



- **Board of Directors**

Finance, Affordability, Asset Management, and Efficiency Committee

6/10/2025 Board Meeting

7-10

Subject

Adopt a resolution declaring approximately 5,497 acres of Metropolitan-owned real property in the Sacramento-San Joaquin Delta, commonly known as Webb Tract, also identified as Contra Costa County Assessor Parcel Numbers: 026-070-001-8, 026-080-006-5, 026-080-009-9, 026-080-007-3, 026-080-008-1, 026-080-004-0, 026-008-005-7, 026-070-006-7, 026-070-013-3, 026-070-012-5, 026-070-011-7, 026-070-010-9, 026-060-019-2, 026-060-018-4, 026-060-008-5, 026-090-007-7, 026-060-003-6, 026-060-015-0, 026-060-016-8, 026-060-017-6, and 026-060-005-1 as exempt surplus land under the Surplus Land Act; the General Manager has determined that the proposed action is exempt or otherwise not subject to CEQA

Executive Summary

The long-term lease of Metropolitan-owned lands to further agency uses and purposes for more than fifteen years requires written documentation that such lands constitute “exempt surplus land” under the California Surplus Land Act (Government Code Section 54220, et seq.). The resolution before the Board declares certain portions of Webb Tract in the Sacramento-San Joaquin Delta region (**Attachment 1**) as exempt surplus land available for rice farming and other agricultural and ecorestoration and habitat maintenance-related uses that would further Metropolitan’s water quality and water supply resiliency goals.

Proposed Action/Recommendation and Options

Staff Recommendation: Option #1

Option #1

Adopt a resolution declaring approximately 5,497 acres of Metropolitan-owned real property in the Sacramento-San Joaquin Delta, commonly known as Webb Tract, as exempt surplus land under the Surplus Land Act.

Fiscal Impact: No direct fiscal impact. The action merely makes a Board finding as to the availability of the land for certain agency uses and its administrative categorization.

Business Analysis: The generation of rental payments and other revenues and costs would be dependent on separate Metropolitan action. The current action making an exempt surplus land determination under the Surplus Land Act does not commit Metropolitan to the implementation of any specific future transaction or property use.

Option #2

None required.

Fiscal Impact: No direct fiscal impact. Existing property management and agency uses of the land would continue to the extent they do not require certain actions under the Surplus Land Act.

Business Analysis: Forgo future possible land utilization proposals associated with long-term leases that require actions under the Surplus Land Act.

Alternatives Considered

Not applicable

Applicable Policy

Metropolitan Water District Administrative Code §§ 8240-8258 (Disposal of Real Property)

Metropolitan Water District Administrative Code Section 11104: Delegation of Responsibilities

By Minute Item 48766, dated August 16, 2011, the Board adopted the proposed policy principles for managing Metropolitan's real property assets.

By Minute Item 53012, dated October 11, 2022, the Board adopted the amended revision and restatement of Bay-Delta Policies, as set forth in Agenda Item 7-9

By Minute 53254, dated May 9, 2023, the Board adopted a resolution to support an approximately \$20.9 million grant application to the Sacramento-San Joaquin Delta Conservancy to develop a multi-benefit landscape opportunity on Webb Tract; and authorized the General Manager to accept the grant if awarded.

Metropolitan Water District of Southern California Climate Action Plan.

Related Board Action(s)/Future Action(s)

Not applicable

California Environmental Quality Act (CEQA)

CEQA determination for Option #1:

The proposed action is exempt from CEQA because the action consists of the operation, repair, maintenance, leasing, licensing, or minor alteration of existing public or private structures, facilities, mechanical equipment, or topographical features involving negligible or no expansion of existing or former use and no possibility of significantly impacting the physical environment. In addition, the proposed action consists of minor public or private alterations in the condition of land, water, and/or vegetation which do not involve removal of healthy, mature, scenic trees except for agricultural purposes. (State CEQA Guidelines Sections 15301 and 15304.)

CEQA determination for Option #2:

None required

Details and Background

Background

Metropolitan owns the land area commonly known as Webb Tract in Contra Costa County. At the Board's request, Metropolitan staff presented in February 2024 a Delta Islands Strategic, Fiscal, and Risk Analysis, which outlined in part a possible multi-benefit land use strategy for Webb Tract and other Metropolitan land holdings in the Sacramento-San Joaquin Bay-Delta area. This strategy includes the issuance of long-term agricultural leases producing crops such as rice that reduce land subsidence and the advancement of ecorestoration goals while providing greenhouse gas emissions reduction and other environmental benefits and revenues to the district to further its statutory mission.


Before Metropolitan may award leases of land with terms of fifteen years or more or undertake certain other land conveyance-related actions, the Metropolitan is required to take the administrative step of declaring such parcels "exempt surplus land" under the Surplus Land Act and Metropolitan Administrative Code that is available for the furtherance of agency uses and purposes. The requested declaration is set forth in the resolution attached to this board letter (**Attachment 2**) and will be submitted to the California Department of Housing and Community Development, the entity with oversight over local agency compliance with the Surplus Lands Act. No dispositions or allocations to specific tenants or parties are implemented by this action.

Requested Exempt Surplus Determination

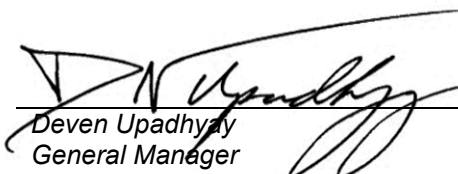
Staff recommends that the Board adopt the resolution declaring the roughly 5,497 acres making up Webb Tract as exempt surplus land available for long-term lease for rice farming and other agricultural and ecorestoration and habitat maintenance-related uses.

