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Notice of Preparation of an Environmental Impact Report Notice of Public Meeting

Date: June 23, 2015

To: Agencies, Organizations, and Interested Parties

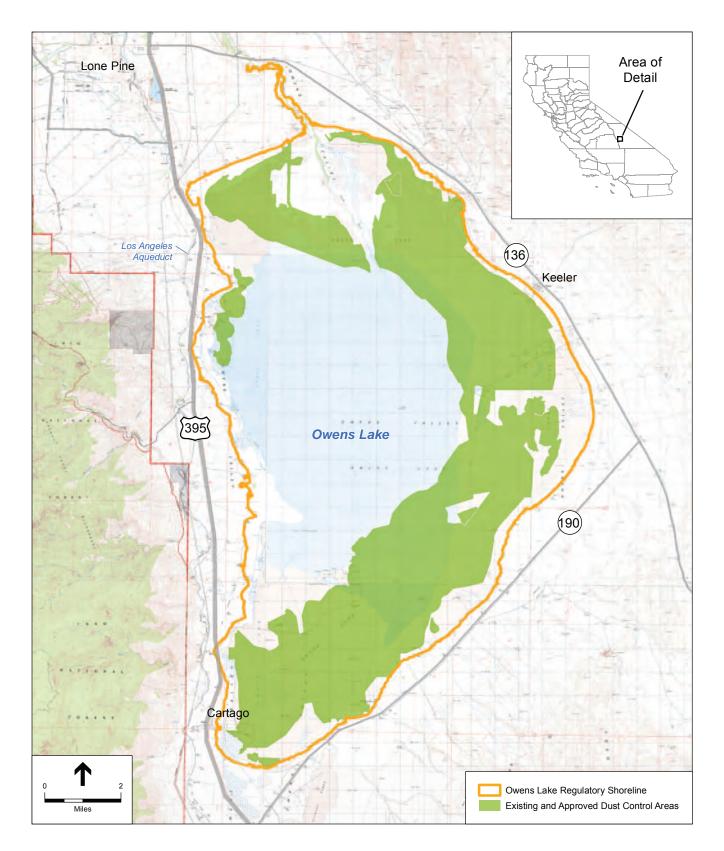
Subject: Notice of Preparation of an Environmental Impact Report and Notice of Public Meetings for the Owens Lake Master Project

This Notice of Preparation (NOP) has been prepared to notify agencies and interested parties that the Los Angeles Department of Water and Power (LADWP), as the Lead Agency, is beginning preparation of an Environmental Impact Report (EIR) pursuant to the California Environmental Quality Act (CEQA) for the proposed Owens Lake Master Project (Master Project or proposed Project).

The LADWP is soliciting the views of interested persons and agencies as to the scope and content of the environmental information to be evaluated in the EIR. In accordance with the CEQA, the LADWP requests that agencies review the Project description provided in this NOP and provide comments on environmental issues related to the statutory responsibilities of the agency. The EIR will be used by the LADWP when considering approval of the proposed Project and by other Responsible and Trustee Agencies to support their discretionary actions related to the Project.

Project Location

The proposed Project would be located at the 110 square mile dry Owens Lake in Inyo County, California, approximately 5 miles south of the community of Lone Pine and approximately 61 miles south of the city of Bishop. Owens Lake is bounded by State Route (SR) 136 to the north and east, SR 190 to the south, and U.S. Highway (U.S.) 395 to the west. The proposed Project location is shown on Figure 1.



Note: An addtional 4.8 square miles of dust control may be required. The locations of these areas are not known at this time. - Owens Lake Master Project NOP . 130500.03 Figure 1 Project Location Owens Lake Master Project Notice Page 3 of 11 June 23, 2015

Project Overview

The LADWP is currently managing the implementation of the Owens Lake Dust Mitigation Program (OLDMP) to reduce emissions of particulate matter less than or equal to 10 microns in diameter (PM10) to meet state and federal air quality standards. The OLDMP is operated in compliance with agreements with the Great Basin Unified Air Pollution Control District (GBUAPCD) under the authority of California Health and Safety Code Section 42316, legal settlement agreements with GBUAPCD, lease agreements for use of state lands (administered by the California State Lands Commission), and other regulatory approvals. For over 12 years, the LADWP has primarily relied on shallow flooding at Owens Lake to control PM10, which has resulted in the use of as much as 80,500 acre-feet of water from the Los Angeles Aqueduct each year for dust control. As part of the Master Project, the LADWP intends to use less aqueduct water for dust suppression at Owens Lake. In doing so, the LADWP can enhance water supply reliability by making aqueduct water available for other beneficial uses.

