



State of California – Natural Resources Agency  
DEPARTMENT OF FISH AND WILDLIFE  
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Sacramento, CA 94244-2090  
[www.wildlife.ca.gov](http://www.wildlife.ca.gov)

EDMUND G. BROWN JR., Governor  
CHARLTON H. BONHAM, Director



December 17, 2018

Matthew Botill, Chief  
Climate Investments Branch  
California Air Resources Board  
1001 I Street, Sacramento, CA 95814

Dear Mr. Botill:

### Fiscal Year 2018-19 Greenhouse Gas Reduction Fund Expenditure

This Attestation Letter documents that the California Natural Resources Agency and the California Department of Fish and Wildlife completed the attached Expenditure Record on November 30, 2018, for the Wetlands Restoration for Greenhouse Gas Reduction Program. The Expenditure Record is consistent with the statutory requirements of Government Code Section 16428.9 to support expenditures from the Greenhouse Gas Reduction Fund.

This Attestation Letter and Expenditure Record will be submitted to the California Air Resources Board's (CARB) for public posting on the CARB website at: [www.arb.ca.gov/caclimateinvestments](http://www.arb.ca.gov/caclimateinvestments). Questions regarding this Attestation Letter or Expenditure Record may be directed to Basil Ibewiro at (916) 322-8840 or by email to [Basil.Ibewiro@wildlife.ca.gov](mailto:Basil.Ibewiro@wildlife.ca.gov).

Signed:

John Laird  
Secretary  
California Natural Resources Agency

Charlton H. Bonham  
Director  
California Department of Fish and  
Wildlife

Enclosure: Expenditure Record for the Wetlands Restoration for Greenhouse Gas  
Reduction Program

## Greenhouse Gas Reduction Fund: Expenditure Record

California Department of Fish and Wildlife  
Wetlands Restoration for Greenhouse Gas Reduction Grant Program  
November 30, 2018

**Authorizing legislation:** Item 3600-101-3228 of the Budget Act of 2018, as amended by Senate Bill 856 (Chapter 30, Statutes of 2018) appropriates to Department of Fish and Wildlife \$5,000,000 for wetland restoration projects.

### Element (1) A description of each expenditure proposed to be made by the administering agency pursuant to the appropriation.

