



NOTICE OF PROPOSED RATE INCREASE FOR WESTERN HILLS WATER DISTRICT CUSTOMERS

PUBLIC HEARING NOTICE

DATE: June 28, 2025 **TIME:** 12:00 PM

LOCATION: 9521 Morton Davis Drive, Diablo Grande, CA 95363

VIRTUAL VIA ZOOM: <https://us02web.zoom.us/j/83131078699>

PROPOSED RATE INCREASE FOR WATER SERVICES

Western Hills Water District (“WHWD”) is proposing a water rate adjustment to help meet the ongoing operational costs and shortfalls associated with the delayed build-out of the Diablo Grande development and the resulting need to secure an alternative supply of water. You are receiving this notice in compliance with Proposition 218, which requires WHWD to inform property owners and tenants that receive their water from WHWD that a proposed rate increase is being considered; the amount of the proposed rate adjustment; the basis on which the rates are calculated; and the reasons for the adjustment.

ABOUT WESTERN HILLS WATER DISTRICT

WHWD serves treated drinking water to a population of approximately 1800 residents of the Diablo Grande residential development in Stanislaus County, California. WHWD is comprised of 602 water connections, nearly all of which are residential connections. WHWD’s water supply is currently provided by the California Water Project’s aqueduct system under contract with the Kern County Water Agency. It is anticipated that the water supply contract may be terminated shortly, and therefore a new supply of water and possibly additional water supply infrastructure must be provided to the ratepayers of WHWD to avoid the loss of water service.

WHWD is governed by a five-member Board of Directors. Each Director is an unpaid volunteer and registered voter within Diablo Grande. Directors are elected to staggered four-year terms. The WHWD Board of Directors regularly meets on the second Thursday of each month, excluding special meetings. WHWD Board of Directors meetings begin at 7:00 pm and are held at the Diablo Grande Community Center at 9521 Morton Davis Drive, Diablo Grande, CA.

PROPOSED RATE ADJUSTMENTS: REASON AND AMOUNT

WHWD’s current water supply contract may be terminated in the coming weeks or months by the Kern County Water Agency. WHWD is actively seeking water suppliers. Any new water supply contract will alter the price that WHWD pays for water and will require additional infrastructure spending to make the necessary connections to provide WHWD’s ratepayers an affordable, stable water supply for years to come.

In anticipation of these changes, WHWD commissioned a 2025 Comprehensive Water Rate Study (“Rate Study”), which provides a detailed review of WHWD’s costs to serve its customers, and the

rates needed to support the continued provision of safe, high-quality, and reliable water service under the new water supply contract. The Rate Study, prepared by a qualified engineer and the engineering firm Jim Miller of Kier+Wright, includes an in-depth look at current and projected revenues, operation and maintenance costs, capital spending, and reserves.

The Rate Study is available for public download at: https://whwd.org/wp-content/uploads/2025/05/WHWD_RateStudy_051025.pdf.

The Rate Study found that WHWD's current income is not appropriately balanced with its current and anticipated expenses and so the Rate Study recommends that WHWD apply annual rate increases: \$568.51 per month for the first year, as specifically described in the Rate Study. If approved by the WHWD Board of Directors, the proposed adjustments will take effect on July 1, 2025.

PUBLIC HEARING

Prior to adopting the Rate Study and rate increases, WHWD's Board of Directors will hold a public hearing to receive input from customers and consider the Rate Study's recommendation to adjust water service rates and connection fees in calendar years 2025 through 2030. All owners and tenants of property and users receiving WHWD water service and all interested persons are invited to attend the public hearing to make comments regarding the proposed water rate adjustments.

The Public Hearing will take place on Saturday, June 28, at 12:00 PM at the Diablo Grande Clubhouse/Community Center at 9521 Morton Davis Drive, Diablo Grande, CA 95363.

Written protests must be received by WHWD prior to the close of the Public Hearing in order to be considered valid and to be counted in the protest tabulation. For more information about the Rate Study, its recommendations, or how to provide input, please visit the WHWD website or call the WHWD office at (209) 895-9493.

WRITTEN PROTESTS

If you wish to file a written protest, please mail a protest in a sealed envelope addressed to "Water Rates, Western Hills Water District, 9501 Morton Davis Drive, Diablo Grande, CA 95363, or hand deliver to the physical Dropbox at that location. Any record owner of a parcel upon which the water charges are proposed to be imposed or any tenant directly liable for the payment of water charges (i.e., a customer of record who is not a property owner) may submit a written protest; however, only one protest will be counted per identified parcel. Any written protest must: (1) state that the identified property owner or tenant is opposed to the proposed water rate adjustments and increases; (2) provide the location of the identified parcel (by Assessor's Parcel Number); and (3) include the name and original signature of the property owner or tenant submitting the protest. Western Hills Water District must receive your protest at or before the time set for the Public Hearing. If the property owner signing the protest is not shown on the last equalized assessment roll of Stanislaus County as the owner of the parcel(s), then the protest must include written evidence that such party is the record owner of the parcel.

Protests submitted by email or other means will not be counted. Only one written protest per identified parcel will be counted.