

COASTAL CONSERVANCY

Staff Recommendation  
May 5, 2022

**SAN CLEMENTE DAM PIPELINE REMOVAL PROJECT**

Project No. 07-004-04  
Project Manager: Trish Chapman

**RECOMMENDED ACTION:** Authorization to disburse up to \$596,000 to California American Water to remove or seal 1.3 miles of legacy water pipeline and its support structures from the Carmel River floodplain, Monterey County, and adoption of findings under the California Environmental Quality Act.

**LOCATION:** Carmel River, Monterey County (Exhibit 1)

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EXHIBITS

- Exhibit 1: [Project Location Maps](#)
- Exhibit 2: [Project Design Graphics](#)
- Exhibit 3: [Photos](#)
- Exhibit 4: [CEQA Addendum](#)
- Exhibit 5: [Addendum Mitigation Monitoring and Reporting Program](#)

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**RESOLUTION AND FINDINGS**

Staff recommends that the State Coastal Conservancy adopt the following resolution and findings.

Resolution:

The State Coastal Conservancy (Conservancy) hereby authorizes a grant of an amount not to exceed five hundred ninety six thousand dollars (\$596,000) to California-American Water Company to remove or seal 1.3 miles of legacy water pipeline and its support structures from the Carmel River floodplain, Monterey County.

Prior to commencement of the project, the grantee shall submit for the review and written approval of the Executive Officer of the Conservancy (Executive Officer) the following:

1. A detailed work program, schedule, and budget.
2. Names and qualifications of any contractors to be retained in carrying out the project.

3. A plan for acknowledgement of Conservancy funding.
4. Evidence that all permits and approvals required to implement the project have been obtained.

Findings:

Based on the accompanying staff recommendation 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 Integrated Coastal and Marine Resources.
2. The proposed project is consistent with the current Conservancy Project Selection Criteria and Guidelines.
3. The Conservancy has independently reviewed and considered the addendum to the Final Environmental Impact Report/Environmental Impact Statement for the San Clemente Dam Seismic Safety Project, which addendum is attached to the accompanying staff recommendation as Exhibit 4, and the Mitigation Monitoring and Reporting Program attached to the accompanying staff recommendation as Exhibit 5, both of which were adopted by the County of Monterey on January 26, 2022 in connection with its approval of a use permit for the proposed project. The Conservancy finds that the proposed modification of the San Clemente Dam Seismic Safety Project to include the proposed project will not result in new significant environmental effects or a substantial increase in the severity of previously identified significant effects and that no additional CEQA documentation is necessary.

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## **STAFF RECOMMENDATION**

### **PROJECT SUMMARY:**

Staff recommends that the Conservancy authorize a \$596,000 grant to California-American Water Company (CAW) to remove or seal 1.3 miles of legacy water pipeline and its support structures from the Carmel River floodplain (See Exhibits 2 and 3). The proposed project is a newly added component of the Carmel River Reroute and San Clemente Dam Removal (also known as the San Clemente Dam Removal Project) that is necessary to facilitate the final step of the San Clemente Dam Removal Project — the donation of CAW’s property for long-term conservation and public access.

The 1.3 mile water pipeline runs downstream from the former location of the San Clemente Dam, crossing the Carmel River at two locations. It is 30-inches wide and was installed above ground, although 0.25 miles have become buried. Where the pipeline crosses the Carmel River, it is supported on concrete piers with subsurface footings located within the river channel. The pipeline used to connect the San Clemente Dam Reservoir to a downstream water treatment plant. Both the dam and the treatment plant have now been removed as part of the San Clemente Dam Removal Project. Although removal of the pipeline was not initially included in the San Clemente Dam Removal Project, in considering acceptance of CAW’s land, the Bureau

of Land Management identified the pipeline as a potential hazard for future public access and indicated that it will not accept the property until the pipeline is removed. The pipeline and its instream piers also pose a problem within the Carmel River channel at the two locations where the pipeline crosses the river. The piers are impediments to sediment transport and other riverine processes. For these two reasons, the Project team, which consists of CAW, the Conservancy, and the National Marine Fisheries Service (NMFS), are working together to plan for the removal of the pipeline, the piers, and the other support structures.

The proposed project will remove just over one mile of the above ground pipeline. Over the years, small landslides and debris have buried the remaining 0.25 miles of pipeline. To minimize environmental disturbance, those buried segments will be capped and abandoned-in-place. In addition to removing the pipeline, the project will remove the piers and their footings from within the Carmel River channel. Conservancy funding will be limited to the removal of the piers and their footings.

The project will be implemented using construction techniques designed to minimize environmental impacts. For instance, for the portions of the pipeline located across the river from the access road, the contractor will use a spider excavator that can cross the river with minimal impacts and traverse the opposite side without creating a full access road. The pipeline will then be cut into segments, pulled out by the excavator, and sent across the river using cable wire crossings. This will greatly reduce the amount of vegetation removal, ground disturbance, and river impacts. For the removal of the instream piers and footings, the contractor will use sandbags or similar equipment to redirect the active river channel away from each pier. The piers and footings can then be removed without impacts to river water quality or aquatic species.

