



Engineering, Operations, and Technology Committee

5/11/2026 Committee Meeting

6b

Subject

Webb Tract Wetland Restoration Project Update

Executive Summary

In May 2023, Metropolitan's Board adopted a resolution (**Attachment 1**) to support an application for a \$20.9 million grant from the Sacramento-San Joaquin Delta Conservancy (Delta Conservancy) to advance a multi-benefit landscape initiative on Webb Tract (**Attachment 2**), one of Metropolitan's four Delta islands. The grant funds two projects: a Rice Conversion Project and a large-scale wetland restoration effort. In April 2026, the Board authorized a lease agreement with a private tenant to implement the Rice Conversion Project. In early summer 2026, the Board will consider awarding a construction contract to build an approximately 2,400-acre wetland on Webb Tract. Pending board approval, construction is expected to begin in late summer 2026.

Applicable Policy

Metropolitan Water District Administrative Code Section 8121: General Authority of the General Manager to Enter Contracts

Metropolitan Water District Administrative Code Section 11104: Delegation of Responsibilities

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

By Minute 53012, dated October 11, 2022, the Board adopted the Revision and Restatement of Bay-Delta Policies.

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.

By Minute 53406, dated October 10, 2023, the Board amended the Capital Investment Plan for fiscal years 2022/23 and 2023/24 to include development of a multi-benefit landscape project on Webb Tract and authorized two professional service agreements to prepare design plans and environmental documentation.

Staff plan to return to the Board in summer 2026 to award agreements for the construction of the Webb Tract Wetland Restoration Project.

Details and Background

Background

In 2016, Metropolitan's Board approved the purchase of land on five islands located in the Sacramento-San Joaquin Delta region. Metropolitan's portion of one of those islands, Chipps Island, was sold to the California Department of Water Resources in 2021 to develop a tidal marsh habitat restoration project. The remaining four islands are currently being leased to farmers, who grow a variety of crops or graze cattle on the fertile peat soils. Farming practices throughout much of the Delta region contribute to subsidence, lowering the elevation of the islands, and emitting greenhouse gases, including carbon dioxide and nitrous oxide, through a process called

microbial oxidation. Oxidation of soils occurs when highly organic peat is exposed to the atmosphere during harvesting and tilling activities. As a result, Metropolitan's islands are currently as much as 12-25 feet below sea level. These islands, like other islands in the Delta, are protected by perimeter levees that prevent flooding by holding back water from surrounding rivers and sloughs. If current land practices continue, the islands will continue to emit greenhouse gases and lose land surface elevation, increasing hydrostatic pressure on levee systems that protect them.

In May 2023, Metropolitan received a \$20.9 million grant from the Delta Conservancy to support a major land-use transformation on Webb Tract. The funding will enable the conversion of approximately 1,300 acres of existing agricultural land to rice production, as well as the design, California Environmental Quality Act (CEQA) compliance, permitting, and construction of an approximately 2,400-acre wetland.

This Project is intended to serve as a sustainable, scalable model for future Delta development. Its goals include:

- Generating long-term revenue to support ongoing island maintenance
- Reversing land subsidence
- Reducing greenhouse gas emissions
- Advancing sustainable farming practices
- Creating habitat for migratory birds and other wildlife
- Partnering with local tribes in planning, design, and cultural stewardship

Wetland Benefits

Construction of the wetlands will generate a wide range of environmental and operational benefits. One of the most significant is the ability to halt—and potentially reverse—ongoing subsidence. Over time, this reduces the risk of levee failure, which protects both the interior of the island and the State Water Project's freshwater pathway from salinity intrusion in the event of a breach.

The wetland system will also play a major role in climate resilience. Wetland vegetation captures carbon dioxide through natural sequestration, and re-wetting the peat soils will substantially reduce greenhouse gas emissions that would otherwise be released through oxidation. These emissions reductions can support Metropolitan's Climate Action Plan or be monetized through carbon offset markets.

