

April 21, 2025

Lauren Bauer – Water Resources Manager Kern County Water Agency 3200 Rio Miranda Drive Bakersfield, CA 93308

Dear Ms. Bauer:

I am writing to provide an update regarding KCWA's request for the District to agree to the Agency's proposed termination of our water transfer agreement. I also wish to outline the current efforts the District is undertaking to address our financial obligations and secure a sustainable water supply.

On April 19th, the District held a special meeting in which I presented a detailed overview of our pressing financial challenges and the solutions currently being explored. I communicated clearly to our constituents that a formal rate study is underway, and a significant rate increase is imminent. This study is scheduled to be completed and presented on May 10th; at which time the Board will vote on the proposed rate increase.

During this meeting, I emphasized to the public the urgent need to raise funds through both a special assessment and an increase in monthly rates. We are hopeful that this influx of revenue will demonstrate to your Agency a good faith effort on the District's part—both through the immediate funds generated by the special assessment and the recurring contributions from the monthly rate adjustments. We therefore request an extension of the June 30th suspension of water delivery, providing us sufficient time to secure a replacement water source.

To that end, the District is actively engaged in discussions with the Patterson Irrigation District (PID) regarding supply from the San Joaquin River and hope to have a signed MOU in the coming weeks. PID holds senior water rights dating back to 1914, and its Board has expressed willingness to support our District. However, the logistical aspects—including the installation of a 5,000-foot pipeline and navigating environmental, engineering, and permitting processes that will require approximately 12 months to complete.

We are also working closely with Stanislaus County officials, meeting multiple times each week to explore additional solutions. Assemblymember Juan Alanis is assisting us in meeting with the California State Water Resources Control Board to explore potential state-level support, and we are meeting with Governor Newsom's staff regarding state financial support to help alleviate our predicament.

We are acutely aware that the termination letter issued by your Agency has garnered significant public attention and concern, prompting outreach to various state and local entities, including your own. Please be assured that we take this matter with the utmost seriousness and are pursuing every possible avenue to address our debts and secure the District's future.

In light of the ongoing efforts described above, we respectfully request an extension of at least 12 months to finalize and collect on our rate increase, solidify a path forward with PID, and continue working with our government agency partners. We acknowledge the gravity of the June 30th suspension date and are committed to resolving this matter in earnest. We would like to consider KCWA's termination contract with an effective date of June 30, 2026, if that would be acceptable to KCWA under these extraordinary circumstances.

Thank you for your continued understanding. I remain available at any time should you wish to discuss this matter further.

Mark Kovich

President, WHWD Board of Directors