The project will be undertaken as a cooperative effort between CAW, the Conservancy, and the NMFS as it will facilitate completion of the goals of the San Clemente Dam Removal Project. CAW, a private utility company, owns the land and will oversee the construction. The Conservancy and NMFS will help resolve any permitting and regulatory issues that arise.

**Site Description:** The project area includes approximately 1.3 miles of the Carmel River corridor and floodplain running downstream from the location of the former San Clemente Dam. In some places, the river corridor is quite narrow and is contained by steep banks on both sides. The project area contains mature riparian habitat within the floodplain with oak woodland and scrub habitat on the surrounding hillsides. Historically, a dirt road ran along the east bank of the river to the base of the dam. A portion of this road ceased being used for vehicle traffic in 2016 and is slowly being reclaimed by the surrounding habitat. The water pipeline runs along this road for much of its length. However, it crosses the river and runs on the opposite bank for approximately 2000 feet. The project site is within the 920 acres of land owned by CAW that will be donated for long-term conservation and public access as part of the San Clemente Dam Removal Project.

**Grant Applicant Qualifications:** CAW manages construction and maintenance of its water facilities on a regular basis. CAW also managed the \$84 million San Clemente Dam Removal Project in collaboration with the Conservancy and NMFS. CAW is very qualified to undertake this project.

**CONSISTENCY WITH CONSERVANCY’S PROJECT SELECTION CRITERIA:**

The proposed project is consistent with the Conservancy’s Project Selection Criteria and Guidelines, last updated on September 23, 2021, in the following respects:

**Selection Criteria**

**1. Extent to which the project helps the Conservancy accomplish the objectives in the Strategic Plan.**

See the “Consistency with Conservancy’s Strategic Plan” section below.

**2. Project is a good investment of state resources.**

The proposed project will increase the aquatic and riparian habitat benefits of the San Clemente Dam Removal Project and facilitate its final component— the donation of CAW’s property for long-term conservation and public access. The portion funded by the Conservancy will remove dam-related infrastructure from the Carmel River channel. The dam removal project is a very high priority for the State and has included the involvement of several State and Federal agencies. The majority of the work will be paid for with private funds.

**3. Project includes a serious effort to engage tribes. Examples of tribal engagement include good faith, documented efforts to work with tribes traditionally and culturally affiliated to the project area.**

Conservancy staff informed the local tribes about the project in 2021 and has communicated with the Esselen Tribe of Monterey County about it. Staff will continue to update the Esselen tribe as the project progresses. In addition, the construction approach for removing the pipeline was developed in consultation with a local construction and engineering firm headed by the tribal chair of the Esselen Tribe. The approach significantly reduces environmental impacts relative to other proposed approaches.

**4. Project benefits will be sustainable or resilient over the project lifespan.**

The project removes infrastructure from the Carmel River channel and floodplain, allowing unimpaired function of natural processes. As such, the project increases the river’s resiliency.

**5. Project delivers multiple benefits and significant positive impact.**

The project will facilitate transfer of the property for long-term conservation and public access and will improve natural river functions by removing obsolete infrastructure.

**PROJECT FINANCING**

<b>Coastal Conservancy</b>	<b>\$596,000</b>
California American Water	\$3,261,435
<b>Project Total</b>	<b>\$3,857,435</b>

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 CAW pursuant to a settlement agreement with the National Marine Fisheries Service concerning alleged Endangered Species Act violations. The settlement requires CAW to pay \$16.7 million over a twelve-year period. 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. The recommended Conservancy funding is the amount necessary to remove the piers and associated footings located in the Carmel River channel. Removal of these structures will improve sediment transport functions in this reach of the river. This will enhance the quality of downstream spawning and rearing habitat for SCCC steelhead. NMFS identified removal of these structures as a valuable improvement. CAW’s funds for the project will be used for removal of the pipeline and ancillary structures.

Unless specifically labelled “Required Match” the other sources of funding listed above are provided as estimates. The Coastal Conservancy does not typically require matching funds nor does it require documentation of expenditures from other funders. Typical grant conditions require grantees to provide any funds needed to complete the project.

**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; and (b)(6) acquire, protect, and restore coastal wetlands, riparian areas, floodplains, and other sensitive watershed lands. The proposed project will help achieve these by removing the pipeline from the Carmel River floodplain and the river crossing supports from the Carmel River channel.

Consistent with Section 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 Chapter 3 (commencing with Section 30915) of Division 20.4 of the Public Resources Code concerning the Clean Beaches Grant Program.

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." The project includes monitoring of the habitat restoration in the areas impacted by construction activities.