Ecologically, the wetlands will create valuable habitat that can be studied and managed to enhance production of phytoplankton and zooplankton—an important step toward rebuilding the Delta's declining pelagic food web. In addition, staff are evaluating other potential revenue-generating opportunities to support long-term operations and maintenance of the island, including waterfowl-related recreation.

Project Status

In July 2025, Metropolitan secured a Statutory Exemption for Restoration Projects under the Governor's Cutting the Green Tape Initiative. To qualify, the Project demonstrated broad support from local tribes, community organizations, local governments, and other interested parties. Metropolitan also received formal support from the Delta Counties Coalition, representing Contra Costa, San Joaquin, Sacramento, Yolo, and Solano Counties. In February 2026, Metropolitan received its final permit for the Project and completed the design. Specifications No. 2153 was advertised for bids on March 23, 2026. A board action to consider the award of a construction contract is planned for early summer 2026.

Grant Terms

The \$20.9 million Nature-Based Solutions Grant awarded by the Delta Conservancy funds through a grant agreement (Grant Agreement), two activities (wetland construction and rice conversion) in two phases. Phase 1 activities included design, preparation of environmental compliance documentation, and development of permit applications for all required permits. Phase 2 activities include the construction of the wetlands in accordance with permit conditions and conversion of identified farmland from past agricultural practices to rice. The grant term has been extended from the initial three years to five years, ending February 28, 2029, at which time all

construction activities must be complete. Staff have completed Phase 1 activities and will return to the Board in early summer 2026 to authorize Phase 2 activities and award a construction contract.

Acceptance of Phase 2 grant funding will not commence until both Metropolitan and the Delta Conservancy boards have complied with CEQA and approved initiating Phase 2 of the Project. The following key Grant Agreement terms apply to Phase 2 activities:

- **Maintenance/Operation:** If Phase 2 is implemented, the Property shall be maintained and operated under this program for a period of at least 15 years from completion of Phase 2.
- **Property Transfer/Sale:** In March 2026, as part of Metropolitan's biennial budget process, the Board directed staff to conduct a market assessment of its four Delta islands as a precursor step to the potential sale of one or more of the islands. It is anticipated that for the Webb Tract assessment, the underlying contractual requirements of the grant will be considered. If Phase 2 is implemented, the Property may not be sold or transferred without a land use restriction or covenant preserving the grant program uses for the 15-year grant period after the completion of Phase 2 and the written approval of the State of California, with such approval to not be unreasonably withheld. If Metropolitan were to sell or transfer the Property during the 15-year operation and maintenance period without the requirement that the buyer maintain the grant purposes on the land for the length of time specified in the Grant Agreement, Metropolitan would be required to pay back any Phase 1 and Phase 2 funds already released under the Grant Agreement, plus interest.
- **Grant Termination:** The Delta Conservancy may terminate the Grant Agreement and be relieved of any payments should Metropolitan breach or fail to perform under the Grant Agreement. If Metropolitan accepts Phase 2 funding to implement the wetlands and fails to complete the wetland project in accordance with the Grant Agreement, Metropolitan shall be liable for immediate repayment to the Delta Conservancy of all amounts disbursed by the Delta Conservancy, plus accrued interest. Grantee agrees to cover any and all costs the Grantor incurs in enforcing this provision. The Delta Conservancy may, in its sole discretion, consider extenuating circumstances and not require repayment for work partially completed.

Next Steps

With design and permitting complete, staff expects to return to the Board in early summer 2026 to award a construction contract for the Webb Tract Wetland Restoration Project. Staff will continue to update the Board as Phase 2 activities progress.



 Mai M. Hattar
 Chief Engineer
 Engineering Services

4/23/2026

Date



 Shivaji D. Shmukh
 General Manager

4/23/2026

Date

Attachment 1 – Metropolitan Board Resolution 9344 (signed May 9, 2023) (Resolving to support the proposal to develop a Multi-Benefit Landscape Opportunity on Webb Tract, to accept the grant funding of \$20.9 million, and to work with the Delta Conservancy to meet established program deadlines.)