A total of 48.6 square miles is currently required to be managed for dust control at Owens Lake including existing and approved projects (see Figure 1). In accordance with the 2014 Stipulated Judgment (Stipulated Judgment in the matter of City of Los Angeles v. California Air Resources Board, et al., Case No. 34-2013-80001451-CU-WM-GDS) between the LADWP and the GBUAPCD, the LADWP's responsibility for dust control is limited to a maximum of 53.4 square miles at Owens Lake. At its discretion, the LADWP has proposed the Master Project, which includes modification of existing water-based dust control measures (DCMs), while also planning for the potential need to control dust on an additional 4.8 square miles at Owens Lake.

The proposed Project would modify the design and operation of DCMs, such as shallow flooding, to reduce the amount of aqueduct water applied to the lakebed. As waterbased DCMs are modified to water-efficient or waterless DCMs, habitat that has been created by years of water-based DCMs and supports a variety of shorebirds, waterfowl, and meadow species would be maintained with application of the Habitat Suitability Model (HSM) developed for Owens Lake. In addition, in order to further conserve the amount of aqueduct water used for dust suppression on the lakebed, the LADWP is evaluating the use of groundwater beneath Owens Lake for dust suppression.

The Master Project includes all dust control areas (DCAs) that are now part of the OLDMP, previously known as Phases 1 through 10. This approach allows for integrated

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management of dust and habitat on the lakebed. The Master Project also would support issuance of a master lease from the California State Lands Commission (CSLC) that would allow flexibility in implementing and managing dust control methods.

Project Objectives

The primary and fundamental objective of the Master Project is to develop and implement a flexible, adaptive management approach that reduces water use from the Los Angeles Aqueduct while ensuring that dust control measures at Owens Lake reduce emissions in accordance with applicable laws and lakewide total habitat value is maintained. The Master Project strives to reduce water use from the Los Angeles Aqueduct by at least 50 percent through the strategic use of waterless or water-efficient dust control measures. The Master Project also strives to identify a sustainable amount of groundwater that can be used for dust management at Owens Lake to supplement or offset water from the Los Angeles Aqueduct.

Habitat Suitability Model

The Owens Lake HSM was developed as a tool to quantify, track, and maintain habitat value at Owens Lake. In general, habitat suitability models estimate the ability for a given habitat to support a selected species or species guild, which is a group of species with similar habitat requirements. At Owens Lake, species have been organized into the following guilds: diving waterbirds, breeding waterfowl, migrating waterfowl, breeding shorebirds, migrating shorebirds, and alkali meadow species.

The HSM calculates habitat value for each guild based on multiple parameters believed to be most important to describe habitat, such as water availability, water depth, and salinity. The HSM calculates an indexed value for each guild for each DCA, ranging from 0.0 (low or non-suitable habitat) to 1.0 (highly suitable habitat). The indexed value is multiplied by the acreage of each DCA to produce habitat value-acres for each guild. The HSM parameters can be met by the design and management of DCMs at Owens Lake. As DCM modifications are implemented for the Master Project, the HSM would be used to predict future habitat value for each DCA design and to ensure that lakewide habitat value-acres for each guild would be maintained over time. Implementation of a monitoring plan and adaptive management process also would ensure no net loss of habitat value-acres in the long term.

