



# Air Resources Board



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TO: Gabe Tiffany  
Deputy Director, Administration  
Department of Fish and Wildlife  
1416 9th Street  
Sacramento, CA 95814

FROM: Cynthia Marvin, Chief  
Transportation and Toxics Division

DATE: April 29, 2015

SUBJECT: GREENHOUSE GAS REDUCTION FUND: CALIFORNIA DEPARTMENT  
OF FISH AND WILDLIFE EXPENDITURE RECORD FOR FISCAL YEAR  
2014-15 – MOUNTAIN MEADOWS

Thank you for submitting the final expenditure record (attached) on behalf of the California Department of Fish and Wildlife (DFW) on April 29, 2015, to satisfy the requirements of Senate Bill 1018 (Budget and Fiscal Review Committee, Chapter 39, Statutes of 2012) for expenditures from the Greenhouse Gas Reduction Fund (Fund). We appreciate the iterative consultation process with DFW staff on the development of this record to support expenditures from the Fund for the Mountain Meadow Habitat Restoration Program.

This memorandum documents that Air Resources Board (ARB) staff concurred on April 29, 2015 that the attached record is consistent with the statutory requirements of Government Code Section 16428.9 and with ARB's expectations, as documented in the August 6, 2014 final ARB *Interim Guidance to Administering Agencies on Expenditure Record and Fiscal Procedures*.

The DFW Expenditure Record for Fiscal Year 2014-15, along with this memorandum, will be published on the ARB Cap-and-Trade Auction Proceeds website at: [www.arb.ca.gov/auctionproceeds](http://www.arb.ca.gov/auctionproceeds).

If you have any questions concerning this memorandum, please call me at (916) 324-0062 or via email at [Cynthia.Marvin@arb.ca.gov](mailto:Cynthia.Marvin@arb.ca.gov).

Attachment

*The energy challenge facing California is real. Every Californian needs to take immediate action to reduce energy consumption. For a list of simple ways you can reduce demand and cut your energy costs, see our website: <http://www.arb.ca.gov>.*

California Environmental Protection Agency

**Greenhouse Gas Reduction Fund: Expenditure Record**

**Fiscal Year: 2014-15**

**Mountain Meadow Habitat Restoration**

**(1) A description of each expenditure proposed to be made by the state agency pursuant to the appropriation.**

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<input type="checkbox"/> Agency that will administer funding	<ul style="list-style-type: none"><li>▪ Department of Fish and Wildlife (DFW)</li></ul>
<input type="checkbox"/> Amount of proposed expenditure and appropriation reference	<ul style="list-style-type: none"><li>▪ The total expenditure is \$25 million (\$21.1 million for grants; \$3.4 million for state operations, including 17 positions), per Items 3600-001-3228 and 3600-101-3228 of the Budget Act of 2014 (Chapter 25, statutes of 2014). This funding will be split between three project types: (1) delta and coastal wetlands; (2) mountain meadow habitat restoration; (3) wetland restoration and water use efficiency on DFW lands. The distribution of the funds to the three project types will depend on the proposals received from prospective grantees through competitive solicitations.</li></ul>
<input type="checkbox"/> Intended recipients	<ul style="list-style-type: none"><li>▪ Public agencies</li><li>▪ Federally recognized tribes</li><li>▪ Non-profit organizations</li></ul>
<input type="checkbox"/> Project category	<ul style="list-style-type: none"><li>▪ Wetlands and watershed restoration; mountain meadows</li></ul>
<input type="checkbox"/> Type of projects that will be eligible for funding	<ul style="list-style-type: none"><li>▪ Mountain meadow habitat restoration projects that demonstrate GHG reductions and further the science related to GHG emission reductions. These projects will provide net GHG emission reductions through increased carbon sequestration. In addition, these projects will increase local water storage, provide more predictable and dependable stream flow, and provide water conservation buffering in drought years. Mountain meadow soil stores large amounts of carbon, thereby retaining it in a form not available to the atmosphere and contributing to carbon sequestration goals.</li></ul>
<input type="checkbox"/> Process for selecting projects for funding	<ul style="list-style-type: none"><li>▪ Competitive solicitation, evaluation and selection of projects according to program guidelines. Project proposals will be evaluated by department staff and external GHG experts.</li><li>▪ Allocation to grantees (public agencies, federally recognized tribes, non-profit organizations) based on award by the Department.</li></ul>

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**(2) A description of how a proposed expenditure will further the regulatory purposes of Division 25.5 (commencing with Section 38500) of the Health and Safety Code, including, but not limited to, the limit established under Part 3 (commencing with Section 38550) and other applicable requirements of law.**

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- How the expenditure is reflected in the three-year Investment Plan
    - AB 1532 requires that GGRF moneys be appropriated in a manner that is consistent with the three-year Investment Plan. The 2013 “Cap-and-Trade Auction Proceeds Investment Plan” recommends funding ecosystem management projects for their ability to sequester carbon, as well as their co-benefits to human health and the environment. In addition, Appendix B of the Investment Plan generally describes wetland restoration projects for funding under this program. Therefore, the expenditures covered by this record are consistent with the Investment Plan and align with the priorities expressed in the Plan.
    - The First Update to the Climate Change Scoping Plan, released in May 2014, identified key strategies and recommendations to continue reducing GHG emissions and achieve the goals and purposes of AB 32. The recommended actions for the natural resources sector include wetland restoration and research related to measuring carbon sequestration potential.
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**(3) A description of how a proposed expenditure will contribute to achieving and maintaining greenhouse gas emission reductions pursuant to Division 25.5 (commencing with Section 38500) of the Health and Safety Code.**

