

COASTAL CONSERVANCY

Staff Recommendation  
May 5, 2022

**POTRERO CREEK FISH PASSAGE IMPROVEMENT, LOWER CULVERT**

Project No. 16-011-03  
Project Manager: Julian Nesbitt/Tom Gandesbery

**RECOMMENDED ACTION:** Authorization to disburse up to \$379,374 to Trout Unlimited to remove a fish passage barrier on Potrero Creek, in the Carmel River watershed, in Monterey County, and adoption of findings under the California Environmental Quality Act.

**LOCATION:** Carmel Valley, Monterey County

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EXHIBITS

- Exhibit 1: [Project Location Map](#)  
Exhibit 2: [Photos](#)  
Exhibit 3: [Mitigated Negative Declaration for the 2021 Fisheries Habitat Restoration Project](#) (<https://ceqanet.opr.ca.gov/2021090528>)
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**RESOLUTION AND FINDINGS**

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

Resolution:

The State Coastal Conservancy hereby authorizes the disbursement of an amount not to exceed three hundred seventy nine thousand three hundred seventy four dollars (\$379,374) to Trout Unlimited (the grantee) to remove the lower fish passage barrier on Potrero Creek located on the Carmel Valley Athletic Club property in the Carmel River watershed in 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.
5. Evidence that the grantee has entered into agreements sufficient to enable the grantee to implement, operate, and maintain the project.
6. Evidence that the grantee has entered into and recorded an agreement pursuant to Public Resources Code 31116(d) sufficient to protect the public interest in 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 Integrated Coastal and Marine Resources Protection.
2. The proposed project is consistent with the current Conservancy Project Selection Criteria and Guidelines.
3. Trout Unlimited is a nonprofit organization organized under section 501(c)(3) of the U.S. Internal Revenue Code.
4. The Conservancy has independently reviewed and considered the Mitigated Negative Declaration for the 2021 Fisheries Restoration Grant Program adopted by the California Department of Fish and Wildlife on November 16, 2021, pursuant to the California Environmental Quality Act (CEQA) and attached to the accompanying staff recommendation as Exhibit 3. The Conservancy finds that the proposed project as designed and mitigated avoids, reduces, or mitigates the potentially significant environmental effects to a less-than-significant level, and that there is no substantial evidence based on the record as a whole that the project may have a significant effect on the environment.

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## STAFF RECOMMENDATION

### PROJECT SUMMARY:

Staff recommends the Conservancy authorize disbursement of up to \$379,374 to Trout Unlimited (TU) to remove a fish passage barrier caused by an undersized culvert located on Potrero Creek within the Carmel Valley Athletic Club (CVAC). The smaller pipe culvert will be replaced with a larger arched culvert to allow fish to migrate up the creek from the Carmel River. The culvert is located partially under an access road within the CVAC property. The proposed project will improve fish passage while maintaining landowner access across the creek.

The 2014 Assessment Of Steelhead Passage Barriers In Portions Of Four Tributaries To The Carmel River (Barriers Assessment), prepared by the Monterey Peninsula Water Management District, identified four significant fish passage barriers along Potrero Creek requiring modification. These included three culverts on CVAC property and a 200-yard-long constrained channel reach within the Quail Lodge golf course property. Potrero Creek is the first tributary

available to Carmel River steelhead when migrating upstream from the ocean. Similar to the main-stem Carmel River, the lower section of Potrero Creek is dry during most months. Migration to the perennial upper reaches of Potrero Creek is limited to higher winter flow events, but even during those periods, access for adult steelhead into the upper portion of the watershed is blocked by barriers in the lower portion of the creek. In 2020, the Conservancy approved a grant for modification of two of the culverts identified as barriers. The proposed project would modify the third one.

In 2017, the Conservancy approved a \$350,000 grant to Trout Unlimited to plan several projects within the Carmel River watershed to remove fish passage barriers and enhance fish habitat. With planning funds from the Conservancy, TU worked with CVAC and a design engineer to develop a project that met both fish passage and landowner needs. The project involves removing the existing pipe and road crossing, replacing the pipe with a single arched culvert with a natural bottom, and repaving the affected road areas. The proposed arched culvert will be almost 13 feet wide, 8'4" tall at the high point, and one hundred feet long. The culvert will be placed approximately 3.5 feet below the proposed channel grade and backfilled with native streambed material to maintain a natural channel bottom that provides passage opportunities similar to adjoining reaches of the channel. The backfill materials and culvert embedment will allow for potential channel adjustments and natural aggradation and scour processes during storm events without permanently exposing the concrete culvert bottom.