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| <input type="checkbox"/> Agency that will administer funding | <ul style="list-style-type: none"><li>▪ California Department of Fish and Wildlife (CDFW).</li></ul> |
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| <input type="checkbox"/> Amount of proposed expenditure and appropriation reference | <ul style="list-style-type: none"><li>▪ The total expenditure is \$5 million per Sections 3600-101-3228 of the Budget Act of 2018 (Chapter 30, Statutes of 2018).</li></ul> |
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| <input type="checkbox"/> Estimated amount of expenditures for administering agency administrative costs | <ul style="list-style-type: none"><li>▪ CDFW's anticipated administrative costs will not exceed \$250,000 or 5 percent.</li><li>▪ CDFW will expend \$500,000 on state operations related to project monitoring.</li></ul> |
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| <input type="checkbox"/> If applicable, identify laws or regulations that govern how funds will be used | <ul style="list-style-type: none"><li>▪ Assembly Bill (AB) 1532 (Pérez, Chapter 807, Statutes of 2012), Senate Bill (SB) 535 (de León, Chapter 830, Statutes of 2012), SB 1018 (Budget and Fiscal Review Committee, Chapter 39, Statutes of 2012), SB 862 (Committee on Budget and Fiscal Review, Chapter 36, Statutes of 2014) and AB 1550 (Gomez, Chapter 369, Statutes of 2016) provide the general framework for how the auction proceeds will be administered to further the purposes of AB 32.</li><li>▪ The Budget Act of 2018, as amended by SB 856 provides direction on the types of projects that should be funded.</li></ul> |
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| <input type="checkbox"/> Continuation of existing Expenditure Record | <ul style="list-style-type: none"><li>▪ This is an update to an existing Expenditure Record that will fund similar types of projects as in the existing Expenditure Record for FY 2017-2018. The Expenditure Record elements being updated include the following:<ul style="list-style-type: none"><li>○ Amount of proposed expenditure and appropriation reference.</li></ul></li></ul> |
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| <input type="checkbox"/> Project category | <ul style="list-style-type: none"><li>▪ Wetlands and watershed restoration or enhancement</li></ul> |
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| <input type="checkbox"/> Type of projects that will be eligible for funding | <ul style="list-style-type: none"><li>▪ Delta and coastal tidal wetland restoration or enhancement projects that demonstrate net greenhouse gas (GHG) emission reductions through increased carbon sequestration, integrate water conservation, flood protection and community safety, habitat restoration and connectivity for fish and wildlife, and enhance climate change readiness in the Sacramento-San Joaquin Delta and coastal tidal wetlands, rivers and estuaries across the State.</li><li>▪ Mountain meadow habitat restoration or enhancement projects that demonstrate GHG reductions and further GHG emission reductions knowledge. The projects will provide net GHG emission reductions through increased carbon sequestration, increased local water storage, facilitate more predictable and dependable stream flow, and provision of water conservation buffering in drought years.</li></ul> |
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| <input type="checkbox"/> Intended recipients | <ul style="list-style-type: none"><li>▪ Public agencies</li><li>▪ Non-profit organizations</li><li>▪ Recognized tribes</li></ul> |
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| <input type="checkbox"/> Program structure and process for selecting projects for funding | <p>Competitive solicitation, evaluation, and selection of projects according to program guidelines. Evaluation of project proposals will be based on the merits of applications submitted and the proposed use of funds, including the extent to which projects result in net GHG benefits and investment benefits to priority populations.</p> |
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**Element (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 and the Scoping Plan
    - AB 1532 (Chapter 807, Statutes of 2012) requires that monies from the Fund be appropriated in a manner that is consistent with the three-year Investment Plan. The “Cap-and-Trade Auction Proceeds Second Investment Plan: Fiscal Years 2016-17 through 2018-19” recommends support for targets and goals for natural and working lands including wetlands and mountain meadow restoration “so they provide stable carbon stores and net GHG benefits”. In addition, “Wetlands in California not only sequester carbon, they are the first line of defense against sea-level rise and storm surge, particularly in the Delta region.” “Investments in these wetlands and mountain meadows can improve water quality for downstream communities as well as providing recreational opportunities associated with habitat restoration such as hunting, fishing, hiking, and birdwatching.” Therefore, the expenditures covered by this record are consistent with the Investment Plan and align with the priorities expressed in the Plan.
    - The California’s 2017 Climate Change Scoping Plan identified key strategies and recommendations to continue reducing GHG emissions and achieve the goals and purposes of AB 32 and related statutes. The recommended actions for the natural and working lands sector include continuing to “maintain them as a carbon sink (i.e., net zero or even negative GHG emissions) and, where appropriate, minimize the net GHG and black carbon emissions associated with management, biomass utilization, and wildfire events.” In order to meet these recommended goals, the Plan identifies the need for “activities related to land protection; enhanced carbon sequestration; and innovative biomass utilization”. The Plan identifies implementation activities such as restoration or enhancement of wetlands and mountain meadows as needed, for meeting its proposed goal for the natural and working lands sector to sequester and avoid emissions by 15-20 MMTCO<sub>2</sub>e by 2030.
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**Element (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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| <p><input type="checkbox"/> Describe how expenditures will facilitate the achievement of GHG emission reductions in the State</p> | <ul style="list-style-type: none"><li>▪ The expenditures will achieve GHG emission reductions by funding projects that restore or enhance wetlands or mountain meadows to achieve net GHG benefits and provide other co-benefits through activities that increase the amount of carbon in the soils, sediments, and plants.</li><li>▪ The projects will achieve GHG benefits by increasing the amount of carbon sequestered in plants, soils, and sediments.</li></ul> |
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| <p><input type="checkbox"/> Explain when GHG emission reductions and/or co-benefits are expected to occur and how they will be maintained</p> | <ul style="list-style-type: none"><li>▪ Carbon sequestration and net GHG emission reduction benefits and other co-benefits are expected to begin within one to three years of project implementation.<br/><br/>The GHG emission reductions will maintain benefits for at least 50 years, underpinned by conservation easements or equivalently enforceable conservation agreements<sup>1</sup>. GHG reductions and associated co-benefits are expected to continue for the life of the project.</li><li>▪ Project proponents are expected to implement best management practices. These may vary depending on type of restoration or enhancement action, landscape characteristics, and planned use of the area, and will play an important role in ensuring long-term sustainability of the restored sites.</li></ul> |
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**Element (4) A description of how the administering agency considered the applicability and feasibility of other non-greenhouse gas reduction objectives of Division 25.5 (commencing with Section 38500) of the Health and Safety Code.**