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Project Components

Dust Control

The Master Project proposes implementation of DCMs on up to 53.4 square miles of the lakebed. Currently, dust control is being implemented through existing or approved projects on 48.6 square miles of the lakebed (Figure 1). In addition, DCMs may be applied to 4.8 square miles of the lakebed, in locations to be determined although anticipated to be adjacent to existing DCAs. The Master Project would modify up to 38 square miles of the lakebed to waterless, water-efficient, or hybrid DCMs. All DCMs implemented on the lakebed must be approved by the GBUAPCD. Best Available Control Measures (BACM) are DCMs that, according to guidance by the U.S. Environmental Protection Agency (USEPA), are technology-based and can help ensure that the federal standard for PM10 will be attained as expeditiously as practicable. There are several DCMs currently designated as BACM for Owens Lake, including Shallow Flood, Managed Vegetation, and Gravel. Table 1 includes a list of dust control methods including BACM that, as (or if) approved by the GBUAPCD, may be implemented at Owens Lake. Over the course of the Master Project, water-intensive shallow flood areas would be modified to DCMs that maintain lakewide total habitat value and reduce water use. In some cases, shallow flood may be converted to multiple DCMs within one DCA, creating hybrid DCMs. Hybrid DCMs blend individual DCMs to achieve required dust control while also optimizing habitat conditions for wildlife guilds at Owens Lake.

Method	E 1-DUST CONTROL METHODS AT OWENS LAKE Description	Waterless or Water- Efficient
Shallow Flood	Shallow flooding consists of releasing water and allowing it to spread, thereby wetting the surface to suppress windborne dust. There are 4 types of Shallow Flood at present on the lakebed: Pond, Lateral, Brine, and Tillage with BACM Back-up which is explained in detail below.	
Shallow Flood – Tillage with BACM Back-up (TwB2)	TwB2 involves roughening of the land surface so that sand motion and dust emissions are suppressed. Roughening can be achieved by a tractor-drawn tillage implement, such as a disk, plow, or rotary hoe. TwB2 must include available water supply and sufficient irrigation infrastructure to re-wet	X

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Method	Description	Waterless or Water- Efficient
	the surface when necessary, which is why it is included within the shallow flood category.	
Irrigated Vegetation	Managed and other irrigated vegetation involves planting irrigated fields of saltgrass and other species native to the Owens Valley which are tolerant of high salt concentrations and drought conditions common on the lakebed. The vegetation cover reduces sand motion and soil erosion to control dust.	
Gravel Cover	This DCM involves covering surfaces with a 2 inch layer of gravel to control PM10 emissions. Gravel is placed on a permeable geotextile fabric for stability.	x
Tillage	Tillage involves the same processes as TwB2 except that portable irrigation equipment would be used for maintenance re-wetting.	X
Engineered Roughness Elements	Using engineered roughness elements involves non-erodible elements (unlike TwB2 or tillage) that create surface roughness and reduce wind erosion, such as sand fences or straw bales.	x
Soil Binders	Soil binders control dust through the application of various substances, usually in solution or emulsion. The applied substances confer stability by binding soil particles into aggregates and/or by hardening surfaces to render them more wind resistant.	X
Concrete Block Mats	Concrete block mats involve covering the surface of the lakebed with flexible concrete block mats. To form the mat, individual concrete blocks are tied together with a high strength polypropylene geogrid or cable systems. The bottom layer is permeable non-woven fabric.	X
Alternative Dust Control Measures Note: Dust control	DCMs may need to be implemented to avoid ground disturbance in some DCAs. This may include vegetation, hydroseeding, surface saturation through natural spring flow, soil binders, and/or engineered roughness elements.	X

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The process of modifying DCMs would be completed through a stepwise approach. There would be approximately 5 steps, and each step would involve modification of 6 to 7 square miles. Each step would take approximately 3 years to complete, and implementation of these steps could overlap.

As the DCAs are modified from water-based to waterless, water-efficient, or hybrid DCMs, lakewide total habitat values would be maintained through implementation of the HSM. The HSM would be used as the basis for design of DCA modifications and the selection of DCAs to include in each step. With implementation of each step, habitat value may increase or decrease locally; however, application of the HSM would ensure that the existing total acreage of habitat value on the entirety of the lakebed is maintained. Adaptive management would be used to address issues related to the maintenance of habitat value.

