

CALENDAR ITEM

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C. Connor

J. DeLeon

INFORMATIONAL

INTRODUCTION:

The purpose of this calendar item is to update the Commission on activities involving the dry lakebed of Owens Lake, including the Owens Lake Master Plan, current and potential future dust control projects, proposed solar demonstration project, groundwater evaluation program, Lower Owens River Project, and an Air National Guard jet crash on the lakebed.

BACKGROUND:

Owens Lake is located in southwest Inyo County, approximately 200 miles north of Los Angeles. Owens Lake was a natural and navigable waterway at the time of California's statehood and is thus sovereign land of the State. The lake covered approximately 110 square miles and was 50 feet deep in places. Wildlife, waterfowl, and the nearby residents depended on and benefited from Owens Lake. Early settlers diverted water from the Owens River to grow crops and irrigate pasture for livestock, and steamboats carried cargo across the lake. In 1908, the City of Los Angeles (City) commenced construction of an aqueduct to divert water from the Owens River north of Owens Lake. After completion of the Los Angeles Aqueduct in 1913, the lake level rapidly declined. By 1930, the lake was virtually dry with only a small brine pool remaining.

The diversion of water led to dust storms carrying away as much as four million tons (3.6 million metric tons) of dust from the lakebed each year, causing respiratory problems for residents in the Owens Valley. The United States Environmental Protection Agency (U.S. EPA) designated the southern part of the Owens Valley as a Serious Non-Attainment Area for PM₁₀. PM₁₀ is an abbreviated reference for suspended particulate matter (dust) less than or equal to 10 microns in mean aerodynamic diameter (approximately 1/10 the diameter of a human hair). The Great Basin Unified Air Pollution Control District (Great Basin) subsequently designated the Non-Attainment area as the "Owens Valley PM₁₀ Planning Area."

CALENDAR ITEM NO. 114 (CONT'D)

Great Basin determined that dust emissions from the dry lakebed of Owens Lake are responsible for causing the air in the Owens Valley PM₁₀ Planning Area to exceed the PM₁₀ national ambient air quality standards and that water diversions by the City caused Owens Lake to become dry and the lakebed to be in a condition that produces dust. Great Basin has the authority to issue orders, known as Supplemental Control Requirements Determinations, to LADWP for dust control purposes.

On June 14, 1999, the Commission authorized the issuance of Lease No. PRC 8079.9, a General Lease – Public Agency Use (Lease), to LADWP for a period of 20 years for dust control purposes. Since that time, the Commission has authorized 12 amendments to the lease for the construction, operation, and maintenance of additional dust control measures. At present, there are three Best Available Control Measures (BACM) approved by Great Basin for controlling dust: shallow flooding, managed vegetation, and gravel cover. To date, LADWP has implemented BACMs on 41.07 square miles of sovereign land.

BACM	Area (Sq. Mi.)*
Shallow flooding	35.2
Managed vegetation	3.7
Gravel cover	2.17
Total	41.07

**A square mile is 640 acres.*

Additionally, LADWP is currently finalizing plans for implementing dust controls on an additional 3.07 square miles known as Phase 7a.

STATUS OF CURRENT ACTIVITIES:

OWENS LAKE MASTER PLAN

The Master Plan concept was introduced in the Eighth Amendment to the Lease, approved by the Commission at its December 2009 meeting. The amendment provided for development of a Master Plan to be approved by the Commission and the California Department of Fish and Wildlife as an alternative to a long-term conservation plan with designated areas of shallow flooding.

LADWP began the process to develop a Master Plan in January 2010. The Master Plan was envisioned to be a framework to manage the diverse resources of the lake, while continuing to control dust based on a broad collaborative process involving numerous stakeholders organized into a Planning Committee, Coordinating Committee, and several work groups. An Agency Forum consisting

CALENDAR ITEM NO. **114** (CONT'D)

of agency representatives has met periodically to discuss regulatory and policy issues affecting the lakebed and Master Plan.

The Planning Committee members represent interests in dust control, water conservation, habitat, cultural resources, public access, recreation, agriculture, and business. Members of the Planning Committee include Commission staff, LADWP, Great Basin, California Department of Fish and Wildlife, Bureau of Land Management, Inyo County, Audubon California, Sierra Club, Eastern Sierra Land Trust, and local Native American tribal groups.

