



INFORMATION ITEM

Sherman Island Wetland Restoration Project Phase III Update

Summary

Reclamation District 341 (RD 341) has initiated the Sherman Island Wetland Restoration Project Phase III Project (Phase III Whale's Nose Project), designed to conserve, restore, protect, enhance, and assist in the recovery of California native fish and wildlife on the western portion of Sherman Island. The Department of Fish and Wildlife (CDFW) approved the Phase III Whale's Nose Project for a statutory exemption for restoration projects (SERP) under the California Environmental Quality Act (Pub. Resources Code, § 21000 et seq.; CEQA) as part of CDFW's "Cutting the Green Tape" program.

To assist with the Phase III Whale's Nose Project SERP process, RD 341 partnered with Ducks Unlimited, Inc. (DU), a non-profit organization focused on wetland restoration and the delivery of priority habitat conservation projects.

At today's meeting, DU staff will describe the current status of the Phase III Whale's Nose Project, and Delta Stewardship Council (Council) staff will review the statutory exemption for restoration projects under CEQA and summarize steps RD 341 and DU have taken to align the Phase III Whale's Nose Project with Delta Plan regulations and objectives.

What is the Phase III Whale's Nose Project?

The Phase III Whale's Nose Project is a 1,541-acre project located on the western portion of Sherman Island on a property owned by the Department of Water Resources (DWR) that is largely cultivated for agricultural use. The project gets its name from the shape of Sherman Island, and previous projects have included Whale's Mouth and Whale's Belly. The Phase III Whale's Nose Project is designed to benefit wetland habitat and the native species that utilize the habitat, such as giant

garter snake, northwestern pond turtle, tricolored blackbird, short-eared owl, saltmarsh common yellowthroat, norther harrier, and migratory waterfowl.

Over time, land management practices on Sherman Island have resulted in oxidation of peat soils and land subsidence, with some parts of the Phase III Whale's Nose Project area having subsided up to 20 feet below sea level. Through freshwater wetland restoration, the Phase III Whale's Nose Project aims to restore habitat, reverse subsidence, and restore wetlands by upgrading existing water management infrastructure and installing new water control structures. A network of berms and water conveyance channels would be constructed to create wetland units, including various channels and islands for habitat complexity. Water levels within the Phase III Whale's Nose Project site will be managed to benefit wildlife by encouraging growth of submerged aquatic and floating wetland vegetation and discouraging the growth of invasive species. Restored freshwater marsh will also create peat soils that will both reverse land subsidence and sequester carbon. Once complete, water would be maintained on the site year-round, effectively creating a permanent wetland to provide wildlife benefits and reverse subsidence.

Upon completion, the Phase III Whale's Nose Project site will be monitored and maintained in accordance with their adaptive management plan for 10 years and will include regular inspection, maintenance, and operation of the berms and water control structures, vegetation management, and research activities, including carbon sequestration monitoring and sensitive species surveys.

Statutory Exemption for Restoration Projects

For the Phase III Whale's Nose Project, RD 341 used a CEQA statutory exemption called the statutory exemption for restoration projects (SERP), administered by CDFW. (Pub. Resources Code, § 21080.56.) The SERP process begins with consultation between the project applicant and CDFW regarding the suitability of the project for the exemption. For a project to qualify, the lead agency must first make its own independent determination that the statutory exemption applies. Once the lead agency has done so, it must then seek concurrence from the CDFW Director that the project meets the specific qualifying criteria for the SERP. The CDFW Director's concurrence must be based on substantial evidence and best available science: a regulatory criteria and standard

the Council also applies when considering appeals of covered actions. After completing several technical studies, DU, on behalf of RD 341, reached out to CDFW for a SERP consultation and submitted a SERP concurrence request for the Phase III Whale's Nose Project on March 12, 2026.

Following review by CDFW staff and consultation with the Council, Delta Protection Commission, and Delta Counties Coalition, Director of Fish and Wildlife Meghan Hertel sent a letter of concurrence to RD 341 on April 29, 2026. (A copy of the letter of concurrence is available at

<https://nrm.dfg.ca.gov/FileHandler.ashx?DocumentID=245092&inline>)

CDFW staff work in tandem with lead agencies seeking efficient methods for restoration project approvals without compromising the integrity of existing regulations and requirements. Prior to the Cutting the Green Tape program, permitting processes were designed to respond to impacts associated with development and not to create new tools that would better serve restoration projects.

The Council has received similar presentations from lead agencies and CDFW for the following SERPs:

- Knightsen Wetland Restoration and Flood Protection Project, August 2023
- Staten Island Wetland Restoration and Carbon Farming for Habitat, Climate and Communities Project, February 2024
- Webb Tract Wetland Restoration Project, July 2025

How Does the Phase III Whale's Nose Project Align with the Delta Plan?

To demonstrate alignment with the Delta Plan and in support of its SERP concurrence request to CDFW, RD 341 states it has done the following:

- Completed the "Good Neighbor Checklist" for restoration projects identified in Delta Plan Recommendation ER RB
- Prepared a Long-Term Monitoring and Management Plan that aligns with G P1(b)(4), (Cal. Code Regs., tit. 23, § 5002, subd. (b)(4).) adaptive management plan requirements

- Obtained a letter of support from the Delta Counties Coalition supporting the Phase III Whale's Nose Project and RD 341's use of the SERP

Is the Phase III Whale's Nose Project a Covered Action?

Pursuant to Water Code section 85057.5 of the Sacramento-San Joaquin Delta Reform Act, (Wat. Code, § 85000 et seq.) a covered action is: 1) a plan, program, or project as defined pursuant to CEQA in Public Resources Code section 21065; 2) that will occur in whole, or in part, in the boundaries of the Sacramento-San Joaquin Delta or Suisun Marsh; 3) will be carried out, approved, or funded by a state or local public agency; 4) will have a significant impact on the achievement of one or both of the coequal goals or the implementation of a flood control program; 5) is covered by a Delta Plan regulatory policy.

Typically, a habitat restoration project like the Phase III Whale's Nose Project would meet the definition of a covered action, requiring RD 341 to submit a certification of consistency to the Council. (Wat. Code, § 85225.) However, specified categories of projects that do meet the definition of a project pursuant to CEQA might not satisfy the significant impact prong of the definition of a covered action unless there are "unusual circumstances indicating a reasonable possibility that the project will have a significant impact" on the achievement of one or both of the coequal goals for the Delta or the implementation of a government-sponsored flood control program. (Cal. Code Regs., tit. 23, § 5001, subd. (ss)(4).)

Council staff have reviewed the Phase III Whale's Nose Project documentation and consulted with DU and CDFW, including steps taken by RD 341 to demonstrate how the Phase III Whale's Nose Project aligns with the Delta Plan. Pursuant to the Council's regulations, RD 341 has determined that the Phase III Whale's Nose Project is not a covered action and will not submit a certification to the Council. (Wat. Code, § 85225; Cal. Code Regs., tit. 23, § 5001, subd. (o)(3).) No Council action is contemplated at this time.

What's Next?

Next steps for the Phase III Whale's Nose Project include RD 341 and DU collaborating to finalize designs, obtaining regulatory permits, and securing

implementation funding. Once those steps are complete, construction could begin as early as Summer 2027.

Fiscal Information

Not applicable

Attachments

Not applicable

Contact

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A recording of the presentation will be available on the Delta Council's YouTube page at <https://www.youtube.com/@DeltaCouncil>.