



May 28, 2026

Public Service Announcement

Western Hills Water District Water Supply Agreement Update

To All Western Hills Water District Customers,

The Western Hills Water District (WHWD) is pleased to inform the community that the District and the Kern County Water Agency (KCWA) have reached a settlement regarding the long-standing water supply contract dispute. While the formal contract documents are still being finalized for signature by both parties, a binding agreement in principle has been reached on several important matters that will positively impact the District and its customers. The May 31 deadline set previously by KCWA has been satisfied and there is no longer any threat or risk of an interruption of water deliveries by KCWA.

The agreement includes the following key provisions:

1. The existing \$14 million obligation between WHWD and KCWA will be erased and will serve as consideration to resolve the outstanding dispute.
2. 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.
3. The agreement will provide WHWD with the option to purchase additional water in the future should further community development occur.
4. 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.

This agreement represents an important step forward for the District after many years of negotiations and challenges. The WHWD Board believes the terms of the agreement are fair, responsible, and beneficial to both the District and the community it serves.

As a result of these changes, the Board intends to evaluate potential reductions to customer water rates. However, it is important for customers to understand that any reductions are expected to be modest. The District continues to face significant financial responsibilities, including infrastructure maintenance, operational costs, capital improvements, and the need to rebuild financial reserves to ensure long-term water reliability and stability.

Additionally, inflationary pressures continue to affect the cost of operating the District, and delinquent accounts also impact the overall financial structure necessary to provide reliable service to all customers. WHWD remains committed to operating in a fiscally responsible manner while maintaining safe and dependable water service for the community.

The Board also continues to pursue ongoing litigation involving the former developers and owners associated with Diablo Grande. While legal proceedings can move slowly, the District remains committed to protecting the interests of WHWD and its customers.

We encourage all customers to remain engaged and informed by attending WHWD Board meetings or contacting the District directly with questions or concerns. Transparency and communication with our community remain a priority.

The Western Hills Water District appreciates the continued patience, support, and cooperation of its customers as we work toward a more stable and sustainable future for the community.

Respectfully,

Mark Kovich – Homeowner/Resident/Volunteer
Board President
Western Hills Water District