After numerous Planning Committee meetings and several Agency Forums, a draft Master Plan was released for public comment in December 2011. As agreed to by LADWP in the Ninth Amendment to the Lease, the Commission would serve as the lead agency for the California Environmental Quality Act (CEQA) analysis for the Master Plan. A revised draft Master Plan addressing public comments was intended to be the basis for an Environmental Impact Report (EIR); however, a revised draft Master Plan has not been released. There was very little activity on the Master Plan in the latter half of 2012.

The Planning Committee then met in January 2013 for a presentation of a conceptual map showing habitat areas, an update on the Owens Lake Groundwater study, and other topics. At this meeting, LADWP staff presented Planning Committee members with copies of an Informational Board Letter addressed to the Board of Water and Power Commissioners from LADWP staff in response to a Board request (see attached Exhibit B). The two-page letter included a list of seven "must haves" in exchange for LADWP agreeing to any future Owens Lake Master Plan. The "must haves" are:

- 1) Acceptance of Master Plan elements that protect or improve the habitat and public benefit goals within the areas where LADWP dust controls currently exist.
- 2) Reduction in the amount of Los Angeles Aqueduct water applied to Owens Lake for dust mitigation by at least 50 percent to lessen Los Angeles' need for water from other California sources.
- 3) Lawfully-established limit of 45 square miles of dust controls Los Angeles is responsible to construct and maintain.
- 4) Approved new waterless dust control methods.
- 5) Allowance to transition sufficient areas of lakebed without penalties.
- 6) Easement or other indisputable, permanent right to execute and maintain the lakebed according to the plan provisions.

CALENDAR ITEM NO. **114** (CONT'D)

- 7) Allowance to utilize groundwater under the lakebed to achieve full habitat goals.

Several Planning Committee members expressed concern over the list of “must haves.” Although all these items will affect the Commission insofar as they affect the State’s sovereign lands at Owens Lake, Number 6 and 7 on the list have the most direct impact.

A Coordinating Committee meeting held on March 15, 2013 included discussion on next steps in the Master Plan process. In the meeting, the facilitator acknowledged the concern expressed by some stakeholders that the process was taking too long and that it may be difficult to keep everyone engaged if it goes on much longer. Four possible paths forward were presented, ranging from completing the Master Plan as originally intended to simply recognizing the work already completed, specifically the Habitat Suitability Model, with an agreement between agencies to use it in future projects. The Coordinating Committee meeting concluded without clear consensus as to a path forward.

On March 26, 2013, Planning Committee members and stakeholders received a letter from LADWP, which stated that LADWP had decided to develop its own comprehensive, lake-wide construction project that will implement the shared goals of water conservation and habitat enhancement (see attached Exhibit C). The letter states “There is legitimate concern that after even more time and effort we may still be unable to reconcile and come to agreement on a few key issues, including some concerns that may go beyond the scope and reach of the Master Plan process. This would be undesirable and would make it difficult to achieve the meaningful results that are within our grasp both on the lake and in respect to broader environmental and water issues in the Owens Valley and the State.”

On April 16, 2013, LADWP unveiled its plan, the Owens Lake Master Project (Project). The goals of the Project are similar to those of the Master Plan (e.g. control dust; protect, create, and enhance habitat; protect cultural resources; promote economic development and public use; explore opportunities for renewable energy; create a viewshed in harmony with the surrounding environment; create a flexible adaptive management plan), but with an emphasis on reducing the total usage of water on the lakebed by at least 50% through “the strategic use of waterless or water efficient control measures and groundwater under Owens Lake for dust control.” The Project calls for reducing water usage to 41% of the current level (95,000 acre feet per year). To reduce water use, LADWP proposes to transition various shallow flood areas to other dust control measures in five phases. The dust control measures proposed in the Project

CALENDAR ITEM NO. 114 (CONT'D)

include shallow flood, gravel cover, managed vegetation, hybrids of these, brine (water with very high salinity), sprinkler irrigation (both with and without intermittent ponds), curving tillage, and non-uniform meandering ridges. In order to accomplish the Project's goals, LADWP would need certain assurances: that control of dust on 45 square miles satisfies its obligations under Health and Safety Code section 42316, the ability to use non-BACM dust control measures, the ability to transition twice as much area in an 18-month period as is currently allowed under the State Implementation Plan, and a permanent right to implement and maintain the Project on State-owned land.

