code:

“The State Coastal Conservancy hereby authorizes the disbursement of an amount not to exceed three hundred fifty thousand dollars (\$350,000) to Trout Unlimited (TU) to prepare plans, designs and permit applications for the removal or modification of fish passage barriers within the Carmel River Watershed, including modification to the fish ladder on San Clemente Creek and removal of the concrete ford on No-Name Road. This authorization is subject to the condition that, prior to the disbursement of funds, the TU shall submit for the review and approval of the Conservancy’s Executive Officer:

1. A work program including a schedule and budget for the project;
2. The names and qualifications of all contractors to be employed for the project;
3. Evidence that TU has sufficient rights to access the project sites for purposes of undertaking the project.”

Staff further recommends that the Conservancy adopt the following findings:

“Based on the accompanying staff report and attached exhibits, the State Coastal Conservancy hereby finds that:

1. The proposed authorization is consistent with Chapter 5.5 of Division 21 of the Public Resources Code, regarding resource enhancement.
2. The proposed project is consistent with the current Conservancy Project Selection Criteria and Guidelines.
3. TU is a nonprofit organization qualified under section 501(c)(3) of the U.S. Internal Revenue Code, with purposes consistent with Division 21 of the Public Resources Code.”

PROJECT SUMMARY:

Staff recommends providing a \$350,000 grant to Trout Unlimited (TU) to prepare plans, designs and permit applications for the removal or modification of fish passage barriers in the Carmel River Watershed, including modification to the fish ladder on San Clemente Creek and removal of the concrete ford across San Clemente Creek at No Name Road, both located on the Rancho San Clemente property, a privately-owned recreational property. (See Exhibit 2). Besides the two barriers on San Clemente Creek, TU will also prepare designs and related technical studies for the modification /removal of one to two additional barriers in the Carmel River Watershed as described below.

The project will be funded by the Carmel River Settlement Account of the Conservancy’s Coastal Trust Fund, which is limited to use on projects that improve conditions for steelhead trout within the Carmel River watershed (see “Project Financing” section). TU will use these designs to complete environmental analyses and apply for implementation funding from California Department of Fish and Wildlife (CDFW), National Marine Fisheries Service (NMFS) and/or other sources, including potentially the Carmel River Settlement Account.

The South-Central California Coast (SCCC) district population segment of steelhead are listed as threatened under the federal Endangered Species Act. In 2005, the NMFS designated the Carmel River as critical habitat for SCCC steelhead, and NMFS has consistently ranked the river as one of the most viable watersheds for recovery of SCCC steelhead. The *South-Central California Steelhead Recovery Plan* (NMFS, 2013) identifies removal or modification of fish passage barriers as a critical recovery action in the Carmel River Watershed. In 2014, the Monterey Peninsula Water Management District (MPWMD) completed its *Assessment Of Steelhead Passage Barriers In Portions Of Four Tributaries To The Carmel River* (Assessment) which identifies locations of significant barriers to migration of juvenile and adult steelhead trout and ranks them in priority by location in the watershed, the amount of spawning habitat upstream and severity of blockage (full or partial). On many tributaries, the spawning and rearing habitat above each barrier is in excellent condition, yet fish are not able to access the habitat under most flow scenarios (Exhibit, 2 and 3 Photos).

The Assessment ranked the fish ladder on San Clement Creek (Trout Lake Fish Ladder) as the highest priority barrier and the No Name Road crossing as the fourth-highest priority for removal.

Trout Lake Fish Ladder: TU will prepare plans, designs and permit application materials for modification of the fish ladder on San Clemente Creek, located immediately downstream of

Trout Lake, a man-made lake located within the Rancho San Clemente family resort (Exhibit 2). The fish ladder was constructed at the same time the dam was built that created Trout Lake in the early 1950s. The owners of Rancho San Clemente are enthusiastic partners on this project and have provided access, funding for preliminary engineering, and other support.

The fish ladder below the dam is in poor condition and does not meet current design recommendations for such structures. Upstream juvenile and adult fish passage is facilitated by the fish ladder, except in summer months (May through September) when a flashboard dam is installed to impound the lake. Downstream fish passage is facilitated by the fish ladder and spillway year round. Adult steelhead have been observed by residents of Rancho San Clemente upstream of the lake (Exhibit 3 Photos) which demonstrates that fish are still able to migrate upstream thru the existing ladder under some flow conditions. Biologists and engineers with CDFW, MPWMD and NMFS have examined the fish ladder and have recommended that it be rebuilt to comply with current agency design criteria. The result will be improved steelhead access to an additional 6.8 miles of available spawning and rearing habitat (upper portion of San Clemente Creek as well as improved access to all of Black Rock Creek.

