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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 Bartlett 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.

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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.

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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