While LADWP has not clearly expressed its intent to pull out of the Master Plan process, it appears that LADWP's Project will replace the need for a Master Plan. A Master Plan Coordinating Committee is currently scheduled for April 24. Commission staff will seek clarification of the future of the Master Plan as well as the Commission's role or level of involvement in LADWP's Project.

CURRENT DUST CONTROL PROJECTS

The only dust control project currently being actively pursued by LADWP is Phase 7a. The Phase 7a project consists of 3.07 square miles of new BACM in six dust control areas and another 3.4 square miles of transitioned dust controls in seven existing dust control areas. The BACM being proposed for the new 3.07 square miles include shallow flooding, managed vegetation, gravel cover, and combinations of these in some areas. In order to conserve water while providing shallow flooding to the new areas, 3.4 square miles of existing dust control areas are being transitioned from being entirely shallow flooding to other BACMs or combinations of BACMs, to reduce areas of shallow flooding.

LADWP circulated a draft EIR for public comment in February and March 2013. The draft EIR evaluated four alternatives, summarized below.

Alternative	Description
No project	No construction of dust control on 3.07 sq. mi. and no transition of 3.4 sq. mi.
Avoidance alternative	Construction of proposed project in all areas except 350 acres where there are known significant cultural resources.
Expanded avoidance alternative	Construction of proposed project in all areas except 350 acres where there are known significant cultural resources and no construction in 60 additional acres identified by the Lone Pine Paiute-Shoshone as culturally sensitive.
Avoidance alternative with soil binder	Construction of proposed project in all areas

CALENDAR ITEM NO. **114** (CONT'D)

	except 350 acres where there are known significant cultural resources and application of soil binder on the approximately 350 acres, and construction of approximately 18 acres of roadways within the 350 acres.
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LADWP concluded that the Avoidance Alternative was the environmentally superior alternative. The comment period for the draft EIR closed March 18, 2013 and LADWP anticipates certification of the EIR in May 2013. LADWP has submitted an application to the Commission for a lease amendment to authorize the proposed Phase 7a dust control measures. The application, submitted in January 2011, is considered incomplete at this time, primarily because it has not been updated to reflect the project proposed in the draft EIR.

The Avoidance Alternative identifies 350 acres containing significant cultural resources. There are 11 significant cultural resources sites located in four of Phase 7a's six dust control areas. LADWP's consultant is recommending these sites as eligible under the California Register of Historical Resources. The Avoidance Alternative calls for "in-situ" preservation of the sites and the placement of 100-foot wide buffer zones around them. The Expanded Avoidance Alternative includes the previously-mentioned 350 acres as well as 60 acres identified as culturally sensitive by the Lone Pine Paiute-Shoshone Reservation Tribe. While no significant cultural resources were identified within the 60 acres, the Lone Pine Paiute-Shoshone believes that significant cultural resources will be uncovered if earthwork commences. For this reason, the Expanded Avoidance Alternative is similar to the Avoidance Alternative in that no dust control measures would be constructed or placed within the area.

POTENTIAL FUTURE DUST CONTROL PROJECTS

Great Basin has also issued Supplemental Control Requirements Determinations (SCRDs) to LADWP for the years 2011 and 2012. The SCRDs designate areas as either Lone Areas or Watch Areas. Lone Areas must be mitigated using BACM, while Watch Areas are subject to further monitoring and dust control planning by LADWP.

SCRD	Lone Areas (Sq. Mi.)	Watch Areas (Sq. Mi.)
2011 (Phase 9)	2.86	1.87
2012	0.76	0.05

LADWP appealed the 2011 SCRd, which is also referred to as Phase 9, to the California Air Resources Board (CARB) following the process set forth in Health

CALENDAR ITEM NO. 114 (CONT'D)

and Safety Code section 42316. According to LADWP, the 2011 SCRCD does not comport with the requirements of Section 42316 because it attempts to require LADWP to solve all the air quality problems in the Owens Valley; it violates EPA's approved air quality measurement standards; it fails to design and approve dust control measures that comply with California Constitution, article X, section II; it requires mitigation that is not cost-effective; it interferes with LADWP's right to divert and convey water; it immunizes the CSLC from Clean Air Act liability; it is an unlawful delegation of authority to CSLC; it usurps LADWP's power to conduct a meaningful environmental analysis of the effects of the ordered mitigation measures; and it is inconsistent with the CARB-approved attainment strategy in the 2008 State Implementation Plan. The appeal was heard on June 15, 2012 in Sacramento. CARB's decision was released on November 19, 2012 and confirmed the 2011 SCRCD as valid.

