

## POLITICS &amp; GOVERNMENT

## Diablo Grande resort in Stanislaus County fears water could be shut off to homes

By Ken Carlson

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Residents and officials of the Diablo Grande community on Stanislaus County's West Side say water to their homes could be cut off and they're appealing to local and state agencies for help with the crisis.

A week ago, the Kern County Water Agency near Bakersfield issued a termination notice to [Western Hills Water District](#) that could stop delivery of water for Diablo Grande for nonpayment, effective June 30. Western Hills provides the water service to the 600 homes at Diablo Grande, which is in the hills southwest of Patterson.

"This alarming situation threatens the health, safety and basic living conditions of hundreds of families," the newly formed Diablo Grande Community Action Committee said in a statement over the weekend.



The Western Hills Water District board outlined the crisis to residents who attended a special meeting Saturday. The most pressing concern is finding another source of water for the community and its 1,300 residents.

Western Hills is reaching out to the Stanislaus County Board of Supervisors, the county chief executive officer, state representatives and others asking for financial and other assistance, board members said. The district owes more than \$13 million to the [Kern water](#) agency.

Mark Kovich, Western Hills' board president, said at Saturday's meeting that the district is a "hand-to-mouth" operation losing \$150,000 to \$200,000 a month and expects operations to be \$2.26 million in the red this year. Board members told community members they need to work collectively on a solution.

County Supervisor Channce Condit, whose district includes Diablo Grande, set up a Monday afternoon Zoom meeting, inviting Modesto and Turlock irrigation districts, Del Puerto Water District, West Stanislaus Irrigation District and other entities to discuss any possible solutions.

Diablo Grande's original developer, Donald Panoz, and World International, which bought the project [out of bankruptcy](#) in 2008, formerly subsidized water and sewer service for the golf resort community as attempts were made to develop the large real estate project. But World International sold the debt-ridden development to another developer for a nominal amount in 2020. The new developer didn't pay the bills and defaulted [on property taxes](#).

According to Western Hills, an agreement prior to year 2000 has required the district to purchase 8,000 acre-feet of water annually from Kern Water Agency, but Diablo Grande uses only 400 acre-feet a year.

Originally, the water purchase agreement was scaled for development of a 29,000-acre resort with 5,000 homes and six golf courses. Only 600 homes were ever built at Diablo Grande, around two golf courses that [were closed](#) in 2014 and 2019.

Western Hills officials hope to find another source of purchased water that could be taken out of the nearby California Aqueduct, as is done with the water from Kern. The district also is investigating access to groundwater, including records of test wells decades ago that probed the foothills for water.



The Kern County Water Agency, the water source for Diablo Grande, was created by the state Legislature in 1961 as a contracting entity for the massive State Water Project. Kovich said the Western Hills contract for 8,000 acre-feet per year helps pay for operation of State Water Project reservoirs and canals. Because Western Hills has not been making payments for the water, the Kern agency is paying the district's obligation.

"We are getting together with stakeholders and we are all coming together to find a fix, some alternative to the current situation they are facing," Condit said. He added that both public and private partners are involved with the discussion.

County Supervisor Terry Withrow said the county is willing to assist the unincorporated community. "I know we are working hard to get everyone involved," Withrow said Monday. "We knew they had a problem but I never realized it had gone this far. We have all hands on deck trying to figure it out."

Withrow said state representatives would be involved with Monday's conference call. "I can't imagine their water would be cut off. You can't just turn the water off. This has been a problem for a long time and it just came to a head," Withrow said.

Debbie Antigua of the community action committee said the emergency is stressful for the households at Diablo Grande. "We have a community of over 600 households that have no idea what is going to happen," Antigua said. "We are trying to get as many people to reach out to public officials so they understand the situation."

## Developers made promises they didn't keep, resident says

She said the resort community is not just millionaires — the majority are people who worked to buy a house in a decent area. A 51-page court complaint filed by Western Hills details how developers made promises to build out the resort and cover costs and then they bailed, Antigua said.

She added that the district, going back to 2001, has been billed for far more water than is used at Diablo Grande. "We don't use near that much but (the district) had to agree to that back in those days," Antigua said.

At Saturday's meeting, the Western Hills board disclosed other facts about Diablo Grande's situation.

- World International stopped paying for subsidized water and sewer service, Mello-Roos assessments and county property taxes in 2019.
- Western Hills needs to resolve \$3.7 million in unpaid sewer bills to Patterson.
- An additional 1,500 homes would create enough customers for self-supporting water and sewer services at Diablo Grande.

- If water is not cut off, enough capacity exists for an additional 120 homes, but a new storage tank and completion of a treatment plant is necessary for more residential growth.
- Almost 120 Western Hills customers are behind on their water service bills, owing \$236,540.

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