

Public Board Meeting Presentation

May 28th 2026



Settlement Agreement

- The existing \$14 million obligation between WHWD and KCWA will be erased and will serve as consideration to resolve the outstanding dispute.
- WHWD will no longer be required to purchase a fixed amount of 8,000 acre-feet of water annually. Instead, wholesale water purchases will be based on the District's actual water usage needs.
- The agreement will provide WHWD with the option to purchase additional water in the future should further community development occur.
- KCWA will provide a dry year, emergency water supply to WHWD, if necessary, for at least five years, and WHWD will have the ability to purchase additional water supplies, when available, to build up a further reserve, dry year water supply for WHWD for later years



Thank you!

- Special Legal Counsel Colin Pearce
- District Legal Counsel John Lemmo
- Special Consultant Anthea Hansen
- The Residents of Diablo Grande!



Water Rates

- The WHWD/KCWA Contract will need to be signed
- A new rate study will need to be done
- All WHWD customers must pay their water bill
- WHWD needs more customers
- WHWD needs to win our lawsuits
- The District still has many financial obligations
 - Debt to the 2024 DG Pkwy pipeline repair
 - Guarantee payment to KCWA
 - **Need to build a financial reserve**
 - Treatment facility maintenance and repairs
 - New vehicles
 - Inflationary Pressures



The Financial Facts

The simple math in running the District

1. Operating the District is going to cost \$200,000 per month
2. This does not include the total cost of our wholesale water supply!
3. $\$200,000 \text{ per month} / 500 \text{ paying customers} = \$400 \text{ Total average monthly bill}$
4. $\$200,000 \text{ per month} / 595 \text{ paying customers} = \$336 \text{ Total average monthly bill}$
5. **Long Term Rate Study Dependent!**



HARD WORK. CLEAR FOCUS. STRONGER FUTURE.



Restoring our Water District to financial and operational health

We're focused on what matters—delivering reliable water and building a stronger future for our community.

WHERE WE WERE



Financial Challenges

Rising costs, limited revenue, increasing debt



Aging Infrastructure

Frequent leaks, main breaks and service disruptions



Community Impact

Service issues, water quality concerns, growing frustration

THE WORK WE'RE DOING



FINANCIAL DISCIPLINE

Stronger budgeting, cost control and responsible planning



INFRASTRUCTURE INVESTMENT

Replacing aging pipes, upgrading systems and improving reliability



OPERATIONAL EXCELLENCE

Better processes, technology and accountability



COMMUNICATION & ENGAGEMENT

Keeping our community informed and involved every step of the way



FINANCIAL HEALTH

Stronger finances and a sustainable future



RELIABLE SERVICE

Fewer breaks, better water, stronger systems



STRONGER COMMUNITY

Safe, reliable water and a better quality of life for all