The Final 2012 SCRCD was issued on November 16, 2012. LADWP believes the 2012 SCRCD also to be invalid based mainly on the same arguments presented in its appeal of the 2011 SCRCD. LADWP is continuing to dispute its responsibility for mitigating dust at Owens Lake in both federal and state courts.

In addition to the 2011 and 2012 SCRCDs, Great Basin has released their "Final Staff Report on the Origin and Development of the Keeler Dunes." The Keeler Dunes is a PM₁₀ emissive area encompassing approximately 960 acres (1.50 square miles) located between the communities of Keeler and Swansea on the northeast side of the lakebed. The dune field is situated adjacent to and above the lakebed, just outside the Commission's jurisdiction. The U.S. Bureau of Land Management is the dominant landowner of the Keeler Dunes. The Final Report concludes that the current emissive Keeler Dunes are not natural, but were instead formed within the last 70 years, with the main source of material coming from the Owens River and off the dried bed of Owens Lake. A public hearing on the Final Report was held on December 13, 2012, at which time LADWP introduced new information which caused the meeting to be continued to March 7, 2013. A follow-up meeting is now scheduled for July 2013. A potential result of this process could be an order from Great Basin to LADWP to implement dust control on the Keeler Dunes.

AIR MONITORING

In December 2012, Great Basin contacted Commission staff regarding the relocation of specialized equipment used to monitor dust on the lakebed. The equipment, referred to as a SLAM (State and Local Air Monitoring Station), was previously located on nearby land owned by LADWP at the northern end of the lake. In order to generate consistent reading, the SLAM has to be relocated in

CALENDAR ITEM NO. 114 (CONT'D)

the same general area. On April 4, 2013 Commission staff sent Great Basin a Letter of Non-Objection for the placement of the SLAM on sovereign land just south of the LADWP site. The Letter of Non-Objection was signed and received on April 8, 2013. A condition of the letter requires Great Basin to submit a lease application for the continued use and operation of the air monitoring station. Great Basin staff is currently preparing the application and Commission staff anticipates bringing it to the Commission for consideration later this year.

SOLAR DEMONSTRATION PROJECT:

On February 24, 2010, LADWP submitted a lease application to the Commission for a solar demonstration project (Solar Project). The Solar Project is intended to test potential solar photovoltaic configurations, including various array configurations, tilts, spacing, and foundations, as well as the ability to control dust. The Solar Project was originally intended to be situated on an 80-acre site near the south end of the lakebed. However, poor soil conditions at the 80-acre site, which would have adversely affected the solar array foundations, necessitated moving the Solar Project to the north end of the lakebed. The Solar Project is now proposed for a 5.3-acre site within the Phase 8, Area A gravel cover dust control area in the northwest part of the lakebed. In October 2010, LADWP obtained a non-exclusive geological sampling permit from the Commission to study soil conditions for the suitability of solar array foundations in this location. The lease application remained incomplete and on hold during the two-year term of the geological sampling permit, which expired in October 2012.

In March 2013, LADWP released an Initial Study and Mitigated Negative Declaration for the proposed Solar Project. As stated in this document, the goal of the Solar Project is to generate renewable energy to assist LADWP in meeting its renewable energy portfolio standards and to provide data on the feasibility of additional solar facilities on Owens Lake. More specifically, the Solar Project would generate approximately 500 kW of electricity through installation of ground-mounted photovoltaic solar arrays. The solar panels would be installed in rows on an aluminum framework that would be attached to one of three types of foundations to be tested.