Section 31111.5 allows the Conservancy to award a grant to a for-profit entity to accomplish removal or alteration of the San Clemente Dam if the project is of regional or statewide significance and a grant to a public agency or nonprofit organization would not achieve removal or alteration of the dam. The proposed project is a component of the San Clemente Dam Removal Project and will facilitate the donation of 920 acres of the project site for long-term conservation and public access. In 2006 and 2007, Conservancy staff made concerted effort to find a public agency or nonprofit organization willing to undertake the dam removal project. Due to the perceived potential liability involved with owning and/or removing an unsafe dam, no public agency or nonprofit organization was willing to undertake the project. Therefore, a grant to CAW was the only option. Section 31111.5 also stipulates that the total expenditure of state funds for the removal San Clemente Dam shall not exceed \$30 million. To date, the State's contribution to the project has been just over \$26.3 million. The Conservancy has previously determined that the Carmel River Settlement Account funds are not State funds for purposes of Section 31111.5. Therefore, the proposed authorization would not increase the State's total contribution to the project, and the project remains consistent with this constraint.

**CONSISTENCY WITH CONSERVANCY'S [2018-2022 STRATEGIC PLAN](#) GOAL(S) & OBJECTIVE(S):**

Consistent with **Goal 6, Objective D** of the Conservancy's 2018-2022 Strategic Plan, the proposed project will enhance the Carmel River and its floodplain by removing the obsolete pipeline and piers.

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

Projects undertaken pursuant to PRC Section 31220 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 Update, September 2019 (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."

The Water Quality Control Plan for the Central Coastal Basin, June 2019 (Water Quality Plan), adopted by the Regional Water Quality Control Board, designates several beneficial use objectives for the Carmel River, including cold freshwater habitat, habitat for migratory species, and habitat for rare, threatened, or endangered species. The proposed project will enhance the functions of the Carmel River channel and floodplain which will enhance habitat for SCCC steelhead. SCCC steelhead is a threatened, migratory fish species that requires cold freshwater habitat for some stages of its life cycle. Thus, the project will enhance the identified beneficial uses and is consistent with the Basin Plan's identified beneficial uses.

**CEQA COMPLIANCE:**

A Final Environmental Impact Report/Environmental Impact Statement (FEIR/EIS) was certified by the Department of Water Resources (DWR) on December 31, 2007, for the San Clemente Dam Seismic Safety Project (SCH#2005091148) which contemplated Carmel River Reroute and San Clemente Dam Removal (CRRDR) as Alternative 3. DWR subsequently approved the CRRDR alternative. The Conservancy adopted findings about the FEIR/EIS and approved funding for the San Clemente Dam Removal Project on May 19, 2011. In accordance with CEQA Guidelines Section 15163, revisions to the CRRDR project were analyzed in a July 2012 Final Supplement to the FEIR (Final SEIR) certified by DWR, that analyzed potential environmental impacts of the revised project features. The revisions refined the CRRDR project to facilitate improved fish passage in the Carmel River. Further refinement of the CRRDR to remove the Old Carmel River Dam downstream of San Clemente Dam was analyzed for potential environmental impacts in a second SEIR in August 2012 that was certified by the Conservancy on August 2, 2012. Removal of the San Clemente and Old Carmel River Dams and reroute of the Carmel River were completed in 2017.

On January 26, 2022, the County of Monterey considered an Addendum to the FEIR/EIS, approved a use permit for the proposed project, and adopted a Mitigation Monitoring and Reporting Program (MMRP, Exhibit 6) to address which mitigation measures from the FEIR/EIS and SEIRs will apply to removal of the legacy pipeline and support structures. Potential impacts identified in the addendum stem from removal of approximately 62 trees in riparian and oak woodland habitat to gain access to the pipeline and for a staging area. The MMRP for the proposed project includes mitigation measures from the FEIR/EIS and SEIRs requiring planting or establishment of replacement trees, limitations on timing and location of tree removal to protect nesting birds, daily biological sweeps prior to removal activities, limitations on night construction activities, and other measures to protect bats, woodrats, and other terrestrial species. The proposed project would not increase the severity of or cause new impacts to riparian or oak woodland habitats. The proposed project also has potential impacts to listed species including steelhead, California red-legged frog and White-tailed Kite, which will be mitigated by measures identified in the FEIR/SEIRs. Impacts to white-tailed kite were not contemplated in the FEIR/EIR and SEIRs because the species subsequently became listed as federally threatened. However, the mitigation measures identified in the FEIR/EIR and SEIRs to protect other species will also reduce the potential impacts of the proposed project on the white-tailed kite to less than significant. Additional mitigation measures from the FEIR/EIR and SEIRs are included in the MMRP for the proposed project to address discovery of archaeological, cultural, or tribal resources during construction activities; ensure proper training of construction personnel to avoid and minimize impacts; and minimize the impact area.

The Conservancy has independently reviewed and considered the information contained in the Addendum and finds that the proposed project would cause no significant effects on the environment that had not been examined in the FEIR/EIS and SEIRs and would not increase the severity of previously examined significant effects.

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