No-Name Road Crossing: TU will also prepare plans, designs and permit application materials for modification of the creek crossing at No-Name Road (Exhibit 2). This is a concrete ford crossing of San Clemente Creek located three miles upstream from the confluence with the main-stem Carmel River, on the Ranch San Clemente Property. The ford is the vehicle and pedestrian access to numerous residential/recreational cabins. This ford is overtopped in high flow winter events that allow some adult passage. However, the concrete ford becomes a complete barrier in low flow conditions for both adults and juveniles. Modifying or replacing this ford will provide steelhead access to an additional three miles of spawning and rearing habitat in upper San Clemente Creek which, because of the perennial nature of this stream, will add resiliency to the Carmel River steelhead population.

In addition to these barriers, TU will also develop plans and designs for the modification of one to two additional barriers based on barrier assessment ranking, feasibility and landowner willingness to participate. It is worth noting that the assessed barriers are located on private land and without a willing landowner, it is impossible to undertake any work on these barriers. Therefore, while TU will focus on the highest priority barriers, it may elect to work on barriers that are not in numerical sequence of priority. Although all of the assessed structures are not full barriers to fish passage (they allow limited passage in some conditions), there is still value in removing them as the opportunity presents itself because removal will provide greater steelhead migration to spawning and rearing habitat.

TU has extensive experience working to remove barriers to fish migration in coastal California streams and has administered numerous grants related to salmonid habitat restoration. For example, TU successfully completed a large multi-river assessment of watershed hydrology and determination of in-stream flows in four systems from the Mattole River to the Pajaro River. That project was funded by the Conservancy in 2008 and was successfully concluded in 2013. TU has also worked on a Conservancy-funded project to document in-stream flows of coastal creeks in Humboldt, Sonoma, San Mateo, and Santa Clara Counties and currently is working under a 2016 grant to restore fish passage on Potrero Creek, which is the lowest tributary to the Carmel River.

Site Description: The Carmel River, which empties into the Monterey Bay National Marine Sanctuary has a large watershed of over 255 square miles (163,200 acres / 66,044 hectares) and was once one of the premier steelhead trout fishing rivers in California. Water diversions from the river date back to the Spanish Mission period, and two large dams, San Clemente Dam and Los Padres Dam were built on the main-stem of the river in the 1920s and 1940s, respectively. San Clemente Dam was removed in 2015. The river supplies a majority of the drinking water for the Monterey Peninsula and has been adversely impacted by the withdrawals as the population of the Monterey Peninsula has increased.

Much of the Carmel River watershed is undeveloped land, including a significant portion in Los Padres National Forest. The tributaries and upper reaches of the main stem in these undeveloped areas support high quality spawning and rearing habitat for steelhead. However passage to this habitat has been impeded by the two dams plus many road crossings and other structures that have been built on the tributaries.

San Clemente Creek joins the Carmel River approximately 19 miles from the ocean just upstream of where San Clemente Dam was historically located. The drainage is approximately 15 square miles. For nearly a century, the San Clemente Creek steelhead population has been challenged by major and minor migration barriers on both the mainstem Carmel River and San Clemente Creek itself. In 2015, the San Clemente Dam and the associated poorly- functioning fish ladder were removed. In 2016, Old Carmel River Dam located approximately 0.5 miles downstream was also removed. An additional barrier, downstream of the Old Carmel River Dam, known as the Sleepy Hollow Ford, was also removed and replaced with a free-span bridge. With improved adult migration conditions (dam removal), steelhead have better access to San Clemente Creek and over 9 miles of spawning corridor (including 6 miles of San Clemente and 3 miles of Black Rock Creek).

Trout Lake is formed by a concrete and flash-board dam and diversion weir. During the winter, the diversion weir is removed so that water can flow past the dam. During the summer, when the weir is in place, water flow around the dam is minimal. In both winter and summer, a fish ladder is needed to assist fish in passing the dam. Diversion and storage of water at Trout Lake is consistent with a 1967 State Water Resources Control Board license. Recreation and stock watering are the listed beneficial uses of this impoundment.

Project History: As discussed above, the 2013 Recovery Plan identified the need to remove passage barriers and the 2014 report by MPWMD identified and prioritized the barriers found along the river's tributaries (the only significant barrier remaining on the mainstem is Los Padres Dam). The Carmel River Task Force (CRTF) is a collaboration of federal, state and local agencies and community organizations working together to protect and restore the Carmel River watershed. The CRTF Action Plan, first drafted in 2005 and regularly updated, identifies removal of fish barriers as a high priority.

Trout Unlimited became aware of the potential for restoration of San Clemente Creek after reviewing the 2014 Barriers Assessment and approached the Conservancy in 2016 about potentially funding the design phase of this project. TU intends to apply to the CDFW for at least a portion of the implementation funding for the projects.