The comment period for the Mitigated Negative Declaration closes on April 29, 2013. LADWP plans to take the Mitigated Negative Declaration to its Board for adoption in early June 2013. Depending on when it is deemed complete, the lease application could be considered by the Commission this summer. LADWP estimates a construction period of approximately six months and anticipates having the Solar Demonstration Project operational by early 2014.

CALENDAR ITEM NO. 114 (CONT'D)

OWENS LAKE GROUNDWATER EVALUATION PROGRAM (OLGEP):

LADWP, in cooperation with the Inyo County Water Department and Great Basin Unified Air Pollution Control District, conducted a groundwater study at Owens Lake to determine the feasibility of using groundwater in LADWP's Owens Lake dust mitigation program. Specifically, the purpose of this project is to evaluate the groundwater supply under Owens Lake, develop a conceptual hydro-geologic model of the basin, and study the potential impacts of the removal of the groundwater on surrounding wells, seeps, springs, and vegetation. The study began in March 2009 and was completed in November 2012.

To accommodate the study, on October 27, 2011 the Commission authorized a General Lease – Public Agency Use to LADWP and the County of Inyo to conduct aquifer tests at eight new wells and one existing well at three locations on Owens Lake. Each of the three locations has three wells. The wells in each location have four-inch diameter boreholes and are drilled to different depths, with none being greater than 1,500 feet. A Final Report on the OLGEP was released in October 2012. The Report recommends an additional three-year environmental study phase, including drilling and testing of additional well sites to collect necessary data on fault lines and hydro-geologic connectivity, followed by a three-year limited pumping phase.

Commission staff will serve on an Advisory Committee for the Owens Lake Groundwater Development Program (OLGDP) along with partner agencies including Inyo County, Great Basin Air Pollution Control District, and the California Department of Fish and Wildlife. Any proposed activities including the installation of additional wells or the use of groundwater for use in LADWP's dust mitigation program on Owens Lake will require Commission authorization.

LOWER OWENS RIVER PROJECT (LORP):

The LORP is a river restoration project which covers a 62-mile long stretch of the Lower Owens River. In 1997, the Commission was signatory to a Memorandum of Understanding (MOU) between Inyo County, the California Department of Fish and Wildlife (formerly Department of Fish and Game), the Sierra Club, the Owens Valley Committee, and LADWP. The MOU describes the LORP and sets certain terms for the river's restoration, including restoring flows to the Lower Owens River by maintaining a continuous base flow of approximately 40 cubic feet per second (CFS); maintain and enhance existing off-road lakes and ponds adjacent to the Lower Owens River; enhance and maintain approximately 325 acres of wetlands habitat in the Owens Lake Delta; and the preparation and implementation of a long-term management plan to meet LORP goals.

CALENDAR ITEM NO. 114 (CONT'D)

The MOU parties are currently in discussions over proposed revisions to a 2004 Stipulation and Court Order that would allow LADWP to increase the capacity of the pump station located at the terminus of the Lower Owens River. The Stipulation and Court Order currently limits the capacity of the pump station to a maximum of 50 cubic feet per second (CFS). The proposed change could allow LADWP to increase LORP base or seasonal flows (i.e., release more water down the Owens River) and recover the additional water when flows exceed 50 CFS.

AIR NATIONAL GUARD JET CRASH:

On December 27, 2012, a California Air National Guard F-16C fighter jet based out of Fresno crashed in the northwest part of the lakebed. The pilot was able to safely eject from the jet prior to impact. Commission staff was notified of the crash approximately one week later. Approximately 300 gallons of jet fuel and some hydraulic fluid were spilled in the crash. The Air National Guard removed the jet wreckage and conducted soil samples, which were provided to Commission staff for review. Commission staff consulted Inyo County, the California Department of Fish and Wildlife, and the Regional Water Quality Control Board. Upon review of the soil samples, Inyo County concluded the incident was unlikely to impact groundwater. The Department of Fish and Wildlife advised staff that the Office of Spill Prevention and Response should be contacted if a similar situation occurs in the future. Commission staff is still waiting for the Regional Water Quality Control Board to complete its review of the soil samples before making a final determination on whether additional remediation is required.