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| <p><input type="checkbox"/> Expected co-benefits, particularly environmental, economic, public health and safety, and climate resiliency</p> | <ul style="list-style-type: none"><li>▪ Projects that restore or enhance wetlands or mountain meadows provide numerous co-benefits that include, but are not limited to:<ul style="list-style-type: none"><li>○ protect and improve water quality through filtration and pollution reduction; enhance water storage through the replenishment of groundwater aquifers.</li><li>○ Adjacent communities especially priority populations, directly benefit from decreased flood risk and increased recreation opportunities, and may benefit</li></ul></li></ul> |
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<sup>1</sup> SB 856 (Chapter 30, Statutes of 2018).

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from jobs and businesses created by restoration activities.

- reduce or reverse land subsidence such as in the Sacramento–San Joaquin Delta.
- improve flood protection for local communities, provide more predictable and dependable stream flow, and provide water conservation buffering in drought years.
- improve biodiversity by providing essential habitat for many species of fish and wildlife, some of which are endangered or threatened such as salmon.
- create and enhance opportunities for recreational, subsistence, and commercial fishing and/or hunting.
- increase ecosystem resilience to the impacts of climate change

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□ How the project will support other objectives of AB 32 and related amendments (see below)

- Projects will contribute to the State’s climate adaptation strategy by implementing wetlands or mountain meadow restoration/enhancement projects designed to reduce GHG emissions; support investments to the environment, priority populations, and the economy from climate change impacts to maximize their environmental, economic, and public health benefits; while supporting a better understanding of strategies to reduce climate change impacts and risks.
- The projects complement the State’s efforts to promote transition to clean technologies for water efficiency, improve air quality, as well as climate adaptation and resiliency.

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□ Percentage of total funding that will be expended for projects that are located in and benefit priority populations<sup>2</sup> per CARB guidance

- The 2018 Funding Guidelines do not include a minimum target defined for CDFW to locate projects within and provide benefits to SB 535 and AB 1550 populations but some projects may meet the criteria for providing benefits to priority populations.
- Consideration for projects that benefit priority populations will be a component of the competitive selection process. Projects will be evaluated in accordance with CARB’s guidance for potential benefits to priority populations.

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<sup>2</sup> Priority populations include residents of: (1) census tracts identified as disadvantaged by California Environmental Protection Agency per SB 535; (2) census tracts identified as low-income per AB 1550; or (3) a low-income household per AB 1550. See Section VII.B for more information on the definitions of priority populations.