PROJECT FINANCING

Coastal Conservancy	\$350,000
Trout Unlimited and Rancho Landowner	\$28,000
Project Total	\$378,000

The anticipated source of funds for the project is the Carmel River Settlement Account (“Account”) within the Conservancy’s Coastal Trust Fund. The Account consists of funds paid by California American Water Company (CAW) pursuant to a settlement agreement with the National Marine Fisheries Service concerning alleged Endangered Species Act violations. The settlement requires CAW to pay \$11.2 million over a seven-year period. Originally these funds were managed by the CDFW, but were subsequently transferred to the Conservancy for disbursement. The settlement funds can only be used to improve habitat conditions for, and production of South-Central California Coast (SCCC) steelhead, or otherwise aid in the recovery of SCCC steelhead in the Carmel River watershed. In addition, these funds can only be expended for mitigation of impacts from well-pumping and water withdrawals by CAW. One effect of CAW’s water withdrawals is the loss of access to rearing habitat in the lower Carmel River, because it dries up in the summer. The proposed project will facilitate improved access to other spawning and rearing habitat in one of the river’s most important tributaries and will thereby help mitigate the impacts of CAW’s withdrawals on SCCC steelhead. Therefore, the proposed project is consistent with the funding source.

The agreement for the disbursement of the settlement funds also directs that the Conservancy also attempt to “maximize the value of the funds by seeking cash or in-kind matching contributions from fund recipients or non-State, third party project partners whenever possible.” Under the proposed project, the property owner has funded preliminary engineering of the fish ladder and TU has provided staff time toward the project, at a combined cost estimated to be \$28,000.

CONSISTENCY WITH CONSERVANCY’S ENABLING LEGISLATION:

The proposed project will be undertaken pursuant to the Conservancy's enabling legislation, Division 21 of the Public Resources Code (PRC), in particular, Chapter 5.5, PRC Section 31220, regarding integrated coastal and marine resources protection.

PRC Section 31220(a) authorizes the Conservancy to undertake a project or award a grant for coastal watershed and living marine resources protection and restoration projects that meet one or more of the criteria of Section 31220(b). The proposed project will help achieve the objectives of the following subsections: (b)(2) protect and restore fish and wildlife habitat within a coastal watershed; (b)(6) restore sensitive watershed lands and (b)(7) reduce the impact of population pressures on the coastal resources. The proposed project will help achieve these objectives by restoring the creek channel developing plans for the removal of barriers to fish passage within San Clemente Creek and other tributaries to Carmel River and mitigate for human use of the Carmel River flows.

Consistent with §31220(a), staff has consulted with the State Water Resources Control Board and the Central Coast Regional Water Quality Control Board in the development of the project to

ensure consistency with PRC Section 30915 concerning protection and restoration of water quality of coastal waters.

As Section 31220(c) directs, the proposed project is consistent with the Water Quality Control Plan (Basin Plan) prepared by the regional water quality control board as discussed in detail below under "Consistency with Local Watershed Management Plan/State Water Quality Control Plan," and will include preparation of a monitoring plan as part of the draft permit and design development.

CONSISTENCY WITH CONSERVANCY'S 2013 STRATEGIC PLAN GOAL(S) & OBJECTIVE(S), AS REVISED June 25, 2015:

Consistent with **Goal 5, Objective C** of the Conservancy's 2013-2018 Strategic Plan, the proposed project will develop two to four plans to preserve and the enhance coastal watershed of the Carmel River.

CONSISTENCY WITH CONSERVANCY'S PROJECT SELECTION CRITERIA & GUIDELINES:

The proposed project is consistent with the Conservancy's Project Selection Criteria and Guidelines, last updated on October 2, 2014, in the following respects:

Required Criteria

1. **Promotion of the Conservancy's statutory programs and purposes:** See the "Consistency with Conservancy's Enabling Legislation" section above.
2. **Consistency with purposes of the funding source:** See the "Project Financing" section above.
3. **Promotion and implementation of state plans and policies:** The proposed project is consistent with the following plans and policies:
 - The project implements the *California Water Action Plan* (California Natural Resources Agency, California Environmental Protection Agency, and California Department of Food and Agriculture, 2014), which includes goal number 4: protect and restore important ecosystems by improving rearing habitat for SCCC steelhead.
 - The project is consistent with CDFW's 2005 *California Wildlife Action Plan*, which sets forth goals for the Central Coast region that include protecting sensitive species and important wildlife habitat and restoring anadromous fish populations.
 - The project implements a recovery action identified for the Carmel River bio-geographic group in NMFS' 2013 SCCC Recovery Plan specifically, CAR-SCCCS-3.2 to "implement plan to remove or modify fish passage barriers within the watershed." The project will also further the overarching Recovery Objective to "...restore suitable habitat conditions and characteristics to support all life history stages of viable [steelhead] populations."

