

July 9, 2018

Wendy Schneider
Friends of the Inyo
819 N Barlow Ln
Bishop, CA 93529

Dear Director Schneider,

Subject: Los Angeles Department of Water and Power's Environmental
Commitment to Mono County and the State of California

Thank you for your recent letter regarding the Los Angeles Department of Water and Power's (LADWP) operations along the Los Angeles Aqueduct and in Mono County, specifically the status of commercial ranch leases and our evolving water management practices. We would like to provide some clarifying information and context that might have been left out or misconstrued in your previous communications with Mono County and the commercial ranchers.

LADWP Will Continue to Provide Water for the Environment and Wildlife in Mono County and is Dedicated to Sustainable Practices

It is important to note, LADWP is not de-watering Mono County. LADWP will continue to provide water to protect the environment in Inyo and Mono counties. The free water LADWP has provided to commercial ranchers is separate and unrelated to the water LADWP provides to serve the region's environment – in fact, diverting less water for commercial ranching may have additional environmental benefits for Mono County.

LADWP places a high importance on environmental stewardship in all regions where it operates and maintains land, and Mono County is no exception. Los Angeles currently leaves more than half of its historical Los Angeles Aqueduct water supply in Mono and Inyo counties for environmental preservation, while the commercial ranchers in Mono County continue to demand more.

The Mono County ranchers are asking LADWP to divert more water away from streams and riparian habitats to send to meadows for grazing – this request is inconsistent with the California Department of Fish and Wildlife's approach to environmental protection and preservation. As you know, diverting less water for artificial irrigation to benefit the commercial ranchers could help restore natural flow patterns in the creeks and streams

located within Long Valley, which could substantially benefit the fisheries and riparian habitat found along the waterways.

Prior to approving new leases that exclude the provision of free irrigation water for commercial ranchers, LADWP will carefully evaluate any potential environmental impacts and will complete a full Environmental Impact Report that will solicit stakeholder input, like yours. LADWP will fully evaluate any impacts to the Sage Grouse habitat and ensure that those impacts are fully mitigated.

LADWP is currently diverting water to protect the Sage Grouse habitat, while simultaneously working with local environmental organizations to establish a working group. Our department is already underway in collaboration with Audubon California, Eastern Sierra Audubon, Eastern Sierra Land Trust, U.S. Fish and Wildlife, U.S. Bureau of Land Management, and California Fish and Wildlife to ensure enough water is provided for Sage Grouse habitat. We expect that effort to kick off this month.

LADWP Continues to Work with Mono County Commercial Ranchers in Light of Recent and Future Water Scarcity

As you are aware, LADWP owns approximately 62,000 acres of land within Mono County, the vast majority of which are open to the public for recreational enjoyment. Approximately 28,000 acres have also been previously leased by commercial ranchers for grazing. Decades ago, LADWP began offering free water to the commercial ranchers to flood irrigate the grazing lands when the department had more water than it could accommodate in the Los Angeles Aqueduct. At LADWP's sole discretion, free water has since been offered to the commercial ranchers on an ad hoc basis when supplies were available, but it was never a guarantee tied to their leases. The amounts have differed each year based on hydrological conditions and LADWP operational needs.

At the height of the drought, LADWP necessarily began to carefully assess the highest and best use for our supplies. Subsequently, in 2015 and 2016 LADWP offered 0 acre-feet and 4,400 acre-feet of irrigation water, respectively. LADWP notified the ranchers on May 1, 2018, shortly after this year's final runoff was calculated, that they would receive 4,200 acre-feet for this irrigation year, approximately the same number of acre-feet per acre of water provided in 2016 from similar runoff conditions. Lessees are provided this information at this time every year.

Since the leases expired in December 2013, the commercial ranchers have continued their operations on an expired, holdover status. LADWP management has recommended offering to renew their leases for another 20 years – providing them a first right of refusal offer versus taking the leases to a competitive bid or exploring alternate uses for the land. Those discussions started back in Fall of 2017. Those recommendations were combined with our notifying the commercial ranchers that

Los Angeles no longer has surplus water and, therefore, there will no longer be a provision for free irrigation water – water that was never guaranteed in the first place. Further, that those lease provisions must be approved by the Board of Water and Power Commissioners and the Los Angeles City Council.

Today's Water Supply Practices must be Driven by California's Climate Reality and Our Fiduciary Responsibility to Ratepayers

As California experiences a new climate reality and increasing cycles of drought, the City of Los Angeles now must re-evaluate how our precious and limited water resources are managed – driving innovations in conservation, sustainability, water use efficiency and local water supply projects is something we all must pursue.

To replace the free water provided to a handful of for-profit ranchers, LADWP would be required to buy more costly and less reliable replacement water from the deteriorating Sacramento-San Joaquin River Delta. The amount of free water the commercial ranchers are demanding is enough to serve 50,000 Los Angeles families each year. LADWP would have to spend ~\$18 million to purchase the amount of water requested and the lost hydropower it generates while flowing through the Aqueduct.

A reminder, LADWP's primary mission is to deliver safe, reliable and cost-effective water to four million Los Angeles city residents and businesses. We simply can't subsidize free water to commercial ranchers over the interests of local Los Angeles residents. Ultimately, LADWP assesses all its water management practices through the lens of Los Angeles ratepayers – carefully balancing decisions in the best interests of working families and local businesses.

LADWP is Committed to Building a More Sustainable California

From Governor Brown's new long-term water conservation mandate to Mayor Garcetti's sustainability goals, no one is operating business as usual. We're all sharing in the responsibility and making changes to adjust to California's new climate reality and the associated volatility in our water supply.

Angelenos have risen to the challenge to conserve. Our city now uses the same amount of water today as 40 years ago, despite a population increase of more than one million people, and has one of the lowest per capita usage rates for large U.S. cities. The City of Los Angeles is currently on pace to further reduce our water use by 25% by 2035. So, we understand first hand that these changes can be difficult, but providing free water to flood irrigate ranch operations at the expense of LA ratepayers is no longer an option.

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However, the commercial ranchers have not stepped to the table with any adjustments in their farming practices. While water users around the state have learned to conserve, a handful of commercial ranchers in Mono County continue to demand more – which isn't realistic or possible. They do have additional options available, including buying water from other sources, leasing additional dry grazing lands or those that are naturally irrigated verses artificially irrigated, supplementing feed supplies locally, investing in more sustainable alternatives to flood irrigation until the new leases are approved, or scaling ranching operations to meet resource availability.

LADWP is committed to working collaboratively with Mono County, but we all need to be part of the solution to build a more sustainable California. Thank you for your interest. As the discussions with Mono County and the commercial ranchers evolve, we will continue to keep you appraised.

Sincerely,



Mel Levine
President of the Board of Commissioners
Los Angeles Department of Water and Power

cc: Ana Guerrero, Chief of Staff, Office of Mayor Garcetti
Barbara Romero, Deputy Mayor, City of Los Angeles
Inyo County Board of Supervisors
Mono County Board of Supervisors
Stacey Simon, Mono County Counsel
The Inyo Register
The Sheet
Mammoth Times
Sierra Wave