The proposed project includes obtaining project permits. TU intends to contract with the Monterey County Resource Conservation District to secure these permits. TU will oversee the project, hire a construction contractor, and engage additional consultants as needed to ensure compliance with all CEQA and permit conditions. Work will be conducted during the 2023 dry season.

**Site Description:** Potrero Creek flows generally south to north. The confluence of Potrero creek and the Carmel River is located approximately 4 miles up the Carmel River from the Pacific Ocean. Although relatively small in size, the creek provides spawning and rearing habitat for steelhead in normal and wet years. Ownership of this creek lies in the hands of three entities: Quail Lodge and Golf Club, CVAC, and the Santa Lucia Conservancy (SLC), a nonprofit land trust. Upstream of CVAC, the creek flows from the hills within the 20,000 acre Santa Lucia Preserve which contains high quality spawning habitat. As the creek enters CVAC, it flows through a newly installed arched culvert, through the tennis facility and through subject culvert before flowing to Quail Lodge and Golf Club. The creek then flows past homes and greenways before reaching the Carmel River.

Prior to the current development, the area was used for farming and ranching. Remediating the subject culverts will allow connection between the Carmel River and the SLC lands. The permanently protected lands administered by SLC are located within a residential community known as the Santa Lucia Preserve. Created in the early 1990's, the Preserve's development design permanently protected 18,000 acres of the 20,000 acre "Rancho San Carlos" to ensure that its "ecological, scenic, and scientific values were sustained." SLC owns or manages over 90% of the Potrero Creek watershed, supporting several miles of well-shaded, spring-enhanced creek habitat with deep perennial pools.

**Grant Applicant Qualifications:** 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 and subsequently implemented off-stream storage projects in a half dozen river systems from the Mattole in Humboldt County to the Pajaro in Santa Cruz County. TU has also removed two other passage barriers within the Carmel watershed with funding from the Conservancy and California Department of Fish and Wildlife.

**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 is a good investment of state resources. Removing a barrier in the lower portion of Potrero Creek addresses priorities in the National Marine Fisheries Service South-Central Coast Steelhead Recovery Program as well as recovery tasks from the California Department of Fish and Wildlife (CDFW) Task List for the Steelhead Restoration and Management Plan for California. The project will improve conditions for migrating steelhead and increase access to high quality spawning and rearing grounds in the upper creek. The project is designed to CDFW standards and the construction costs will be competitively bid. The funding source can only be used for projects that benefit steelhead in the Carmel River watershed.

**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 held a formal consultation with the Esselen Tribe of Monterey County about the proposed project and TU staff also discussed the project with the tribe. The Esselen Tribe requested to have on-site monitoring for Native American artifacts during ground disturbing activities. Contracting for this monitoring work is included in the project budget.

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

The proposed arched culvert was designed consistent with guidance in CDFW's California Salmonid Stream Habitat Restoration Manual Volume II Section X11. Fish Passage Design and Implementation. The natural bottom will allow sediment transport processes to continue through this stretch of the creek. This will help sustain the conditions up- and downstream of the culvert which will increase its longevity.

The landowner will maintain the new crossing in order to maintain safe vehicular access to the existing parking lot associated with the ongoing CVAC uses. This includes visual inspection after storm events and removal of problematic debris jams which may accumulate against the new construction (making unsafe driving conditions and reduced migration opportunities). Trout Unlimited staff will conduct post-project photo monitoring. The project is located well inland at an elevation greater than 80 feet above sea level.

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

The main project benefit is to facilitate steelhead migration to upstream spawning and rearing habitat with perennial flows. The project will also increase resiliency to climate change because the larger, natural bottom culvert will facilitate natural stream processes including sediment transport and the culvert design will also facilitate migration by other aquatic species.

