

June 22, 2018

Honorable Colonel Paul Cook (Ret.)
United States Congressman, Eighth District of California
1222 Longworth House Office Building
Washington, DC 20515

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

Dear Congressman Cook:

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 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 historically leased by ten commercial ranchers for cattle grazing. Decades ago, LADWP began offering free water to the commercial cattle ranchers to flood irrigate the grazing lands when the department had more water than it could accommodate in the Los Angeles Aqueduct. This free benefit was offered, on an ad hoc basis over the years, when supplies were available, but 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 cattle ranchers have continued their operations on an expired, holdover status. However, recognizing our commitment to the unique, long-standing partnership, their need for long-term stability, and a duration desired by

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the commercial ranchers, 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 cattle 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 as well as the Los Angeles City Council.

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

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

Of note, our department is already underway in collaboration with Audubon California, Eastern Sierra Audubon, Eastern Sierra Land Trust, United States (U.S.) Fish and Wildlife, U.S. Bureau of Land Management, and California Fish and Wildlife in establishing a working group to ensure enough water is provided for Sage Grouse habitat. We expect that effort to kick off in July.

It is important to note, LADWP is not de-watering Mono County. LADWP places a high importance on environmental stewardship in all the regions it operates and maintains land, and Mono County is no exception. In fact, Los Angeles currently leaves more than half of its historical Los Angeles Aqueduct water supply in Mono and Inyo counties for environmental preservation. Additionally, diverting less water for artificial irrigation to benefit the commercial cattle 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.

LADWP's History of Voluntarily Extending the Charles Brown Act Provisions to Mono County Commercial Ranchers

We would like to clarify a few common misconceptions about the Charles Brown Act (Act) – what it requires and why it does not apply to all land owned by local public agencies. The Act created statewide legislation – it is applicable in all California jurisdictions where a local agency from outside that jurisdiction owns more than half of the land (excluding land owned by the state and federal government). The Act applies to LADWP's land in Inyo County because LADWP owns more than half of the land in Inyo County – a unique circumstance that does not exist in Mono County where LADWP owns a much smaller share.

When applied, the Act does not dictate land management policies or procedures – it does not require landowners to provide free water to commercial tenants. Those types of property ownership decisions remain in the hands of the local public agency – allowing public agency

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leaders to make resource management decisions based on the best interest of the public they serve.

The principle mandate of the Act is that, under the defined conditions, local agency land owners must offer existing, long-term tenants the opportunity to buy or renew their leased property at a reasonable price. In this case, LADWP management has recommended offering the current commercial ranchers in Mono County a 20-year lease without competitive bidding, so allowing the current long-term tenants the opportunity to stay on the land is not in dispute.

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 water provided free of charge to 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 cattle 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 percent 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 Los Angeles ratepayers is no longer an option.

However, the commercial cattle ranchers have not stepped to the table with any adjustments in their farming practices – they just want to preserve the status quo which isn't realistic or good

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public policy. 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 cattle ranching operations to meet resource availability.

LADWP is committed to working collaboratively and building a productive relationship with Mono County and its economic and environmental interests, but we all need to be part of the solution. We each come to the table with our own unique needs, but together we can chart a positive path forward toward a more sustainable future.

Thank you for your interest. As the discussions with Mono County and the commercial ranchers evolve, we will continue to keep you appraised.

Sincerely,

A handwritten signature in black ink, appearing to read "Mel Levine". The signature is fluid and cursive, written over a white background.

Mel Levine, President
Los Angeles Board of Water and Power Commissioners

Enclosure: LADWP Frequently Asked Questions

- c: Los Angeles Board of Water and Power Commissioners
- David H. Wright, General Manager, Los Angeles Department of Water and Power
- Mono County Board of Supervisors
- Stacey Simon, Mono County Counsel