

April 23, 2021

Board of Directors Three Valleys Municipal Water District 1021 E. Miramar Avenue, Claremont, CA 91711

Re: Rejecting Bob Kuhn's Unprovoked, Unnecessary & Bizarre "Hold Harmless" Comment

Members of the Board:

We write to respond to, and reject, President Bob Kuhn's bizarre comments to National Parks Conservation Association and Sierra Club during public comment. Unprovoked, Chair Kuhn asked public commenters about considering his idea for "hold harmless" agreement, which he did not describe at first but then conceded he was asking NPCA and the Sierra Club to assume any supposed resulting liability from Three Valleys exiting the corrupted Bonanza Springs Study.

We reject President Kuhn's proposal as both unnecessary and inappropriate. In fact, his comments raise more concerns about the District's commitment to transparency and accountability.

First, as is well known, the District has an express contract provision allowing it to *unilaterally terminate* the agreement to conduct this study. This fact is uncontroverted. It appears President Kuhn and study supporters are manufacturing threats of clearly frivolous lawsuits against the District from study supporters in order to pressure fellow Board Members to not act against the corrupted, biased study process.

Second, as recently revealed, your contractor Anthony Brown did not complete the activities in the Board approved February 2020 Task Order by the March 30, 2021 deadline. The authorization for work expired on its own terms that day. This fact is also uncontroverted, and the Board should immediately make clear to all parties that no further work is authorized unless and until the Board votes to approve continuation of the study.

The apparent scare-tactic claims of litigation exposure by President Kuhn and study supporters are clearly not legitimate, but for the sake of argument, let us discuss them, because President Kuhn's comments raise substantial questions and concerns about District governance.

Did President Kuhn preside over the District's signing a contract in February 2020 with an express termination exit clause that he – and study supporters – apparently argue the District cannot exercise or it will be sued? If so, this leads to one of these conclusions: 1) President Kuhn intentionally set up a contract with a termination exit clause that he knew could not be exercised, effectively misleading the public and ratepayers; OR, 2) The District failed to do its due diligence on the contract and was fooled into signing a contract that has a termination exit clause that can't be exercised. Either way, this would suggest that not

only have you been forced to accept Cadiz funding to hire Cadiz's hand-picked consultant, but you were also forced into signing a contract that you cannot exit. Either way, that would mean Cadiz has absolute control — and Three Valleys has none — over a study that will always have your name on it.

Fortunately, we think the "no exit" interpretation of the contract is wrong. You can and should terminate your involvement in this study, and you have options on how to go about it.

Thank you,

Neal Desai

Hal Desai

Sr. Program Director, Pacific Region National Parks Conservation Association Chris Clarke

Associate Director, CA Desert Program National Parks Conservation Association