

FOR IMMEDIATE RELEASE

November 15, 2006

Contacts: Joe Ramallo/LADWP (213) 367-1394
Carol Tucker/LADWP (213) 367-1815
Ted Schade /Great Basin Unified Air Pollution Control District
(760)872-8211

LADWP & Great Basin Unified Air Pollution Control District Announce Proposed Settlement to Expand Dust Control Area for Owens Lake

Agreement Will Allow New Treatment Methods Designed to Improve Air Quality, Curb Spending and Save Water

LOS ANGELES—Affirming its commitment to the environment, the Los Angeles Department of Water and Power (LADWP), together with the Great Basin Unified Air Pollution Control District (Great Basin), have announced a proposed agreement to further reduce dust blowing off the dry Owens Lake by expanding the dust control area and using new methods that will save water and costs for the City of Los Angeles.

The agreement between LADWP and Great Basin, which requires approval of the governing boards of both agencies, “is the culmination of intensive but amicable mediation process and signals a new era of cooperation between LADWP and Great Basin,” said H. David Nahai, president of the LADWP Board of Water and Power Commissioners. “The department is committed to meet its moral and legal obligation to improve air quality in the Owens Valley. This agreement, once approved, will provide the flexibility and certainty necessary to help us meet that commitment.”

While agreeing to control dust on an expanded area of the lake, the City of Los Angeles will benefit from significant cost savings from using water more efficiently and avoiding additional, more expensive infrastructure upgrades that would have been required absent the agreement. In addition, LADWP will avoid further costly litigation and escalating construction costs that would result from further delay.

According to Great Basin Air Pollution Control Officer, Ted Schade: “We expect that in early 2010, when construction on the additional 12.7 square miles of lake bed is complete, the Owens Valley will attain, or be very close to attaining, the federal particulate matter standard. The proposed agreement provides for the City to promptly move forward with the dust controls necessary to solve the air pollution problem in the Owens Valley, while recognizing that the City’s valuable water resources need to be conserved to the extent possible.”

Under the terms of the negotiated settlement, LADWP will construct dust control measures on an additional 12.7 square miles of the dry Owens Lake bed by April 2010, at an estimated cost of \$105 million. LADWP is on target to complete dust control measures on 29.8 square miles of the lake bed by Dec. 31, 2006, as required by a 2003 State Implementation Plan (SIP). Upon completion of the new project, LADWP will have constructed 43 square miles of dust controls on the lake bed.

The proposed settlement agreement, which is the result of an intensive five-month mediation process between City and District staffs, will result in the dismissal of the City's lawsuit against the District.

The agreement reflects Mayor Villaraigosa's commitment to making Los Angeles the cleanest, greenest and most environmentally responsible city in America. It also demonstrates his administration's commitment to address issues forthrightly and in an environmentally responsible manner. "It shows that when opposing sides sit down and work out their differences, the result is a better, smarter and less costly path that puts the public's interest first," Nahai said.

The agreement also allows LADWP to use a new mitigation method called "moat and row" to prevent wind-blown soil erosion. This new technology will control the wind-blown dust without using any water, avoiding the cost of replacing that water supply for Los Angeles as well as the cost of losing hydroelectric power generation due to reduced flows through the Los Angeles Aqueduct.

The moat and row method works by building rows of berms flanked by ditches to create moats. The moats are designed to capture moving soil particles, while rows will physically shelter the lake bed from the wind. Since this method has not been used previously at Owens Lake, LADWP agreed to conduct a demonstration project prior to full implementation to determine the method's effectiveness.

The settlement, which resolves pending litigation over Great Basin's determination to expand the portion of the lake requiring dust control, calls for the agencies to work cooperatively to bring the Owens Lake area into compliance with the federal Clean Air Act standard for fine dust particles, known as PM10. Wind-blown dust from the dry Owens Lake bed has exceeded the Clean Air Act standard and is one of the most significant sources of air pollution in the southwestern United States.

In addition, under the agreement LADWP and Great Basin will work together to develop the best monitoring processes over the next four years through mediation and assisted by third-party experts and have agreed upon a path for resolving future disputes, should they arise.

The Board of Water and Power Commissioners are scheduled on November 27 in Los Angeles and the Great Basin Board will meet in Independence on December 4 to consider approval of the proposed Settlement Agreement.

###