

FOR IMMEDIATE RELEASE

DATE: October 12, 2012 2:10:04 PM PDT



LOS ANGELES DEPARTMENT OF WATER AND POWER

111 North Hope St., Room 1520, Los Angeles, CA. 90012-5701

Phone (213) 367-1361 - After Hours (213) 367-3227

www.ladwp.com



Federal Lawsuit Seeks to Protect Los Angeles Water Consumers Against Local Regulator's Unlawful Demands in Owens Valley

Local Regulator Flaunts State and Federal Laws Despite the Investment Of \$1.2 Billion by L.A.'S Water Consumers to Control Dust at Owens Lake

LOS ANGELES — The Los Angeles Department of Water and Power ("LADWP"), acting on behalf of Los Angeles water consumers, today filed a federal lawsuit to force the Great Basin Unified Air Pollution Control District ("Great Basin") to halt its systematic and unlawful issuance of water-wasting orders to L.A.'s customers. L.A. water consumers have already spent \$1.2 billion over the past decade to control Owens Lake dust, in compliance with regulations. But recent orders by Great Basin would require LADWP to spend another \$400 million for mitigation of dust that it did not cause. These orders, according to the lawsuit, are in violation of the California State Constitution and federal and state laws and will, unless they are halted, result in the continued waste of billions of gallons of scarce California drinking water.

"Los Angeles water consumers have devoted more than \$1.2 billion over the last decade to control Owens Lake dust," said LADWP General Manager Ron Nichols. "And we have achieved exactly what we agreed to do and were required to do by Great Basin. As we wrap up our obligations, the local regulator moves the goal posts, making up his own interpretation of the law without accountability to even his own board. Great Basin seeks to force L.A. to spend hundreds of millions more to reduce dust that the City did not create -- all while requiring L.A. to fund 90% of his entire agency's operating costs, including staff salaries, pension system and paying his outside lawyers at the rate of \$750 an hour. Enough is enough."

The lawsuit, filed in the United States District Court for the Eastern District of California, alleges, among other causes of action, that Great Basin and its Air Pollution Control Officer, Theodore P. Schade, have:

- Ignored statutory limitations on their authority;
- Acted in an arbitrary and capricious manner;
- Issued orders that originate from an unenforceable legal source;
- Acted to treat Los Angeles water customers differently than any other similarly situated consumers anywhere else in California or the United States;
- Issued orders based on flawed science in an attempt to force Los Angeles consumers to mitigate dust emissions that were not caused by LADWP; and
- Compelled the LADWP to engage in an unconstitutional waste of water, to the detriment of both California's overall water supply and water consumers in the City of Los Angeles.

"The LADWP brought this lawsuit only as an absolute last resort," said Los Angeles Mayor Antonio Villaraigosa. "We have no intent to walk away from our fundamental obligations at Owens Lake. In fact, over recent months, we have been working productively with federal and state officials on a process that would have both protected the environment while saving enormous amounts of water and safeguarding the pocketbooks of Los Angeles ratepayers. Unfortunately, just one agency stood in the way of progress by continuing to issue unreasonable orders on the people of Los Angeles. As a result, we had no choice but to go to court."

LADWP General Manager Ron Nichols concluded: "Great Basin's top official, Mr. Schade, has said publicly that he does not need to pursue other responsible parties or explore innovative solutions because he already has Los Angeles water customers right where he wants them, as 'fish on a hook.' Today, the people of Los Angeles served notice that while we intend to continue to honor our obligations at Owens Lake, our water consumers will no longer be victimized by an unaccountable local regulator."

The lawsuit, along with other relevant materials, can be found at www.ladwp.com/OwensLake.

###

For more information contact:
Joseph Ramallo
LADWP Public Affairs
(213) 367-1361