Attachment 2 – Location Map

RESOLUTION 9344**RESOLUTION OF THE BOARD OF DIRECTORS
OF THE METROPOLITAN WATER DISTRICT OF
SOUTHERN CALIFORNIA
IN SUPPORT OF ITS PROPOSAL FOR FUNDING
UNDER THE DELTA CONSERVANCY NATURE BASED SOLUTIONS:
WETLAND RESTORATION GRANT PROGRAM TO DEVELOP
A MULTI-BENEFIT LANDSCAPE OPPORTUNITY ON WEBB TRACT**

WHEREAS, the Sacramento-San Joaquin Delta Conservancy (Delta Conservancy) is requesting proposals from sponsors to facilitate project development under the Amended Budget Act of 2022 for projects that support Nature Based Solutions: Wetland Restoration; and

WHEREAS, the submittal of a proposal for grant funding and acceptance of funding by Metropolitan has been determined not to be a project under the California Environmental Quality Act (CEQA) under Section 15378(b)(4) and Section 15378(b)(5) of the State CEQA Guidelines; and

WHEREAS, the expenditure of grant funding, if awarded, for design, environmental review, preconstruction data collection and permitting activities by Metropolitan has been determined to be exempt from CEQA under Section 15306 and Section 15262 of the State CEQA Guidelines.

WHEREAS, prior to formal approval of any proposed construction by the Board, CEQA documentation will be prepared and processed in accordance with the CEQA and State CEQA Guidelines; and

NOW, THEREFORE, BE IT RESOLVED by the Board of Directors of The Metropolitan Water District of Southern California that the Board supports the Metropolitan Water District's proposal to Develop a Multi-Benefit Landscape Opportunity on Webb Tract.

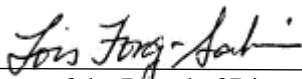
BE IT FURTHER RESOLVED that Metropolitan's Board authorizes Metropolitan's General Manager or his/her designee to accept grant funding of approximately \$20,900,000.

BE IT FURTHER RESOLVED that Metropolitan's Board delegates legal authority to Metropolitan's General Manager to enter into an agreement with the Delta Conservancy, subject to the approval of the General Counsel, relevant to receipt of the requested proposal to Develop a Multi-Benefit Landscape Opportunity on Webb Tract grant.

BE IT FURTHER RESOLVED that Metropolitan is capable of providing the amount of funding and/or in-kind contributions specified in the funding plan.

BE IT FURTHER RESOLVED that if selected for funding, Metropolitan will work with Delta Conservancy to meet established program deadlines.

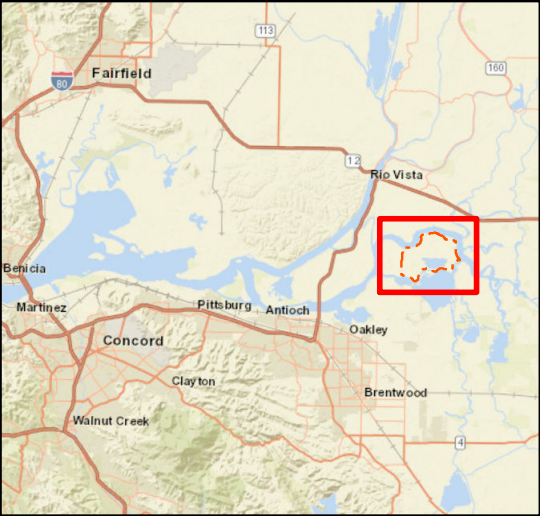
I HEREBY CERTIFY that the foregoing is a full, true and correct copy of a resolution adopted by the Board of Directors of The Metropolitan Water District of Southern California at its meeting held May 9, 2023.


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

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 Webb Tract



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