4. **Support of the public:** The proposed project is supported by NMFS, the Carmel River Watershed Conservancy and Carmel River Task Force, the Santa Lucia Conservancy, the Carmel River Steelhead Association, and the Steinbeck Country Chapter of Trout Unlimited; and it addresses priority actions defined by the Carmel River Task Force.
5. **Location:** The proposed project is located on San Clemente Creek, due west of the former San Clemente Dam, on the Carmel River (Exhibit 2). The area is within a coastal-draining watershed.
6. **Need:** Trout Unlimited does not have the financial capacity to undertake this project on its own. Without the Conservancy's support, the project will not occur.
7. **Greater-than-local interest:** SCCC steelhead is a federally threatened species and the Carmel River population has been identified as one of the highest priorities for recovery. The proposed project will enhance spawning and rearing habitat for SCCC steelhead.
8. **Sea level rise vulnerability:** The proposed project is located well inland at an elevation greater than 500 feet above sea level.

Additional Criteria

9. **Urgency:** SCCC steelhead populations are at historically low numbers in the Carmel River and several years of drought have exacerbated the adverse conditions caused by over-pumping of the river's water. Immediate steps are needed to help steelhead survive until CAW's over-pumping of the river stops, which is estimated to be at least three to four years from now.
10. **Readiness:** TU is ready to start work on the project immediately; it anticipates that the design work will be completed within one year of the approval of this proposed grant and implementation within three years of the start of work.
11. **Realization of prior Conservancy goals:** This project complements several other projects the Conservancy has funded to improve habitat in the Carmel River including restoration of the south arm of the lagoon, removal of the San Clemente Dam, floodplain restoration east of Highway 1 and removal of barriers on lower Potrero Creek.
12. **Cooperation:** TU is working with the owner of the Rancho San Clemente where two of the fish barriers to be addressed by the project are located.
13. **Minimization of greenhouse gas emissions:** The proposal is for design and permitting work so GHG emissions will be limited to a few automobile trips to survey the site. Once the project is fully designed and funded, TU or CDFW (depending upon which funding process is used) will prepare an environmental review in compliance with CEQA which will address GHG emissions by the implementation of the project, for example from construction activities.

CONSISTENCY WITH LOCAL WATERSHED MANAGEMENT PLAN/ STATE WATER QUALITY CONTROL PLAN:

Projects undertaken pursuant to Public Resource Code Section 31220(b)(1) - (6) must be consistent with the following, if available and relevant: Integrated Watershed Resource Management Programs (IWRMP); local watershed management plans; and water quality control plans, adopted by the state and regional water boards.

The proposed project is consistent with the *Monterey Peninsula, Carmel Bay, and South Monterey Bay IWRMP*, November 2007 (*Monterey IRWMP*), the scope of which includes the Carmel River. In particular, the proposed project is consistent with the following objectives within the Environment Protection and Enhancement Goal: “protect and enhance sensitive species and their habitats in the regional watersheds,” and “minimize adverse effects on biological and cultural resources . . . when implementing strategies and projects”. *Monterey IRWMP* at page 4-4. It is also consistent with the regional priority of promoting the steelhead run (*Monterey IRWMP* at page 6-2) and with the Draft 2014 Update of the *Monterey IRWMP*, Objective EV-1 “Protect and enhance sensitive species and their habitats in the regional watersheds; promote the steelhead run.” (*Id.* page 8-4).

The *Water Quality Control Plan for the Central Coastal Basin*, March 2016 (*Water Quality Plan*), adopted by the Regional Water Quality Control Board, designates several beneficial use objectives for the Carmel River, including cold fresh water habitat and habitat for rare, threatened or endangered species. The proposed project will help to ensure survival of SCCC steelhead, a threatened species that require cold fresh water habitat, and is thus consistent with the *Water Quality Plan*'s identified beneficial uses.

COMPLIANCE WITH CEQA:

The proposed project is statutorily and categorically exempt from the California Environmental Quality Act. Title 14 California Code of Regulations (CCR) Section 15262 restates a statutory exemption from the requirement to prepare an environmental impact report or negative declaration for the preparation of feasibility and planning documents for future actions that have not yet been approved or funded, if environmental factors are considered. 14 CCR Section 15306 categorically exempts basic data collection and resource evaluation activities that do not result in serious or major disturbance to an environmental resource. The proposed project entails preparation of feasibility and planning documents as well as data collection and resource evaluation activities. These activities will inform potential future actions on San Clemente Creek, and other tributaries to the Carmel River, that have not yet been approved or funded. The proposed project will not have an impact on environmental resources, and environmental factors will be considered during implementation of the proposed project. Accordingly, the proposed project is exempt from CEQA.

Upon approval, staff will file a Notice of Exemption for the project.