Groundwater

The Master Project would evaluate adding groundwater to the portfolio of water supplies available for dust management at Owens Lake. Preliminary groundwater model simulations suggest that groundwater may be sustainably pumped from aquifers beneath and around Owens Lake. The LADWP is currently implementing additional studies to determine the viability and sustainability of such potential groundwater production. Data collected from monitoring wells and aquifer tests will help to refine the preliminary estimates of groundwater production. The LADWP is also in the process of developing resource protection criteria and protocols for the protection of groundwater-dependent resources, which include alkali meadow vegetation, seeps and springs, non-LADWP wells, land subsidence, and air quality.

The Master Project proposes to include the installation of groundwater wells at various locations around the lakebed. Wells would be located adjacent to DCAs, or as close as possible to DCAs, to eliminate or minimize the need for conveyance facilities. Groundwater production and well development would proceed according to an adaptive management strategy and the resource protection criteria and protocols for groundwater-dependent resources to avoid adverse impacts.

Public Access and Recreation

As a condition of its leases with the CSLC, the LADWP allows limited public access to Owens Lake. Members of the public are able to use the roads constructed by the LADWP to access areas of Owens Lake that would otherwise be inaccessible. Accordingly, the Master Project proposes new amenities and facilities that would Owens Lake Master Project Notice Page 8 of 11 June 23, 2015

enhance public access and recreational opportunities, including new public viewing areas, informational kiosks, and scenic driving loops.

New public viewing areas would be incorporated into the designs of modified DCAs. The public viewing areas may include informational signage, viewing platforms, shade structures, or vehicle turnouts. Specific locations would be determined during Project design. In addition to the public viewing areas, informational kiosks would be installed around the lakebed. Potential locations include existing entry points at Sulfate Road, the Dirty Socks access road, Lake Minerals/Willow Dip Road, or at Boulder Creek. Kiosks also may be installed at existing visitor overlooks and viewing areas.

The Master Project also proposes identification of up to 3 scenic driving loops around the lakebed. The driving loops would provide a self-guided tour using existing roadways.

Potential Environmental Impacts

In accordance with Section 15126 of the CEQA Guidelines, the EIR will assess the physical changes to the environment that would likely result from construction and operation of the Master Project, including direct, indirect, and cumulative impacts, as well as growth-inducing effects. In accordance with CEQA Guidelines Section 15063 (a), the LADWP has determined that an EIR will clearly be required to satisfy environmental review for the Master Project, and therefore no Initial Study is required. The EIR will analyze all environmental resources required by the CEQA, and will identify mitigation measures if necessary to reduce potentially significant impacts of the proposed Project. The EIR also will discuss alternatives to the proposed Project, including the no project alternative [CEQA Guidelines Section 15126.6 (e)]. The alternatives discussion in the EIR will evaluate alternatives considered as a means for lessening or avoiding any potentially significant environmental impacts of the proposed Project.

The probable environmental effects to be analyzed in the EIR will include, but are not limited to, the following:

Aesthetics

The aesthetic quality of the Owens Lake vicinity is defined by vast areas of desert playa surrounded by the Sierra Nevada to the west, Inyo Mountains to the east, and Coso Range rising to the south. The proposed Project vicinity includes a middle brine pool, alkali meadows, the Owens River delta, and the existing dust control system-managed

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vegetation, shallow flooding, tilled lands, and an internal roadway network. The proposed Project would alter the visual character of the lakebed and surrounding area by modifying the existing condition on the lakebed to include a variety of dust control methods. The EIR will evaluate the potential for the proposed Project to impact aesthetic resources, including visual character, scenic vistas, and new sources of light and glare.

Air Quality

Construction of the proposed Project would generate emissions from construction equipment exhaust, earth movement, construction workers' commutes, and material hauling. The EIR will estimate construction related emissions and long-term operational emissions of the proposed Project. The proposed Project is located within the jurisdiction of the GBUAPCD, which has been designated by the state and USEPA as a non-attainment area for the state and federal 24 hour average PM10 standards. The EIR will analyze consistency with GBUAPCD policies and attainment levels.

