Finance, Affordability, Asset Management, and Efficiency Committee

# Professional Services Agreement for Environmental & Greenhouse Gas Monitoring & Reporting

Item 8-2

August 19, 2025

# Item 8-2 Increase Agreement

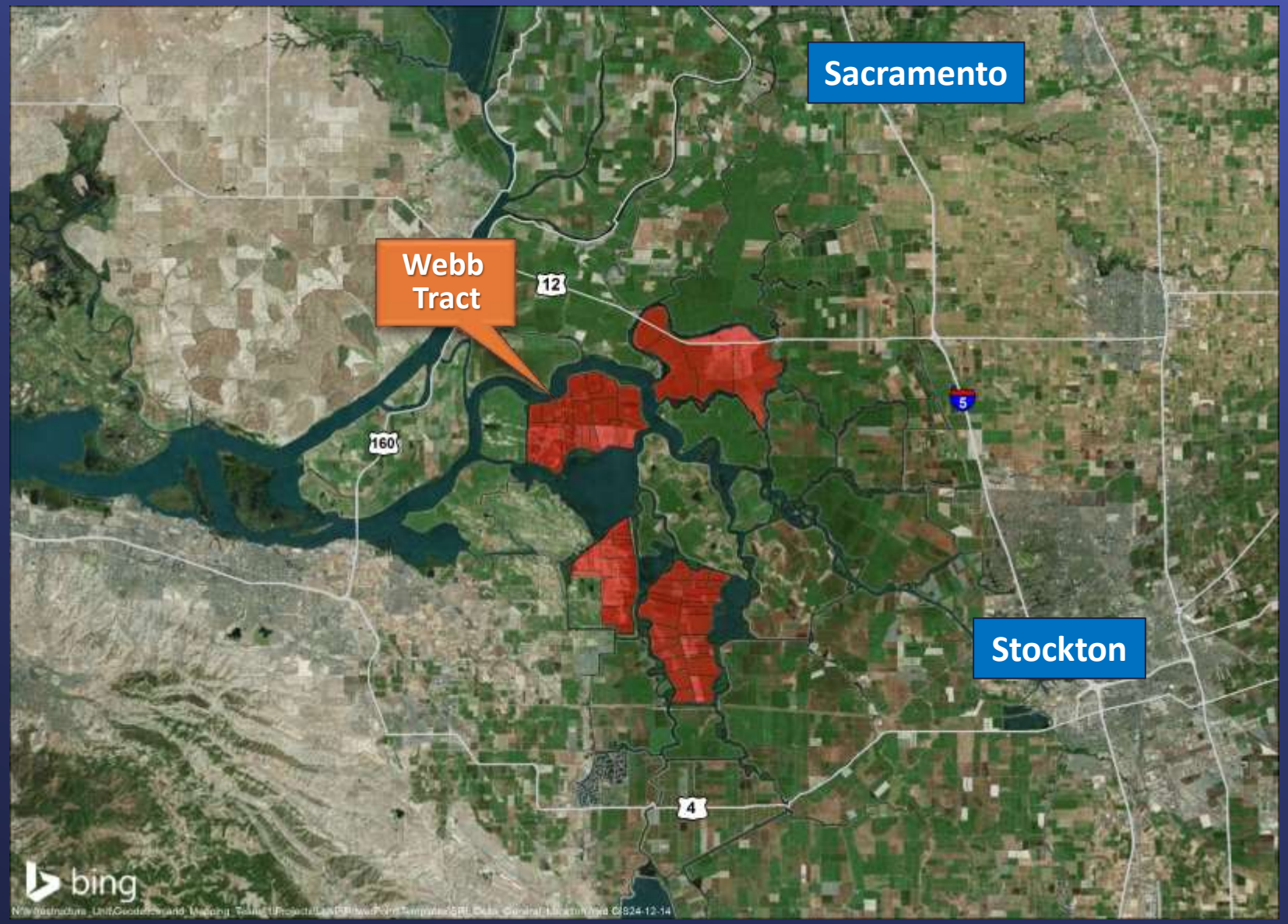
## Subject

- 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

## Purpose

- Increase to the existing agreement will support environmental and greenhouse gas emissions monitoring, reporting, and the establishment of carbon credits that can be sold to generate revenue for the island

# General Location Map



# Background

- Farming practices have resulted in subsidence and peat loss on Metropolitan islands
- Metropolitan awarded a $20.9M grant from Delta Conservancy to fund rice conversion & wetland restoration project on Webb Tract

# Rice Project

- RFP - Feb. 2025
- Lease award –August 2025
- Land leveling to begin Fall 2025
- Benefits
  - ✓ Halt and/or reverse subsidence
  - ✓ Reduce GHG emissions
  - ✓ Explore food web benefits

# Wetland Project

- Currently in final design
- Construct ~2,200 acres of wetland
- Create and support vital habitat for reptiles, birds, and other species
- Additional Benefits:
  - ✓ Halt and/or reverse subsidence
  - ✓ Reduce GHG emissions
  - ✓ Explore food web benefits
  - ✓ Explore paludiculture opportunities

Delta Conservancy Grant

# Webb Tract Grant

- Webb Tract Multi-Benefit, Mosaic Landscape Grant Proposal ($20.9m) funds:
  - Wetland design and, if approved, construction
  - Subsidy to rice farmer to offset land-levelling & infrastructure improvements
  - GHG monitoring and reporting
  - Environmental monitoring & accretion rates

# Carbon Market Activity

- Protocol published in 2017
- Emissions reductions verified on Sherman and Twitchell Islands - wetlands
  - In 2020, 52,106 tons of carbon dioxide equivalents
- Staten Island - rice
  - In 2025, 12,010 tons of carbon dioxide equivalents

Deverel et al. 2017, https://acrcarbon.org/methodology/restoration-of-california-deltaic-and-coastal-wetlands/

# GHG Measurements on Webb

- Eddy covariance stations installed 2024
  - Carbon dioxide flux
  - Methane flux
  - Nitrous oxide flux
  - Depth to groundwater
  - Temperature
  - Wind direction/speed

Eddy Covariant Tower Wetland

Eddy Covariant Tower Rice

# Estimated Greenhouse Gas Emissions Reductions

| Type | Baseline emissions (tCO2e/yr) | Project emissions (tCO2e/yr) | Avg annual reductions (tCO2e/yr) |
|---|---|---|---|
| Wetland (1,926 ac) | 24,000 | 2,600 | -21,400 |
| Rice (1,582 ac) | 19,600 | 11,900 | -7,700 |
| **Total (Credits)** | **43,600** | **14,500** | **-29,100** |
| **Range ($$)** | | | **$400-$900K** |

# Increase Professional Services Agreement

## Continue Environmental & Greenhouse Gas Monitoring

- Monitor greenhouse gas emission reductions
- Generate revenue from carbon credits
- Monitor subsidence reversal, accretion rates, & other environmental benefits

# Board Options

- 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.

- Option #2

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

# Staff Recommendation

- Option #1

THE METROPOLITAN WATER DISTRICT OF
SOUTHERN CALIFORNIA
1928