

**COUNTY OF INYO  
WATER DEPARTMENT**

**November 5, 2013**

Subject: Fact Sheet Concerning Arbitration Decision in LADWP/Inyo County Dispute

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On October 21, 2013, a three-member arbitration panel released a 14 page decision in a dispute between Inyo County (County) and the City of Los Angeles Department of Water and Power (LADWP) over whether LADWP's groundwater pumping and surface water management practices have adversely affected vegetation in an area of approximately 330 acres in the Blackrock area of the Owens Valley. The unanimous decision by the panel found that the County followed the proper procedures in prosecuting the dispute and that a measurable change and decrease in vegetation in the affected area has occurred. The panel has retained jurisdiction to determine whether the changes and decreases were caused by LADWP's actions and whether the changes and decreases are significant.

The dispute was commenced by the County in 2012 as provided in a 1991 Agreement between the County and LADWP which ended more than two decades of litigation between the two entities over the environmental impacts of LADWP's water exports from the Owens Valley. That agreement requires LADWP to manage its groundwater pumping and other activities to maintain vegetation conditions as they existed during a 1984 to 1987 baseline period. The agreement provides that if there is a measureable change or decrease in such conditions that is significant and attributable to LADWP's activities, LADWP must mitigate the impact.

In the decision, the panel rejected LADWP's contentions that the panel had no jurisdiction to hear the dispute because the County had failed to follow the applicable procedures of the agreement, that the agreement's baseline vegetation conditions are not required to be maintained and that the impacts identified by the County had already been mitigated. The panel also found that LADWP had failed to engage in the dispute resolution process as required by the 1991 agreement and had failed to introduce evidence to rebut the County's contentions that the impacts are significant and attributable to LADWP's activities.

The decision requires LADWP to submit a report by December 18, 2013 addressing the issues of whether LADWP's pumping operations and/or surface water management practices have had a "significant" and "attributable" impact upon the vegetation. The County has until February 14, 2014 to file a response. If the two issues are not resolved, the panel is expected to decide the issues early next year. Once the panel issues a final decision, under the 1991 agreement, either party may submit the issues in dispute to the Inyo County Superior Court for a final resolution. If the issues are not submitted to the Superior Court, the final decision of the panel is binding.

Copies of the panel's decision, a summary of decision and the briefs filed in the dispute are available on the Inyo County Water Department's website: [www.inyowater.org](http://www.inyowater.org).