EXHIBITS

- A. Site/Location Map
- B. January 24, 2013 LADWP Informational Board Letter
- C. March 26, 2013 Letter from LADWP to Owens Lake Master Plan Colleagues

NO SCALE

SITE

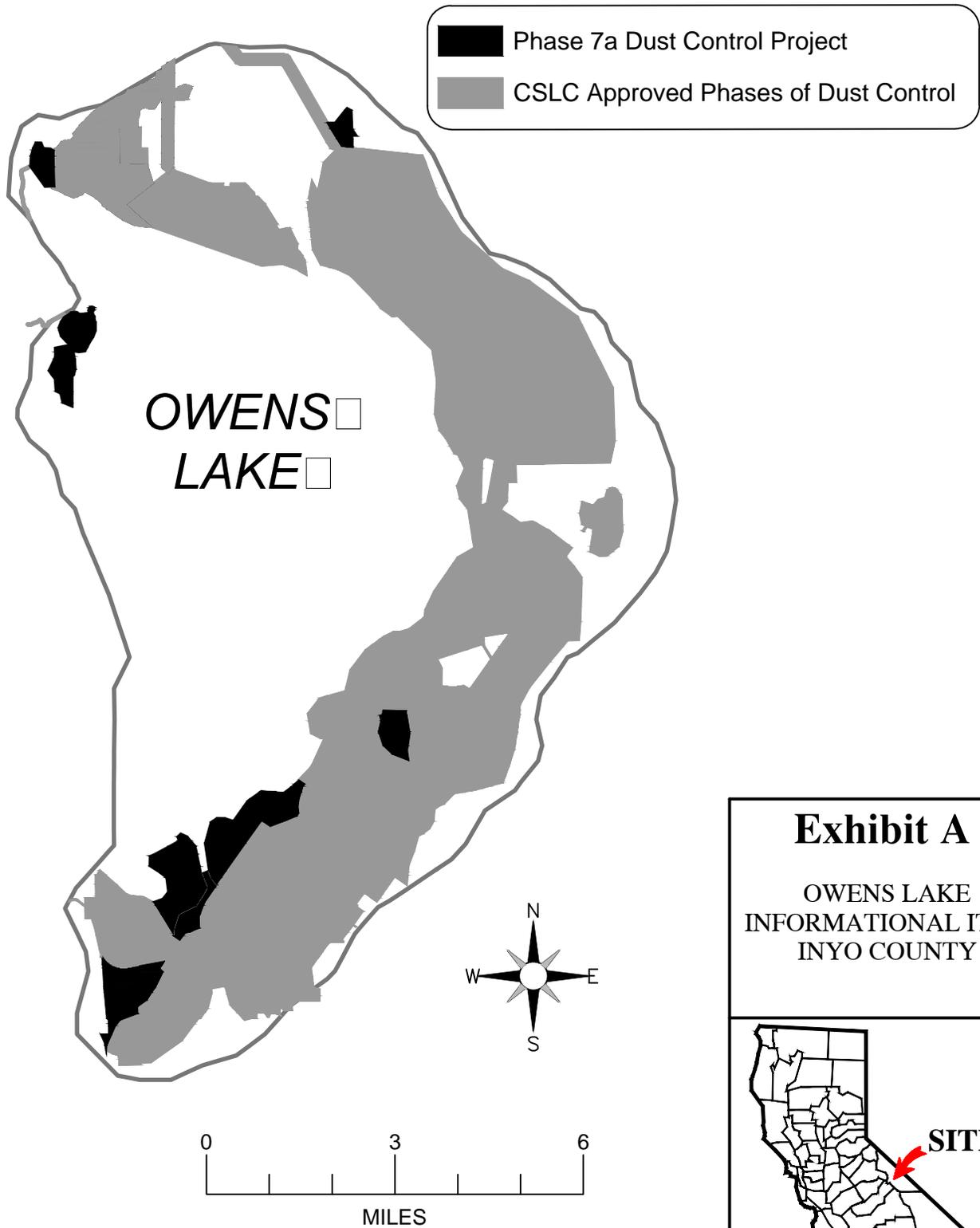


Exhibit A

OWENS LAKE
INFORMATIONAL ITEM
INYO COUNTY



This Exhibit is solely for purposes of generally defining the lease premises, is based on unverified information provided by the Lessee or other parties and is not intended to be, nor shall it be construed as, a waiver or limitation of any State interest in the subject or any other property.