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- Expected time frame when reductions will be achieved and how expenditure will maintain GHG reductions
    - Sequestration and net GHG reductions are expected to begin within one to three years of project implementation. Grantees will be asked to include in the grant agreement a clear description of the predicted net GHG emission reductions that will be achieved through project implementation.
    - It is anticipated that the emission reductions will be maintained for at least 25-50 years, assuming the absence of events that lead to unintended reversals. The reductions will be quantified through monitoring and research activities. Monitoring may help to ensure long-term reductions, if it leads to identification of reversal risks and subsequent implementation of actions to address those risks.
    - Project proponents are expected to implement best management practices. These may vary depending on type of restoration action, landscape characteristics, and planned use of the area, and will play an important role in ensuring long-term sustainability of the restored sites.
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**(4) A description of how the state agency considered the applicability and feasibility of other nongreenhouse gas reduction objectives of Division 25.5 (commencing with Section 38500) of the Health and Safety Code.**

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- Expected co-benefits, particularly environmental, economic, public health and safety
    - These projects increase local water storage, provide more predictable and dependable stream flow, and provide water conservation buffering in drought years. On a per-acre basis, these habitats are considered the valuable for wildlife in California mountain ranges because they provide a habitat type that supports a high diversity of wildlife, some of which are rare due to the history of degradation to these areas.
    - Increased groundwater storage.
    - Provide habitat to more than 100 native animal and plant species, many of which are threatened or endangered.
    - Projects that provide recreational access to clean and safe public places can improve cardio health.
    - Improved water quality.
    - Provide valuable research data that further improves the scientific understanding and informs future management actions pertinent to carbon sequestration in mountain meadows.
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- Disadvantaged community benefits, if applicable, as defined in ARB guidelines
    - Contracts and grants for restoration projects may create jobs for local residents.
    - Could reduce flood risk to adjacent communities.
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- Percentage of total funding that will be expended for projects that benefit disadvantaged communities, per ARB guidelines
    - Consideration of projects that benefit disadvantaged communities will be a component of the competitive selection process. Projects will be evaluated in accordance with ARB's interim guidance.
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- How the project will support other AB 32 objectives (see below)
    - These projects will support the goals of AB 32 by providing additional environmental and economic co-benefits for California. The projects will be consistent with the 2013 California Water Action Plan, which includes restoring important wildlife habitat and species while helping the state's water systems and environment become more resilient. Furthermore, highlighting the connection between climate, water, and ecosystem benefits to wildlife and humans, restoring and creating wetlands to guard against flood risks and to enhance water supplies and quality are also identified as needed actions in the *Safeguarding California: Reducing Climate Risk update to the 2009 California Climate Adaptation Strategy*.
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- This program will stimulate job creation through contracts and grants related to mountain meadow habitat restoration projects.
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**(5) A description of how the state agency will document the result achieved from the expenditure to comply with Division 25.5 (commencing with Section 35800) of the Health and Safety Code.**

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| <p>□ Approach that will be used to document net GHG reductions before and after project completion. Include citations for references that support methodology.</p> | <ul style="list-style-type: none"><li>▪ The methodology for GHG accounting specifically within mountain meadows will draw upon the methodology for California deltaic and coastal wetland restoration that is currently in development. <a href="http://americancarbonregistry.org/carbon-accounting/carbon-accounting">http://americancarbonregistry.org/carbon-accounting/carbon-accounting</a>). In addition, implementation of mountain meadow restoration projects will contribute to providing data needed to establish quantification methodologies for these systems.</li><li>▪ CDFW will coordinate with the Air Resources Board (ARB) to estimate net GHG reductions and net carbon sequestration using standardized methodologies. Calculations will be reviewed by agency staff and ARB for consistency with State GHG reduction efforts.</li><li>▪ CDFW will work closely with ARB to refine GHG reduction methodologies and estimates for mountain meadow projects to ensure that only projects with net GHG reductions and/or sequestration are funded with GGRF monies.</li></ul> |
| <p>□ Type of information that will be collected to document project results, as described in ARB guidelines</p>  | <ul style="list-style-type: none"><li>▪ To determine the job creation benefits, the agency will compile data, including: number of job-years provided, average wages and benefits, the number of people who completed job training or received industry-recognized certifications, and residence location of job/training recipients.</li><li>▪ To determine GHG reductions, the agency will collect data on project location, baseline GHG emissions and carbon conditions, restoration activities, GHG flux as a result of the project, expected project life, and other data as specified in ARB's guidelines. This data will be used to further the understanding of the GHG reduction benefits related to mountain meadow restoration.</li><li>▪ CDFW will collect data on project success in achieving co-benefits, such as providing essential habitat for species of fish and wildlife; protecting and improving water quality through filtration and pollution reduction; and enhanced water storage through the replenishment of groundwater aquifers.</li></ul>                        |
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□ How the agency will report on program status

- The Department will provide regular updates on expenditures, project status, and benefits in reports prepared according to ARB guidelines. At a minimum, the reports will include expenditure amounts, current estimates of net GHG emission reductions, and quantification of other applicable co-benefits.
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