



## Rice Conversion and Wetland Restoration on Webb Tract Projects Update Staff Report

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This agenda item provides an update on the two-phase Webb Tract Projects and describes a timeline for Board consideration of authorization of implementation funding for the Rice Conversion Project on Webb Tract.

### DESCRIPTION

In May 2023, the Board approved an award to Metropolitan Water District of Southern California (MWD) for the Wetland Mosaic Landscape on Webb Tract Project, which will stop subsidence and reduce emissions on the entirety of Webb Tract (approximately 5,500 acres). This award authorized the Conservancy to enter into an agreement for both Planning and Implementation of a project. To comply with regulatory processes, including the California Environmental Quality Act (CEQA), authorization of implementation is contingent on several actions, including the Board's consideration and adoption of Responsible Agency Findings; if adopted, filing appropriate CEQA documentation with the State Clearinghouse; and processing an amendment to the Grant Agreement.

Since consideration by the Board, MWD determined that planning for the rice conversion component of the project could be completed at least one year prior to planning for the wetland restoration component and requested that the projects be separated. In partnership with MWD, Staff developed the grant agreement to reflect a two-phase approach (planning and implementation) for the two projects. MWD anticipates bringing a request to authorize the Rice Conversion Project implementation funding at the January 2025 Board meeting.

### Rice Conversion Project

To be prepared for rice conversion as soon as possible, MWD recently released a solicitation seeking farmers to sign a five-year lease agreement to convert previous corn fields to rice on about 1,361 acres of Webb Tract. The request for proposals is available at the following link until the submission window closes on August 2, 2024: <https://www.mwdh2o.com/real-property-assets>. MWD also held a public outreach workshop on July 10, 2024 at the Big Break Regional Shoreline to engage the public on their initial concepts for Webb Tract and solicit feedback from the community. A recording of the meeting is [available via MWD's website](#).

MWD's Board must take action to authorize signing a lease agreement and they will make subsequent CEQA Lead Agency Findings or authorize a Notice of Exemption simultaneously. They anticipate taking these actions at their Board meeting on November 12, 2024. Funding for implementation of the Rice Conversion Project will not be authorized until the Conservancy Board takes action.

### Wetland Restoration Project

Planning for the Wetland Restoration Project is underway. If the planning process indicates that the Project is viable and the appropriate environmental compliance work has been completed, staff would bring a request to authorize implementation funding for the Wetland Restoration Project to the Board

in late 2025. Currently, MWD is completing technical studies, working on design plans in partnership with tribal representatives, and engaging regulatory entities, including the California Department of Fish and Wildlife's Cutting Green Tape team, to determine the most appropriate path to permitting and environmental compliance.

**BACKGROUND**

Chaptered on September 5, 2022, the Amended Budget Act of 2022 (Assembly Bill 179, Item 3875-101-0001 of Section 111) provided the Conservancy with \$36 million for projects that support Nature Based Solutions: Wetland Restoration (NBS: WR). In May 2023, the Conservancy Board authorized \$20.9 million in funding to design and construct between 1,000 and 1,500 acres of rice and between 3,000 and 3,500 acres of wetlands on Webb Tract (the entire 5,500 acre island) to stop ongoing organic soil subsidence, reduce greenhouse gas (GHG) emissions generated through increased carbon sequestration opportunities, develop sustainable agriculture opportunities, investigate sustainable water management practices, and study how managed wetlands may augment the Delta pelagic food web in line with goals of Metropolitan's Climate Action Plan and the Delta Plan. Funding was awarded in two phases: \$3,221,199 for the planning phase and a conditional \$17,686,172 for the implementation phase, subject to further review and consideration by the Board. Funding the award had the added condition that the funds being released will not be used for mitigation requirements of the Delta Conveyance program. Conditions of implementation funding include the Board's consideration and adoption of any needed California Environmental Quality Act (CEQA) responsible agency findings and filing appropriate CEQA documentation with the State Clearinghouse. As a responsible agency, the Conservancy will be required to consider and make its own findings on any environmental document MWD prepares prior to any further action on the implementation phases of the projects. The Delta Conservancy retains full discretion to approve or deny the implementation phase and to adopt any further mitigation measures or alternatives identified through the environmental review process. Webb Tract is in the northeastern portion of Contra Costa County, north of Bethel Island and southwest of Bouldin Island. Webb Tract is situated entirely within the Primary Zone of the Sacramento-San Joaquin Delta. Historically, Webb Tract was used to farm corn and cattle graze, but recent cattle grazing leases were not renewed due to the island being too wet to farm and resulting poor grazing conditions. A short video about the Projects and intended outcomes is available on MWD's YouTube channel: <https://youtu.be/x84x0Myhmyk?si=cs2FvpiL0fDgdZNq>.

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