**6. Project planned with meaningful community engagement and broad community support.**

The Carmel River Task Force (CRTF) is a group that meets three times a year to share information, discuss Carmel River watershed issues, and to prioritize projects to preserve and restore the watershed. The CRTF includes representatives from local, state, and federal agencies, non-governmental organizations (NGOs), and individuals with a special interest in the watershed, such as researchers and graduate students. The CRTF has developed and periodically updated a list of priority actions for the restoration and enhancement of the river, the last update being in 2021. CRTF has consistently identified removal of fish passage barriers as one of the highest priorities actions and has specifically identified the Potrero Creek project as one of the barriers that should be addressed.

The proposed project is supported by the California Department of Fish and Wildlife, National Marine Fisheries Service, Carmel River Watershed Conservancy, Carmel River Steelhead Association, the Santa Lucia Conservancy, Monterey County Resource Conservation District, and the Monterey Peninsula Water Management District.

**PROJECT FINANCING**

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|--|------------------|
| <b>Coastal Conservancy</b>                 | <b>\$379,374</b> |
| California Department of Fish and Wildlife | \$619,754        |
| <b>Project Total</b>                       | <b>\$999,036</b> |

The anticipated source of Conservancy 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 (Cal-Am) pursuant to a settlement agreement with the National Marine Fisheries Service concerning alleged Endangered Species Act violations. The settlement requires Cal-Am 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 Cal-Am. One effect of Cal-Am'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 for SCCC steelhead in one of the river's tributaries and will thereby help mitigate the impacts from Cal-Am's water withdrawals. Therefore, the proposed project is consistent with the funding source.

The settlement agreement directs the Conservancy to, when possible, maximize the value of the settlement funds by seeking cash or in-kind matching contributions. As discussed above, TU has also obtained a grant from CDFW's Fisheries Restoration Grant Program (FRGP), which will pay for the bulk of the project and for which this grant provides the funding match. Although for this project the settlement funds have been maximized through TU's contribution of CDFW grant funds, staff is not recommending that this other source of funds be required as a condition of the Conservancy grant, and such a requirement is not necessary under the settlement agreement. Therefore, staff will not require documentation of expenditures from TU. 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 Chapter 5.5 of the Conservancy's enabling legislation, Division 21, Public Resources Code (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 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 Section 31220(b) subsections: (b)(2) protect and restore fish and wildlife habitat within a coastal watershed; and (b)(7) reduce the impact of population pressures on the coastal resources. The proposed project will help achieve these objectives by removing a fish passage barrier caused by a road crossing.

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 Chapter 3 (commencing with Section 30915) of Division 20.4 of the Public Resources Code 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" The project will include implementation of monitoring and evaluation of the replacement culvert.

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

Consistent with **Goal 5, Objective C** of the Conservancy's 2018-2022 Strategic Plan, the proposed project will preserve part of a fish corridor between core habitat areas along the coast and inland habitat areas.

Consistent with **Goal 6, Objective E** of the Conservancy's 2018-2022 Strategic Plan, the proposed project will improve fish passage by modifying a creek crossing to remove a passage barrier.

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

Projects undertaken pursuant to Public Resource Code 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, updated 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, March 2016 (Water Quality Plan), adopted by the Regional Water Quality Control Board, designates several beneficial use objectives for the Carmel River, including cold freshwater 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 freshwater habitat, and is thus consistent with the Water Quality Plan's identified beneficial uses.

**CEQA COMPLIANCE:**

In order to implement projects to improve fish spawning and rearing habitats through the FRGP, CDFW developed a Programmatic Mitigated Negative Declaration (MND) for its 2021 FRGP funded projects (Exhibit 3). The proposed project is one of the 2021 FRGP funded projects and is identified as "[Potrero Creek Fish Passage Project CVAC SOW](#)" on the website link provided. The MND identifies impacts to biological resources, cultural resources, geology and soils, hazards and hazardous materials, hydrology and water quality, and noise elements of the environment related to project construction. CDFW found no potentially significant impacts to Aesthetics, Agricultural Resources, Air Quality, Greenhouse Gas Emissions, Land Use and Planning, Mineral Resources, Population and Housing, Public Services and Recreation, Utilities and Service Systems, Transportation and Traffic, and Tribal Cultural Resources. The MND addresses all of the anticipated environmental effects of the funded projects by providing standardized mitigation measures for the various types of projects that would be implemented

throughout the State in a Mitigation Measures, Monitoring and Reporting Program, which is attached as Appendix B to the MND (MMMRP). The MMMRP includes standard protocols for avoiding impacts to species of concern, including state- and federally-listed threatened and endangered species. Each project discussion identifies site-specific mitigation measures to be implemented on each project.

