



**Consideration to Authorize Phase II Funding and of Amendment to Scope of Nature Based Solutions:
Wetland Restoration Program Agreement for Wetland Mosaic Landscape on Webb Tract Project**

Staff Report

Grantee	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 and Budget

RECOMMENDATION

Staff recommend the Board release conditionally awarded funds for Phase II of the Wetland Mosaic Landscape on Webb Tract Project (Project). Staff also recommend the Board approve a reduction to the Project scope of work that would reduce constructed acreage to up to 2,400 acres, eliminate the post-construction aquatic monitoring and island-wide levee analysis tasks, and approve a budget change to shift the \$410,000 of unused funds from the scope reduction, if approved, to wetland construction.

DESCRIPTION

The Grantee is requesting access to the remaining Phase II funds, which were conditionally awarded at the time of the original award. The Project is comprised of two individual projects, a Rice Conversion Project (Rice Project) and a Wetland Restoration Project (Wetland Project), each with a planning phase (Phase I) and an implementation stage (Phase II). Access to Phase II funds was approved conditional on successful completion of Phase I. The Grantee has completed Phase I for both Projects and has started Phase II of the Rice Project. Phase II of the Wetland Project includes construction, ongoing outreach, environmental monitoring, and island-wide analyses. This request is for the final batch of conditionally awarded funding.

In considering the release of funding, the Grantee is also requesting approval to reduce the constructed wetland acreage to up to 2,400 acres, which is consistent with engineering and design completed in Phase I, and remove the following tasks from the Phase II Project scope: development of a Technical Advisory Committee, drafting of an environmental monitoring plan, post-construction aquatic monitoring, and island-wide levee stability analysis. These tasks were originally proposed to help the broader scientific community understand the Project's impact to the Delta ecosystem and levee stability. However, the Grantee has convened with experts on these topics, and potential impacts of the island-wide mosaic will likely take several years post-construction to be measurable. Robust

scientific studies will require additional resources, beyond the funding allocated, with data collection spanning several years. These tasks are thus more appropriate for dedicated, multi-year studies completed outside of the scope of this Project.

If approved, the Grantee will also move \$410,000 from the removed tasks to construction to cover a budget shortfall of \$3,450,969 for construction. The total cost of the Project has increased to \$28,000,000. The Grantee has increased their cost share to \$7,092,629, or approximately 25% of the total Project cost, to complete the Project.

The requested amendment is due to conditional funding at the time of award that requires Board consideration to remove conditions and approve the release of funding. The request is also due to results from the planning phase and changes in cost from 2023 feasibility estimates. If the Conservancy does not approve to release the Phase II funding, the Project will not be completed as approved due to lack of funding to complete the Project. If the Conservancy does not approve the amendment to reduce the scope and modify the budget, the Project will experience delays and extended timelines while the Grantee finds time, resources, and funding to complete that work.

ENVIRONMENTAL COMPLIANCE

This implementation project is exempt from the California Environmental Quality Act per the Statutory Exemption for Restoration Projects (SERP; PRC § 21080.56). The Director of California Department of Fish and Wildlife issued a [concurrence](#) with the SERP request on July 22, 2025. The CEQA lead agency, The Metropolitan Water District of Southern California, filed a [Notice of Exemption](#) (NOE) on July 24, 2025. Lead agency staff have determined that the Project modifications would not have an environmental impact that would alter the SERP concurrence.

BACKGROUND

Wetland Mosaic Landscape on Webb Tract Project (Project ID NBS01) is a planning and implementation project to design and construct a mosaic of rice and wetlands on Webb Tract that will provide fish and wildlife habitat, reverse subsidence, and reduce greenhouse gas emissions. 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 had the added condition that the funds being released will not be used for mitigation requirements of the Delta Conveyance program. This is the Grantee's second amendment request requiring Board consideration.

Funding was provided by a one-time General fund allocation. 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).

SUGGESTED MOTION LANGUAGE

Move that the Board approve a change to the scope of work to reduce constructed wetland acreage to up to 2,400 acres, eliminate work associated with post-construction aquatic monitoring and island-wide levee analyses of the Wetland Mosaic Landscape Project on Webb Tract and release \$13,074,567 of Phase II funds for the Project.

CONTACT

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