LOS ANGELES DEPARTMENT OF WATER AND POWER (LADWP)
INFORMATIONAL BOARD LETTER

TO: BOARD OF WATER AND POWER COMMISSIONERS		DATE: January 24, 2013
  JAMES B. McDANIEL Senior Assistant General Manager – Water System		SUBJECT: Response to Board Request LADWP REQUIREMENTS FOR OWENS LAKE AGREEMENTS
RONALD O. NICHOLS General Manager		FOR COMMISSION OFFICE USE: This Informational Board Letter was transmitted to all Board Members on:

Summary

The Los Angeles Department of Water and Power (LADWP) dust mitigation efforts on Owens Lake have been undertaken incrementally in response to a series of individual orders by the Great Basin Unified Air Pollution Control District. The Owens Lake Master Plan efforts are aimed at creating a cohesive long-term plan for dust mitigation that protects and/or enhances other environmental and public values on Owens Lake and also calls for the efficient use of water only where it is a necessary option for dust control or where it can provide multiple benefits.

At the January 11, 2013, LADWP Board of Commissioners meeting, Water System staff received comments from the Board regarding the Owens Lake Dust Mitigation Project (Project) and progress of the Owens Lake Master Plan. Additionally, staff was directed to report to the Board a list of needs LADWP would require in any environmentally-focused plan that would steer the dust mitigation efforts in a better and sustainable direction while also protecting the water customers of LADWP whose bills pay for all of the City's commitments and investments at Owens Lake.

Background

In early 2010, LADWP convened a broad collaborative process to develop a "Master Plan" for the Owens Lakebed. The committee is composed of diverse state and local governmental agencies and interest groups.

The Master Plan focuses on several key goals, including continued dust mitigation, preservation of habitat, achievement of significant water conservation, protection of cultural resources, creation of local economic opportunities, and overall improvements to public access, recreation, and aesthetics.

The heart of the technical work was the development of a habitat suitability model (HSM) that derives a "habitat value" based on physical characteristics such as water depth and salinity, topographic relief, vegetation cover, and the individual requirements of various species present

on the lake. Through this process it has been determined and mapped by location that it is feasible to maintain or improve existing lake-wide habitat value over broad areas of the Owens Lakebed while reducing water demand by 50 percent.

Response to Request

Any modification of existing dust mitigation will require significant "re-investment" by LADWP, funded by water rates. The Board recognized that there are certain objectives and components in any future Owens Lake plan that LADWP "must have" in order to commit to a significant investment in money and resources to achieve a more sustainable and eco-friendly result at Owens Lake.

In response to the Board request, the requirements necessary to create a "balanced" plan that warrants a renewed investment of resources are listed below. Note that changes to State Law and the State Implementation Plan (SIP) may be necessary to put these in place permanently:

- Acceptance of Master Plan elements that protect or improve the habitat and public benefit goals within the areas where LADWP dust controls currently exist.
- Reduction in the amount of Los Angeles Aqueduct water applied to Owens Lake for dust mitigation by at least 50 percent to lessen Los Angeles' need for water from other California sources.
- Lawfully-established limit of 45 square miles of dust controls that Los Angeles is responsible to construct and maintain.
- Approved new waterless dust control methods.
- Allowance to transition sufficient areas of the lakebed without penalties.
- Easement or other indisputable, permanent right to execute and maintain the lakebed according to the plan provisions.
- Allowance to utilize groundwater under the lakebed to achieve the full habitat goals.

Request for Guidance

The staff seeks guidance from the Board regarding how to proceed in order to quickly and efficiently complete a plan that can be endorsed by LADWP that sets a better and more sustainable path forward at Owens Lake.

MLA:rdn

e-c: Ronald O. Nichols
Richard M. Brown
Aram Benyamin
James B. McDaniel

Philip Leiber
Gary Wong
Martin L. Adams

Department of Water and Power



the City of Los Angeles

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RONALD O. NICHOLS
General Manager

March 26, 2013

Dear Owens Lake Master Plan Colleague:

Subject: Los Angeles Department of Water and Power (LADWP) and
Owens Lake Plans

I want to thank you for allowing me to share the LADWP Commission letter (enclosed) regarding the Owens Lake Master Plan effort and its "must have" list at the January 28th Master Plan Committee meeting in Bishop. I was particularly appreciative of the thoughtful discussion and the time the group dedicated to this important topic, as well as the follow-up conversations that have taken place since both with our facilitator Gina Barlett and in the Coordinating Committee.