Biological Resources

Use of water and vegetation for dust control has resulted in the use of the lakebed by many wildlife species, including invertebrates and birds, primarily waterfowl, avocets, sandpipers, plovers, and gulls. The EIR will evaluate the potential for the proposed Project to impact biological resources, such as sensitive species, wetlands, and critical habitats, and will evaluate the Project's consistency with local ordinances, and state and federal regulations governing biological resources.

Cultural Resources

Prehistoric and historic cultural resources have been previously identified on Owens Lake. Construction of the proposed Project may include earthwork in areas or at depths not previously disturbed, which could potentially uncover previously unknown archaeological or paleontological resources. Historic resources also may exist in the area. The EIR will assess the potential effects of the proposed Project on cultural resources.

Greenhouse Gas Emissions

Construction activities would require operation of equipment and vehicles that emit greenhouse gases (GHGs). The EIR will quantify GHG emissions associated with Project construction and operation in terms of carbon dioxide equivalent (CO2e)

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emissions and compare Project emissions to regional thresholds of significance. The analysis will consider the collective size of Project facilities with respect to levels of CO2e emissions and the energy efficiency parameters of the proposed Project.

Hydrology, Groundwater, and Water Quality

The EIR will identify surface water resources in the vicinity of Owens Lake and will evaluate potential impacts posed by the proposed Project during construction and operation. The LADWP proposes use of groundwater to supply part of the water demand for the dust mitigation component of the Project. The EIR will describe the potential groundwater production capacities and evaluate potential impacts to groundwater-dependent resources associated with extraction activities at the lakebed. Cumulative impacts of operating the groundwater component of the proposed Project will include an assessment of incremental impacts to groundwater when considered together with operation of neighboring groundwater wells. The EIR also will describe potential impacts associated with storm water runoff.

Transportation and Traffic

Construction of the proposed Project may temporarily add vehicle trips to local transportation corridors, including material haul trips and construction worker commutes. The EIR will evaluate the impact of the proposed Project on traffic and circulation in the vicinity of Owens Lake and local and regional roadways.

The environmental effects to other resources included in Appendices F and G of the CEQA Guidelines will be considered in the EIR. The level of detail of the analysis will be commensurate with the significance of impacts as determined for each resource.

Notice of Public Meeting

Two public meetings will be held to solicit input regarding the scope and content of the environmental information to be included in the EIR. Agency representatives and members of the public interested in the Project are welcome to attend. The meetings will be:

July 15, 2015 3:00 to 5:00 p.m. LADWP Multi-Purpose Room 300 Mandich Street Bishop, California 93514 Owens Lake Master Project Notice Page 11 of 11 June 23, 2015

> July 22, 2015 6:00 to 8:00 p.m. Statham Hall 138 Jackson Street Lone Pine, California 93545

Public Review Period

The LADWP invites the views of your agency regarding the scope and content of the environmental information to be included in the EIR, relevant to your agency's statutory responsibilities in connection with the proposed Project. Responsible and Trustee Agencies may need to use the EIR when considering permits or other discretionary approvals your agency may issue for the proposed Project.

To provide greater opportunity for input on the scope of the EIR, this NOP is being circulated an additional 15 days beyond the 30-day comment period required by the CEQA Guidelines, for a total of 45 days. Your comments must be received by 5:00 p.m. on **August 7, 2015**. Please indicate a contact name and return address in your comments, and submit your comments to:

Ms. Julie Van Wagner Los Angeles Department of Water and Power 111 North Hope Street, Room 1044 Los Angeles, California 90012 Julie.VanWagner@ladwp.com

Please check the LADWP project website page, <u>http://www.ladwp.com/envnotices</u>, for copies of this NOP and to confirm the meeting time and date. If you require additional information regarding this notice, please contact Ms. Julie Van Wagner at (213) 367-5295 or <u>Julie.VanWagner@ladwp.com</u>.

Sincerely,

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Charles C. Holloway Manager of Environmental Planning and Assessment