



Project Updates and Consideration of Amendment to Scope of Ecosystem Restoration and Climate Adaptation Program Agreement for Wetland Mosaic Landscape on Webb Tract Project

Staff Report

PROJECT OVERVIEW

Grantee	The Metropolitan Water District of Southern California
Project ID	NBS01
Award Year	2023
County	Contra Costa
Category	Implementation
Original Award Amount	\$20,907,371 (\$3,221,199 for Phase I and a conditional \$17,686,172 for Phase II)
Request	Scope

RECOMMENDATION

Staff recommend that the Board conditionally approve a scope change to the Wetland Restoration Project to move final wetland restoration design and planning from Phase II (implementation) to Phase I (planning) to complete wetland restoration design plans and report and prepare final construction documents. Staff also recommend that the Board conditionally authorize the Executive Officer to approve releasing Phase II (implementation) funding for the Rice Conversion Project and move funds from the Wetland Restoration Project to the Rice Conversion Project.

DESCRIPTION

Wetland Restoration Project Update and Amendment

The Grantee is requesting to authorize the completion of final wetland restoration design planning and preparation of final construction documents as part of Phase 1 of the Project. It was previously identified as a task for Phase II. Initial planning, design, and environmental compliance are underway as part of Phase I. Conservancy standard practice is to fund final wetland design as part of Phase II implementation after California Environmental Quality Act (CEQA) compliance is complete. The Grantee is in the process of completing its CEQA review, finding the Project is exempt, and is requesting to move final wetland restoration design planning from Phase II to Phase I to align with their internal procedures and Board approval processes.

As part of Phase I, the Grantee is pursuing a CEQA statutory exemption for restoration projects (SERP) concurrence from the Director of the California Department of Fish and Wildlife. The wetland restoration project implementation is considered a project under CEQA. Senate Bill (SB) 155 (2021)

added Section 21080.56 to California Public Resources Code, which provides a CEQA statutory exemption for restoration projects that enhance the recovery of California native fish and wildlife and will result in long-term net benefits to climate resiliency, biodiversity, and sensitive species recovery. As the lead agency under CEQA, the Metropolitan Water District of Southern California (MWD) prepared a SERP concurrence request finding the Webb Tract Wetland Restoration Project eligible for SERP. The Director of CDFW issued a [concurrence with the SERP request](#) on July 10, 2025. MWD filed a [lead agency Notice of Exemption \(NOE\)](#) with the State Clearinghouse on July 11, 2025. Shortly after the NOE was posted, MWD and CDFW noted an error in the total project acreage reported in both CDFW's SERP concurrence and MWD's NOE. Both organizations do not find the adjusted acreage to modify the SERP concurrence and are currently working to correct this error and post updated materials (see Agenda Item 8.2). Staff have reviewed the proposed Project, all the SERP materials, and the needed edits to correct the project acreage in the CEQA documentation. Staff agree with the determinations made by MWD and CDFW that the project meets the requirements for a SERP and recommends that the Board approve the completion of the final wetland design as part of Phase I of the approved project.

During Phase I wetland restoration design and planning, the Grantee completed an assessment of Webb Tract's topography. In consultation with ecocultural practitioners, engineers, and climate scientists, it was determined that the best course of action was to reduce the initial constructed flooded acreage. The original award included up to 3,000 acres of wetland. The current design includes up to 2,400 acres of wetland, with wetland acreage increasing up to 2,600 acres post-construction as soil accretes over the 15-year funding term (see Figure 8.1). This change optimizes existing topography and habitat types, carbon benefits, and both construction and long-term costs. This optimization reduces the estimated cost of construction by about \$3,000,000 compared to the initial estimates at time of award. The island will include about 500 acres of additional upland habitat, including sand dunes. A portion of this upland area will decrease as the wetlands naturally expand over time. Necessary infrastructure, staging areas, and existing habitats not to be disturbed cover roughly an additional 1,000 acres.

Conservancy staff reviewed and approved the Grantee moving forward with initial planning to this reduced acreage and, if this amendment is approved, staff recommend carrying this updated acreage forward into wetland restoration final design and planning. At a future meeting, the Board will consider approval of the final design and acreage to be constructed prior to their consideration of an amendment to authorize the remaining Phase II activities, including construction.

If the Conservancy is unable to change the scope of this agreement, wetland restoration design could not continue, and the Project would be delayed significantly. It would be unlikely that wetland construction could be completed during the grant funding term, if at all, due to a misalignment between the Agreement and Grantee's Board approval processes.

Rice Conversion Project Update and Amendment

The Grantee is requesting to move into Phase II of the Rice Conversion Project. Phase I is complete, and Phase II is pending action by the Grantee's Board.

As part of Phase I, the Grantee released a solicitation to lease 1,361 acres of previous agricultural fields on Webb Tract for the purposes of converting the land to rice-ready condition and growing rice (previously described in a [Board update](#)). Land conversion costs were three times higher than expected resulting in no viable bids on that solicitation, so a second solicitation was released in 2025 that included a higher reimbursement per acre for the conversion. The lease proposal was presented to the Grantee's Board in June 2025, but action was deferred until August 2025. Should the Grantee's Board approve the lease in August, the Grantee anticipates completing CEQA compliance by applying one or more categorical exemptions.

Due to the unexpected higher cost of land leveling described above, the Grantee is requesting a budget change request to move up to \$2,680,000 from wetland construction to rice construction. The cost of wetland restoration construction is estimated to be lower than originally anticipated as described above. This is not anticipated to change the scope of work for the Wetland Restoration Project beyond the reduction in acreage, described above, that the Grantee is already, for other reasons, pursuing.

To keep to the current agreement timeline, land conversion needs to begin in summer 2025. If the Grantee's Board approves the execution of the rice lease (Phase II) in August, staff recommend that the Board authorize the Executive Officer to approve the release of Phase II funding, pursuant to the previously executed grant agreement, for the rice conversion project and the budget change. This authorization would be contingent upon the Executive Officer concurring with the Grantee's (the lead agency for CEQA) determination that the project is exempt from CEQA. It would also be limited to the approval of \$2,680,000 for lease acquisition. Board Resolution 2011-0003, which was signed on March 16, 2011, delegates authority to the Executive Officer to consider CEQA exemptions on behalf of the Board.

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 of any needed CEQA findings. Conservancy staff will review any findings made by the lead agency and present documents to the Board for action as appropriate and required. 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 in poor grazing conditions. A short video about the Projects and intended outcomes is available on MWD's YouTube channel: <https://youtu.be/x84x0Myhmyk?si=cs2FvpiLOfDgdZNq>.

SUGGESTED MOTION LANGUAGE

Move that the Board approve a scope change to authorize the grantee to complete final wetland restoration design and planning as part of Phase I of the Wetland Mosaic Landscape on Webb Tract Project conditional upon the California Department of Fish and Wildlife's Director signing an updated Statutory Exemption for Restoration Project concurrence and the Metropolitan Water District of Southern California submitting an updated Notice of Exemption to the State Clearinghouse.

Move that the Board authorize the Executive Officer to approve Phase II of the Rice Conversion Project and approve a budget change to reallocate up to \$2,680,000 from the Wetland Restoration Project to the Rice Conversion Project, conditional on the Grantee (the lead agency) approving the Phase II activities, concluding that the rice lease is categorically exempt from the California Environmental Quality Act and there are no exceptions to the exemptions, and SSJDC's Executive Officer reviews and concurs with those determinations.

CONTACT

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Figure 8.1. Map of draft Webb Tract Wetland Restoration Project design, provided by Metropolitan Water District of Southern California