We suspect that like LADWP, other Owens Lake stakeholders may also have certain ideals associated with the Master Plan process that are fundamental to their interest and participation. We certainly respect those core values of the groups you represent and hope that you will also understand the nature of LADWP's fundamental concerns. In order for LADWP's policy-making body to justify the tremendous financial re-investment that will be required of Los Angeles ratepayers to bring the Master Plan elements to life, we must have a high level of certainty about the City's dust control obligations and the manner these can be complied with. Reasonable regulatory limits and project efficiencies are necessary if LADWP is to pursue the broad goals and desires of the Committee.

Although the LADWP Board letter has been referred to as an "ultimatum" or a line in the sand, please recognize that it was offered in a spirit of openness, which we felt was critical given the significant time and energy that has been invested in this process, as well as the practical questions about what lies ahead for the Committee. You are all aware that LADWP continues to dispute the legality of pending and future orders for dust control at Owens Lake. There is legitimate concern that after even more time and effort we may still be unable to reconcile and come to agreement on a few key issues, including some concerns that may be beyond the scope and reach of the Master Plan process. This would be undesirable and would make it difficult to achieve the meaningful results that are within our grasp both on the lake and in respect to broader environmental and water issues in the Owens Valley and the State.

Water and Power Conservation ... a way of life

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As a next step toward progressing the lake effort, we have been working to make the "fuzzy map" actionable in a very structured, definitive way. We undertook this under the presumption that delineating how the work could and would actually be accomplished was the next logical step. However, there are other steps that must be taken to enable change to take place. It is important to remember that no project to transition dust controls to follow the "fuzzy map" can legally be implemented at Owens Lake without a change to the State Implementation Plan and without the permission of the owner or owners of the lakebed.

To that end, and whether to our benefit or peril, our Owens Lake project manager Bill Van Wagoner has been asked to develop a comprehensive, lake-wide construction project that will implement the shared broad goals for water conservation and habitat enhancement at Owens Lake that were the focus of the last two years of Master Plan meetings. Based on our desire to make real, near-term progress in the face of so much uncertainty, LADWP is now prepared to share a proposed "master project". In addition, the poor snowpack this year underscores the importance of reducing water use on the lakebed and doing it as quickly as possible. It is our intent that our work will be so founded in the ideals of the Master Plan process that the project proposed will be completely familiar to everyone. The project will utilize the Habitat Suitability Model (HSM) to ensure habitat protection while substantially decreasing water use on the lake.

We recognize that it may appear that LADWP is abandoning the master planning process or perhaps "running off" with the work of the group. In fact, we are trying to be realistic and deliver a real project in our lifetime. The intention is to do this by putting into practice the efforts of the Master Plan Committee and continuing to work with the members as the details of the Project are developed. We are hopeful that the prospect of a near-term implementation project and a firm commitment by Los Angeles will be exciting to everyone involved in the Master Plan process.

With the group's continued willingness, I recommend the members of the Habitat Subcommittee proceed as discussed at the January 28th meeting to develop firm, HSM-type habitat protection guidelines to help establish future groundwater pumping criteria in conjunction with LADWP and the Inyo County Water Department. This work should then be incorporated into a viable set of working guidelines that will advance the goals for Owens Lake. These guidelines will serve as the basis for LADWP's continued development of the project by which to transform Owens Lake, coupled with the assurances needed by the City to make this commitment.

Owens Lake Master Plan Colleague

Page 3

March 26, 2013

Thank you again for hearing what LADWP has to say, for your contributions to this process which will serve as the basis for our future actions, and for your continuing interest to help direct the Owens Lake Dust Mitigation Program toward a more positive, beneficial outcome. I hope that in the near future we can recognize and celebrate the two-year effort of the committee and enjoy a sense of shared success as LADWP pushes ahead to bring this vision to reality.

Sincerely,



Martin L. Adams

Director of Water Operations

MLA:rdn

Enclosure

c: Ms. Gina Bartlett

Mr. William T. Van Wagoner