The CDFW MND includes a detailed description of this project, referred to as the Potrero Creek Fish Passage Project in Exhibit A, and includes specific mitigation measures for the proposed project in Appendix B to the MND, (Exhibit 3). The mitigation measures specific to this project, as contained in the MND, are described as follows:

- TU will not proceed with on-the-ground implementation until all necessary permits and consultations are secured. Work in flowing streams is restricted per the Army Corp of Engineers Regional General Permit. Actual projects start and end dates, within this timeframe, are at the discretion of the California Department of Fish and Wildlife.
- No equipment maintenance will be performed within or near the stream channel where pollutants (such as petroleum products) from the equipment may enter the channel via rainfall or runoff. Appropriate spill containment devices (e.g., oil absorbent pads, tarpaulins) will be used when refueling equipment. All equipment will be removed from the streambed and floodplain areas at the end of each workday.
- All equipment and gear will be brushed with a stiff brush prior to leaving each stretch of stream to avoid the transport of aquatic invasive species (AIS). When transporting traps out of the area, each numbered trap will be bagged in its own bag to avoid cross-contamination during transport in and out of the work area. All crew members will decontaminate equipment and shoes for AIS according to the standards detailed in the California Department of Fish & Wildlife Aquatic Invasive Species Decontamination Protocol.
- During project activities, all trash that may attract predators will be properly contained, removed from the worksite, and disposed of regularly. Following construction, all trash and construction debris will be removed from work areas.
- If fish relocation will be required, the TU shall notify the CDFW Project Manager a minimum of five working days before the project site is de-watered and the streamflow diverted. The notification will provide a reasonable time for CDFW personnel to oversee the implementation of the water diversion plan and the safe removal and relocation of salmonids and other fish life from the project area. If the project requires dewatering of the site, and the relocation of salmonids, the TU will implement the following measures to minimize harm and mortality to listed salmonids:
  - Fish dewatering and relocation activities shall only occur between June 15 and October 31 of each year.
  - Additional measures to minimize injury and mortality of salmonids during fish relocation and dewatering activities shall be implemented as described in Part IX, pages 52 and 53 of the *California Salmonid Stream Habitat Restoration Manual*.



- The TU shall minimize the amount of wetted stream channel dewatered at each individual project site to the fullest extent possible as approved by the CDFW Grant Manager and pursuant to conditions in the USACE Regional General Permit and NMFS Biological Opinion.
- All electrofishing shall be performed by a qualified fisheries biologist and conducted according to the National Marine Fisheries Service, Guidelines for Electrofishing Waters Containing Salmonids Listed under the Endangered Species Act, June 2000.
- USFWS Approved fisheries biologists will provide fish relocation data via the TU to the CDFW Grant Manager on a form provided by CDFW.
- The project will follow the National Marine Fisheries Service (NMFS 2001) Guidelines for Salmonid Passage at Stream Crossings and criteria for fish passage as described in Volume II, Part IX, of the California Salmonid Stream Habitat Restoration Manual. The engineered plans for the bridge (culvert) installation shall be visually reviewed and authorized by NOAA Fisheries or California Department of Fish and Wildlife engineers prior to commencement of work.
- All habitat improvements will follow techniques described in the California Salmonid Stream Habitat Restoration Manual, Volume I, and Volume II Part XI and Part XII. The TU/landowner will maintain the new crossing, inspect the crossing in a timely manner and remove debris as necessary during the storm season.

CDFW found that all potentially significant impacts associated with the funded projects, including this project, Potrero Creek Fish Passage Project, would be avoided or mitigated below a level of significance under CEQA. CDFW approved the MND and filed a Notice of Determination on November 16, 2021.

Staff has independently reviewed the MND and the public comment, and staff concurs with the CDFW finding that there is no substantial evidence that the project, as modified by incorporation of the mitigation measures identified in the MND, Appendices A and B and the other exhibits, will have the potential for a significant effect on the environment. Staff therefore recommends that the Conservancy find that the project as mitigated avoids, reduces or mitigates the possible significant environmental effects to a level of insignificance and that there is no substantial evidence that the project will have a significant effect on the environment.

Upon approval, staff will file a Notice of Determination.