<p>□ Describe the AB 1550 benefits, per CARB guidance</p>	<ul style="list-style-type: none"> <li>▪ Project evaluations will be consistent with criteria in the 2018 Funding Guidelines; expenditures will support projects that may provide benefits for low-income households in disadvantaged communities as identified by CalEPA through direct improvements, business opportunities, or employment opportunities.</li> <li>▪ In determining community needs, project applicants are asked to consider the factors in CalEnviroScreen 3.0 that caused a census tract to be identified as SB 535 and AB 1550 populations, report on needs identified during a public outreach process, or refer to documents that indicate community support.</li> <li>▪ Funding application will include a checklist identifying applicable benefits to AB 1550 populations that a project will deliver and common needs of AB 1550 populations that the project will address.</li> </ul>
<p>□ Explain strategies the administering agency will use to maximize benefits to disadvantaged communities</p>	<ul style="list-style-type: none"> <li>▪ CDFW will prioritize projects that meet multiple disadvantaged community/priority populations benefit criteria and demonstrate that the project will meaningfully address an important community need. This will help maximize benefits and support efforts to meet, or exceed statutory requirements for expenditures that benefit priority populations.</li> <li>▪ To help maximize benefits to priority populations, CDFW will coordinate with other entities to host workshops and listening sessions to provide program information and solicit feedback on program framework, including the types of projects that would be funded.</li> <li>▪ Projects that meet disadvantaged community benefit criteria and demonstrate that the project will meaningfully address an important community need will receive additional points in scoring.</li> </ul>
<p>□ Explain how the administering agency will avoid potential substantial burdens to disadvantaged</p>	<ul style="list-style-type: none"> <li>▪ CDFW does not anticipate program activities will create substantial burdens to disadvantaged and low-income communities. However, CDFW does extensive outreach for the grant solicitation through various means including workshops and public comments on program guidelines to identify potential burdens. If CDFW becomes aware of any potential for substantial burdens,</li> </ul>

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communities and low-income communities or, if unknown, explain the process for identifying and avoiding potential substantial burdens

programmatic adjustments will be made to eligibility criteria, and ultimately funding decisions, as necessary to avoid such burdens to disadvantaged and low-income communities.

- To maximize benefits to disadvantaged and low-income communities, additional points will be awarded to projects that meet the criteria for providing direct, meaningful, and assured benefits to a disadvantaged community and meaningfully address an important community need established in CARB's Funding Guidelines.

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**Element (5) A description of how the administering 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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How the administering agency will track / report progress to make sure projects are implemented per requirements in statute and CARB's Funding Guidelines

- CDFW will require project fund recipients to maintain records and submit quarterly status reports. In addition, the Program will conduct periodic reviews of selected projects. If a funding recipient does not perform in accordance with program requirements, the recipient will be subject to the remedies for non-performance, as identified in the CDFW guidelines and the grant agreement.
- CDFW will track funding and submit annual status reports.

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Describe the approach that will be used to document GHG emission reductions, and/or other benefits before and after project completion.

- Project proponents will calculate the GHG emission reductions and co-benefits expected and achieved from projects using a CARB-approved method and/or tool that is available at the link below:  
<https://ww2.arb.ca.gov/resources/documents/cciquantification-benefits-and-reporting-materials>.
- CDFW will coordinate with CARB to estimate GHG emission reductions and co benefits, using CARB standardized methodologies. Program staff will review calculations prepared by project proponents to ensure consistency with approved methodologies.

The Program will work closely with CARB to refine GHG emission reduction methodologies and estimates for wetlands or mountain meadow projects to ensure that only projects with net GHG benefits are funded.

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□ Type of information that will be collected to document project results, as described in CARB's Funding Guidelines

- To determine GHG reductions, CDFW will collect data on project location, baseline GHG emissions and carbon conditions, acres restored or enhanced, GHG flux as a result of the project, expected project life, funds expended, and other data as specified in CARB's guidelines.
- 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; enhanced water storage through the replenishment of groundwater aquifers; and adaptation to climate change.
- To determine job creation benefits, CDFW will compile data from funding recipients, 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.

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□ How the administering agency will report on program status

- CDFW will report to CARB consistent with CARB guidance. CDFW will provide regular updates on the program, including expenditure amounts, GHG emission reductions, and other benefits, as applicable (e.g., jobs supported, vouchers issued, units retrofitted). Reports will also include information on project outcomes for at least 25 percent of operational projects over over 5 years.
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