Basis for Findings that the Properties are Exempt Surplus Land

The identified Metropolitan-owned parcels in Webb Tract have historically been used for farming, open space, and recreational uses. The attached resolution would continue to make these lands available for agricultural and other property use of these lands, compatible with local ecosystems and habitat. Such activities would promote agency uses and purposes related to water supply and water quality protection through the stopping and reversal of land subsidence, the generation of revenues from rice fields and wetlands uses that could be used to fund Metropolitan projects and activities, increasing levee stability and the prevention of levee failures in the Sacramento-San Joaquin region, and other water-related goals.



Elizabeth Crosson
Chief Sustainability, Resilience and
Innovation Officer
6/3/2025
Date



Deven Upadhyay
General Manager
6/3/2025
Date

Attachment 1 – Location Map**Attachment 2 -Resolution for Exempt Surplus Land**

Ref# sri12705333

PARCEL ONE (WEBB TRACT)
COUNTY OF CONTRA COSTA, STATE OF CALIFORNIA



THE METROPOLITAN WATER DISTRICT
OF SOUTHERN CALIFORNIA

RESOLUTION NO. _____

**RESOLUTION OF THE BOARD OF DIRECTORS OF THE
METROPOLITAN WATER DISTRICT OF SOUTHERN CALIFORNIA
DECLARING APPROXIMATELY 5,497 ACRES OF METROPOLITAN-
OWNED REAL PROPERTY IN THE SACRAMENTO-SAN JOAQUIN
DELTA, COMMONLY KNOWN AS WEBB TRACT, AS EXEMPT
SURPLUS LAND UNDER THE SURPLUS LAND ACT**

WHEREAS, The Metropolitan Water District of Southern California (“Metropolitan”) is the fee owner of certain real property located in the Sacramento-San Joaquin Bay Delta region in the County of Contra Costa, commonly known as Webb Tract. Metropolitan is considering devoting up to 5,497 acres of Webb Tract to long-term leases for rice and other crop production and ecorestoration and habitat maintenance-related uses. Such property is also identified as Contra Costa County Assessor Parcel Numbers 026-060-003, 026-060-015, 026-060-016, 026-060-017, 026-060-018, 026-060-019, 026-070-010, 026-070-011, 026-070-012, 026-070-013, 026-070-001, 026-070-006, 026-060-007, 026-060-008, 026-080-004, 026-080-005, 026-080-008, 026-080-009, 026-080-006, 026-080-007 (referred to collectively herein as the “Properties”);

WHEREAS, Metropolitan is a metropolitan water district created under the authority of the Metropolitan Water District Act (California Statutes 1927, Chapter 429, as reenacted in 1969 as Chapter 209, as amended) (the “Act”) which authorizes Metropolitan amongst other things to buy and sell interests in real property and to spend funds to: facilitate water conservation, water recycling, and groundwater recovery efforts in a sustainable, environmentally sound, and cost-effective manner; acquire water and water rights within or without the state; develop, store, and transport water; provide, sell, and deliver water at wholesale for municipal and domestic uses and purposes; and acquire, construct, operate, and maintain any and all works, facilities, improvements, and property necessary or convenient to the exercise of such powers;

WHEREAS, pursuant to Section 54221(b)(1) of the Surplus Land Act (California Government Code Sections 54220 – 54234) and the Surplus Land Act Guidelines of the California Department of Housing and Community Development, the Board of Directors of Metropolitan (the “Board”) must declare the Properties to be “surplus land” or “exempt surplus land” before Metropolitan may take any action to dispose of the Properties, whether by sale or long-term lease;

WHEREAS, Government Code Section 54221(f)(1)(N) defines “exempt surplus land” to include real property that is used by a district for agency’s use expressly authorized in Government Code Section 54221(c); and

WHEREAS, Section 54221(c)(2) of the Government Code provides that “agency’s use” may also include commercial or industrial uses or activities, including nongovernmental retail, entertainment or office development, or be for the sole purpose of investment or generation of revenue if the agency’s governing body takes action in a public meeting declaring that the use of the site will directly further the express purpose of agency work or operations.

NOW, THEREFORE, the Board of Directors of The Metropolitan Water District of Southern California does hereby resolve, determine and order as follows:

Section 1. Recitals. The recitals set forth above are true and correct and are incorporated into this Resolution by this reference and are made a part of the official findings of the Board of Directors.

Section 2. Board Findings. The Properties are “exempt surplus land” pursuant to California Government Code Section 54221(f)(1)(N) and 54221(c)(2) because the long-term lease of the Properties would constitute an “agency use” for purposes of the Surplus Land Act, under the grounds set forth in the recitals of this Resolution and the board letter accompanying this Resolution and incorporated herein by reference. In particular, the long-term lease or disposal of all the Properties would generate revenues that can be used to directly further the water transportation, storage, treatment, delivery of water, and other statutory purposes of Metropolitan

and the acquisition, construction, operation and maintenance of public works, facilities, improvements, and property necessary or convenient to the exercise of such powers. The long-term lease of the Properties would also promote agency uses and purposes related to water supply and water quality protection through the stopping and reversal of land subsidence, ecological benefits in the form of habitat for waterfowl and other species, improvements to levee stability and the prevention of levee failures in the Sacramento-San Joaquin region, and other water-related goals.

Section 3. Staff Authorizations. Metropolitan staff is hereby authorized to provide the Department of Housing and Community Development (“HCD”) all necessary documentation and to take such actions as deemed necessary or proper to effectuate the purposes of this Resolution.

I HEREBY CERTIFY, that the foregoing is a full, true and correct copy of a Resolution adopted by the Board of Directors of The Metropolitan Water District of Southern California, at its meeting held on June 10, 2025.

Secretary of the Board of Directors
of The Metropolitan Water District
of Southern California