THE METROPOLITAN WATER DISTRICT OF SOUTHERN CALIFORNIA

Board Action

- **Board of Directors**
  Finance, Affordability, Asset Management, and Efficiency (FAAME)

8/19/2025 Board Meeting

8-2

Subject

Authorize an increase of $300,000 to an agreement with HydroFocus, Inc. for a new not-to-exceed total amount of $455,000 for environmental monitoring services on Webb Tract island; the General Manager has determined that the proposed action is exempt or otherwise not subject to CEQA

Executive Summary

Metropolitan owns Webb Tract, a 5,498 acre deeply subsided island located in the Sacramento-San Joaquin Delta, Contra Costa County. The island can only be accessed by ferry as no roads exist to access the island. Metropolitan received a $20.9 million grant from the Sacramento-San Joaquin Delta Conservancy in 2023 to fund two projects on Webb Tract: a rice conversion project and a wetland restoration project. Both projects are expected to enhance the market value of the island and increase revenue and both projects provide considerable ecological and geological benefits.

The projects align with Bay-Delta policies of limiting land subsidence to safeguard Metropolitan's water supply reliability, decrease levee risks, and advance restoration of the Delta's ecosystem. The wetland restoration project is currently in final design. The rice conversion project is the subject of a separate board action that authorizes the General Manager to enter into a long-term lease for rice farming purposes on approximately 1,361 acres of existing farmland to rice fields.

Contingent on approval of the rice lease on Webb Tract in August 2025, this action authorizes an increase to an existing agreement with HydroFocus, Inc. for greenhouse gas monitoring, reporting, and the establishment of carbon credits that can be sold to generate additional revenue for the island. An agreement with HydroFocus, Inc. was authorized by Metropolitan's Board in October 2023 for an amount not to exceed $155,000. HydroFocus, Inc. was initially selected through a competitive process via RFP 1291. The recommended increase of $300,000 to the existing agreement is fully funded by the Webb Tract grant from the Delta Conservancy. See **Attachment** 1 for the Location Map.

Proposed Action(s)/Recommendation(s) and Options

Staff Recommendation: Option #1

Option #1

Authorize an increase of $300,000 to an existing agreement with HydroFocus, Inc. for a new not-to-exceed total amount of $455,000 for environmental monitoring services.

Fiscal Impact: $300,000
Business Analysis: Expenditure of $300,000 in operation and maintenance funds which will be funded by the Delta Conservancy grant. Approximately $150,000 will be incurred in the current biennium. The remaining funds will be expended in the next biennial budget.

Option #2

Do not authorize an increase to two agreements at this time.

Fiscal Impact: None

Business Analysis: This option would forgo an opportunity to leverage grant funding to continue monitoring greenhouse gas emissions for the wetland project and monitor and quantify greenhouse gas emissions reductions from the rice conversion project, which is expected to generate additional revenue on Webb Tract.

Alternatives Considered

Staff assessed the availability and capability of in-house staff to conduct greenhouse gas emissions monitoring on Webb Tract, a remote island in the Sacramento region and taking into consideration the available grant funding, determined that the specialized technical expertise required and the current workload for in-house staff would require the use of specialized outside professional services.

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

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

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

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 authorize professional service agreements with: (1) GEI Consultants Inc. in an amount not to exceed $1.5 million; and (2) Environmental Science Associates in an amount not to exceed $980,000

August 2025, the Board will consider authorizing a new lease agreement with Bouldin Farming Company for rice farming purposes on Metropolitan's fee-owned property

Summary of Outreach Completed

Hybrid meetings were conducted on July 10, 2024 and February 12, 2025 at Big Break Visitor Center in Oakley, California to inform the public and solicit feedback on the Webb Tract Wetland Restoration and Rice Conversion Projects.

Metropolitan and the Webb Tract Wetland Restoration Ecocultural Working Group hosted a tribal outreach meeting on December 10, 2024 for interested tribes in the region to inform and solicit feedback on the Webb Tract Wetland Restoration Project.

Agricultural outreach was conducted via eblasts and phone calls to notify interested parties of the release of Request for Proposals to engage a rice farmer on Webb Tract.

Quarterly newsletters are published and sent via eblast to over 165 interested parties. As requested, over 20 presentations to interested parties, conferences, and restoration forums.

California Environmental Quality Act (CEQA)

CEQA determination for Option #1:

The proposed action is categorically exempt from CEQA because it consists of basic data collection, research, and resource evaluation activities, which do not result in a serious or major disturbance to an environmental resource. This may be strictly for information gathering purposes, or as part of a study

leading to an action which a public agency has not yet approved, adopted, or funded. (State CEQA Guidelines Section 15301, 15306). In addition, the proposed action is not defined as a project under CEQA (Public Resources Code Section 21065, State CEQA Guidelines Section 15378) because the proposed action would not cause either a direct physical change in the environment, or a reasonably foreseeable indirect physical change in the environment, and involves administrative activities of governments (Section 15378(b)(5) of the State CEQA Guidelines).

CEQA determination for Option #2:

None required

Details and Background

Background

In May 2023, Metropolitan's Board adopted a resolution to support a $20.9 million grant application from the Sacramento-San Joaquin Delta Conservancy that would fund a multi-benefit landscape restoration opportunity on Webb Tract, a deeply subsided, Metropolitan-owned island located in Contra Costa County. On May 24, 2023, Metropolitan was awarded the grant, which funded a wetland restoration project and a rice conversion project.

In October 2023, Metropolitan's Board approved amending the Capital Investment Plan to include the two projects and awarded professional service agreements for design, CEQA, permitting, greenhouse gas monitoring, and community outreach and tribal engagement.

