



May 2, 2022

Joseph S. Joswiak, MBA  
Chief Financial Officer  
Chino Basin Watermaster  
9641 San Bernardino Road  
Rancho Cucamonga, CA 91730



**Chino Basin Watermaster, Fiscal Year 2022/23 Draft Budget**

Dear Mr. Joswiak:

The Cities of Ontario (Ontario) and Chino (Chino) and Monte Vista Water District (MVWD) appreciate the opportunity to review and provide input on the Watermaster Fiscal Year (FY) 2022/23 Draft Budget.

The proposed FY 2022/23 budget includes scoping items related to implementation of projects included in the Optimum Basin Management Program (OBMP) 2020 Update Report, which was completed and adopted by the Watermaster Board on October 22, 2020. During the process of Watermaster developing the OBMP Update Report, with input from the Parties, it was understood that the next steps for implementation would require agreement by the Parties. This was confirmed by Watermaster's Summary of Engineering Services and Costs for the Budget: "Furthermore, to implement the 2020 OBMP Update, the parties must update the 2000 OBMP Implementation Plan and amend the Peace Agreement." Under Section 10.14, amendments to the Peace Agreement require unanimous consent. With that in mind, it was understood that this agreement must be completed prior to any further OBMP related work, in line with past practice. If Watermaster intends otherwise, please provide justification.

Watermaster initiated a process to facilitate an update to the OBMP Implementation Plan (IP) through an amendment to the Peace Agreement. A Drafting Session Orientation was held on March 2, 2020, and the first OBMP IP Drafting Session was held on March 16, 2020. The process was put on hold after the first working meeting and has yet to resume.

The proposed scope of work totals \$276,799 for environmental review and other technical work (account 6906.26) along with \$126,200 for legal support (account 6907.45). Watermaster staff has repeatedly stated that this work is discretionary. Further, CEQA review, and Watermaster expense to support it, is not warranted prior to an agreement on the Implementation Plan and Peace Agreement Amendment. While the parties to the Peace Agreement sanctioned CEQA review of the then-agreed-to project elements, CEQA authorization under Section 2.2 of that Agreement does not extend to future projects to which agreement has not been reached. Watermaster's own

discretionary activities to develop an optimum basin management program, as part of the Judgment's physical solution, are not subject to CEQA review and hence is not a justification for such expense.

While the Parties could all agree to proceed with this scope of work, Ontario, Chino, and MVWD believe a better approach is to reconvene the IP drafting process in advance of any additional scoping and budget. This will allow the Parties responsible for implementation to first develop the scope of implementation and negotiate an amendment to the Peace Agreement, then study the environmental impacts as needed. This process is in line with what Watermaster stakeholders have already committed to complete – an agreement for the implementation.

Ontario, Chino, and MVWD are also seeking clarification from Watermaster whether it intends to implement the budgeted discretionary work either upon a simple majority budget approval of the Advisory Committee or upon approval by all Parties. If the former, please provide a legal explanation of Watermaster's authority to impose this onto the Parties to the Peace Agreement.

Thank you for your time and consideration.

Sincerely,



Courtney Jones  
City of Ontario Water Resources and Regulatory Affairs Director



Justin Scott-Coe  
Monte Vista Water District General Manager



Dave Crosley  
City of Chino Utilities Engineering and Operations Manager

cc: Peter Kavounas, General Manager, Chino Basin Watermaster

Eduardo Espinoza, Chair, Appropriative Pool Committee