

POLITICS & GOVERNMENT

Water deliveries will continue to Diablo Grande resort in western Stanislaus County

By Ken Carlson

Updated May 29, 2026 12:36 PM  Gift Article



Diablo Grande, the gated community west of Patterson, Calif. is pictured on Thursday Sept. 6, 2018. This area is along Diablo Grande Parkway near Pinot Noir Drive. Joan Barnett Lee jlee@modbee.com

The Western Hills Water District said it's reached an agreement with the Kern County Water Agency to continue water deliveries to the Diablo Grande community in western Stanislaus County and also erase a \$14 million debt.

A joint news release Thursday said the two entities have a framework for an agreement, which will relieve [the debt burden](#) on Western Hills and allow the district to purchase water annually for the 600 homes at Diablo Grande southwest of Patterson.

Earlier this year, the [Kern County agency](#) (KCWA) had announced the agencies were not close to agreement over \$14 million in unpaid water transfer charges. Kern threatened to stop water deliveries to Diablo Grande as of May 31 if an agreement was not reached.

Diablo Grande residents were informed in a recent Nextdoor post there ^xwas no threat of a water service suspension, and a district board meeting was held Thursday evening to update community residents.

"First and foremost, the \$14 million we owe is going to be erased," said Mark Kovich,

Western Hills board president.

The district no longer will be required to buy 8,000 acre-feet of water annually; instead, water purchases from Kern will be based on actual usage. The agreement also will provide an option to purchase additional amounts of water if development resumes at the Diablo Grande resort.

Kovich said in the news release that the agreement marks “an important milestone toward achieving long-term certainty, operational stability and continued reliability of water service for the Diablo Grande community.”

Eric Averett, general manager of KCWA, said, “We are pleased with the progress made and look forward to completing the definitive agreement. This agreement reflects the commitment of both agencies to resolve outstanding issues and ensure that Western Hills customers continue to receive uninterrupted water service.”

Western Hills entered a contract years ago with the Kern water agency near Bakersfield to purchase 8,000 acre-feet annually for the Diablo Grande golf course and residential development. But [the project stalled](#) during the nation’s economic upheaval in 2008, after just 600 homes were built.

The Western Hills district stopped making contractual payments to Kern in 2019 and has struggled financially as it continues to operate the water system. The water purchased from Kern County is delivered to Diablo Grande through an elaborate transfer using the California Aqueduct.

The foothills development never used the entire 8,000-acre-foot allocation and the negotiations with Kern partly focused on what happened to the leftover water. Kovich said at Thursday’s meeting that the district is giving the allocation to KCWA in exchange for eliminating the \$14 million in debt.

The majority have paid monthly water bills of \$600 or more after a large increase was approved last year in order to make monthly payments to KCWA and buy time for finding a solution.

Kovich said the district will work on an interim water-rate reduction next month, but it may be fairly modest. The water rates need to cover \$200,000 in monthly operating expenses. The district needs to build up financial reserves. And it needs to prevail in litigation against a former of Diablo Grande developer that neglected financial obligations, Kovich said.

“We have a lot of work cut out for us,” Kovich said.

This story was originally published May 28, 2026 at 6:21 PM.



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