A Request for Proposals (RFP) was issued in February 2025 to identify a rice farming partner for the Webb Tract Rice Conversion Project. In August, 2025 Metropolitan's Board will consider awarding a lease agreement to grow rice on Webb Tract. Design activities are in progress for the wetland restoration project. Staff expects to return to the Board in spring 2026 to approve the wetland restoration project and award a construction agreement.

Specialized Technical Support (HydroFocus, Inc.) – Amendment to Existing Agreement

Contingent on the Board award of a rice lease agreement, this action authorizes an increase of $300,000 to an existing agreement with HydroFocus, Inc. for a new not-to-exceed total of $455,000. The increase to the existing agreement will fund continued environmental and greenhouse gas monitoring on Webb Tract. In addition to the continued environmental monitoring, HydroFocus, Inc. will quantify carbon credits realized from carbon sequestration in the rice fields. Monitoring will continue throughout the construction and implementation of the rice fields, as well as during design of the wetland project. Funding for post-construction wetland monitoring would be requested upon the Board's approval of construction of the wetland restoration project.

Project Milestone(s)

Fall 2025 – Begin land-leveling for spring rice planting

Spring 2026 – Award construction contract for the Webb Tract Wetland Restoration Project

Maureen Martin 8/4/2025

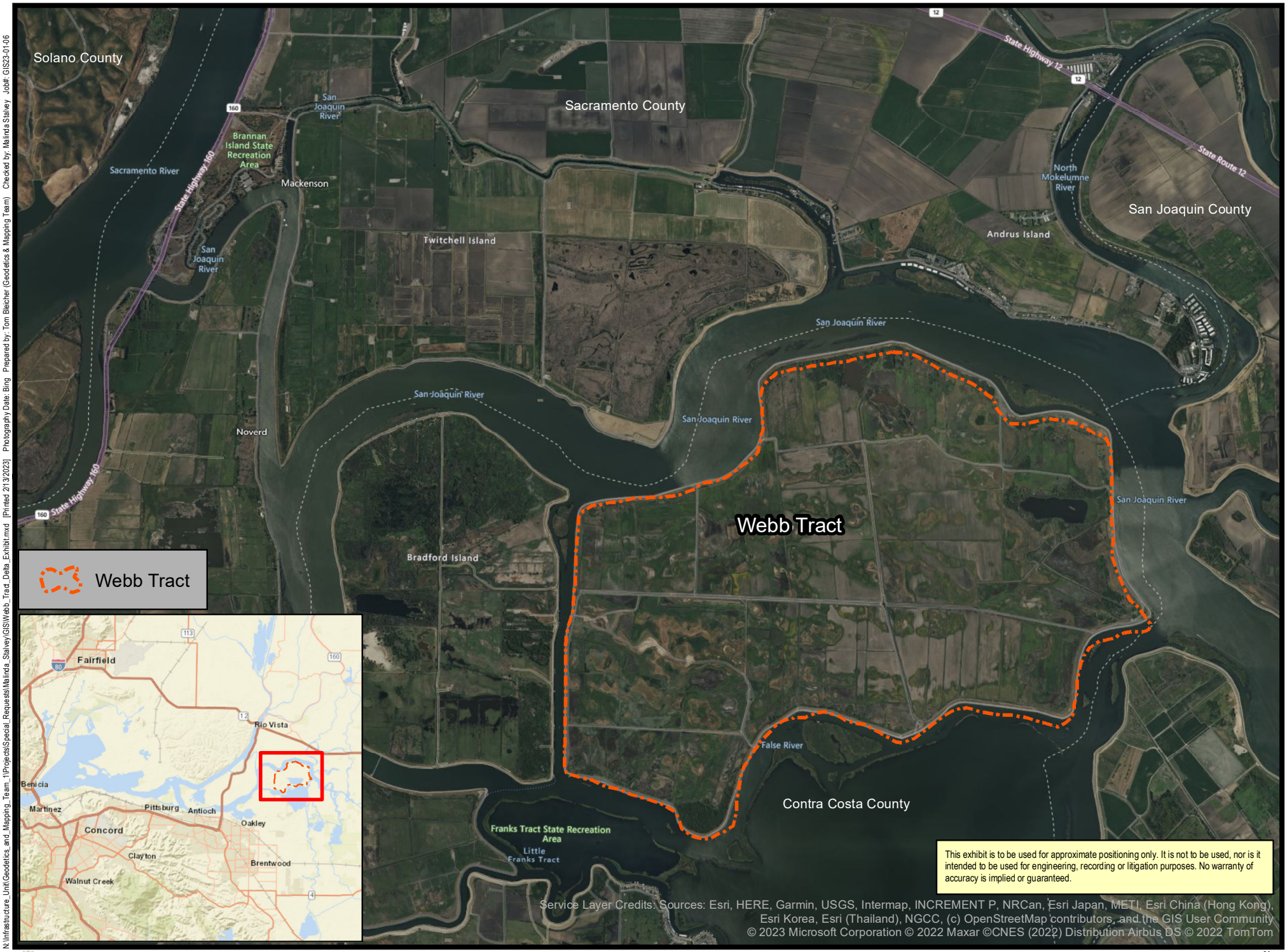
Maureen Martin *Date*
Interim Group Manager
Bay-Delta Initiatives

8/4/2025

John Bednarski *Date*
Interim General Manager

Attachment 1 – Location Map

Ref# eo12710961



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The Metropolitan Water District of Southern California
Engineering Services Group

Proposed Webb Tract Land Use

Mosaic Project Location Map

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