



## FACT SHEET: THE ALLOCATION AND PURCHASE OF WATER FOR DIABLO GRANDE

- WHO:** The non-profit public entity which provides water to the Diablo Grande community is called Western Hills Water District ([www.whwdist.org](http://www.whwdist.org)). Formed in 1992, Western Hills Water District is authorized to provide water, wastewater, storm drainage, and other public services to the more than 5,000 acres identified for development within the approximately 30,000-acre Diablo Grande master-planned community. Western Hills Water District operates the Water Treatment Plant in Diablo Grande under a permit from the state Department of Public Health.
- WHEN:** The current water supply contracts were originally structured and approved by the Stanislaus County Board of Supervisors, the Local Agency Formation Commission (LAFCO), and the Western Hills Water District Board of Directors more than 20 years ago.
- WHAT:** The Surface Water Contract Benefiting Diablo Grande  
In June 2000, Western Hills Water District signed an agreement with Kern County Water Agency to contract for 8,000 acre feet of surface water annually from the State Water Project (via the California Aqueduct) for the Diablo Grande community. This amount of water was determined to be sufficient to meet the annual needs of the total community at build-out, including all current and future homes, recreational facilities and other planned amenities.

The June 2000 agreement between Western Hills Water District and Kern County Water Agency contains key provisions, which include the following:

- The right to 8,000 acre feet of surface water for Diablo Grande is subject to allocations and restrictions imposed by the California Department of Water Resources (DWR) on all State Water Project contractors, including Kern County Water Agency. (DWR is responsible for managing and operating the State Water Project, including the California Aqueduct.)
- Surface water allocations for Western Hills Water District from DWR are based on the projected rainfall and water runoff within the State Water Project watershed.
- Typically, annual surface water allocations for Diablo Grande are initially announced in December for the coming year, with periodic adjustments made until final allocations are determined in May for the remainder of the year.
- **Western Hills Water District is contractually obligated to pay all DWR-allocated costs associated with the delivery of all 8,000 acre feet of surface water – even if DWR announces zero percent (0%) water deliveries to Western Hills Water District due to drought conditions.**

### The Water Banking Agreement Benefiting Diablo Grande

From 2000 to 2007, allocations of surface water to Diablo Grande never fell below 50% for any one year. In 2008 and 2009, allocations of surface water to Diablo Grande fell to 30% and 35%, respectively. During 2009, the Western Hills Water District Board of Directors decided to explore opportunities to obtain better value from the contract with Kern County Water Agency. While Kern County Water Agency strongly resisted any attempt by Western Hills Water District

to market excess water under the current contract, the Agency did allow Western Hills Water District to negotiate a water banking agreement with four member districts of the Kern County Water Agency and the Dudley Ridge Water District (collectively known as the “Westside Districts”) in 2010.

The terms of the 2010 water banking agreement include the following:

- Western Hills Water District agrees to transfer to the Westside Districts only that Kern County Water Agency-contracted water which is in excess of “in-District demands.”
- In return, the Westside Districts agree to pay Western Hills Water District for the excess water transferred to them.
- Plus, the Westside Districts agree to credit Western Hills Water District with 500 acre feet of water in a virtual water “bank account” in any year in which the Westside Districts receives at least 500 acre feet from Western Hills Water District. (The “banked” water is not physically stored for future use; rather it was “credited” via an accounting system.)
- The initial term of the banking agreement is from 2010 to 2019 and will continue, subject to specified termination conditions.

**Through the water banking agreement, water represented by the banked water credits can be purchased by Western Hills Water District when there is need, such as during a drought and other emergencies. However, the water comes at a very high price.**

From 2010 to 2013, Western Hills Water District successfully banked 2,000 acre feet of water which could be purchased in emergency situations when the allocations of surface water to Diablo Grande were insufficient to meet the community’s needs.

#### Diablo Grande and Statewide Drought Conditions

In 2013, Western Hills Water District received notice from DWR that surface water allocations to Diablo Grande for the coming year would be restricted to just 35% of the 8,000 acre feet already purchased by Western Hills Water District. By the end of 2013, the projected allocation of water for 2014 was set at 5% of the 8,000 acre feet purchased by Western Hills Water District for Diablo Grande community use.

Following two years of little rain, 2014 is now on track to becoming the driest year of record in California in the last 100 years. As a result, on January 31, 2014, DWR announced a zero percent (0%) allocation of water to all the State Water Project contractors, including Kern County Water Agency.

**However, as a result of its water banking agreement with the Westside Districts, Western Hills Water District can purchase water from the water bank to meet the minimum water needs of the Diablo Grande community during this time of severe drought.** It should be restated that the banked water is very expensive and is a cost to Western Hills Water District which is in addition the payment Western Hills Water District is contractually obligated to make for the right to 8,000 acre feet of surface water – even if DWR announces zero percent (0%) water deliveries to Western Hills Water District due to drought conditions

**HOW:** **Through pro-active measures taken by the Board of Directors for Western Hills Water District, water will be provided to Diablo Grande this year.** In February 2014, the Western Hills Water District Board made the decision to exercise its banking agreement for 2014. As a result, 400 acre feet of water will be purchased (at a premium price) by Western Hills Water District

for use by the Diablo Grande community. Approximately 200 acre feet will be allocated for residential and community common area use while 200 acre feet will be allocated for golf course use.

#### Drought Measures for Diablo Grande Residents

To help conserve water, Western Hills Water District began implementing water conservation measures in 2013. In January 2014, Western Hills Water District also implemented designated watering days for residential customers. On February 26, 2014, the Western Hills Water District Board of Directors voted to enact mandatory water conservation measures for its customers throughout Diablo Grande, setting a 25% water reduction target for all water users in the community. To date, measures implemented to help conserve water use include the monitoring of meters, water run-off, leaking faucets and faulty sprinklers as well as restrictions on the use of potable water, irrigation of public and private landscaping, pool draining and refilling, and more. Citation, enforcement, and hearings procedures were established by the Board with a system of graduated penalties assessed for each violation cited.

#### Drought Measures for Diablo Grande Golf and Country Club

In an effort to save water, retain shared view sheds and maintain golf course operations, the Diablo Grande community developer has decided to only irrigate The Ranch golf course this year. The Ranch course is essential to residential view sheds, common areas and other “quality of life” amenities and advantages shared by all residents (golfers and non-golfers). **As a result of this action, water will be turned-off to The Legends golf course, effective immediately.** Tournaments and rounds of golf already booked for The Legends will continue until The Legend’s links are no longer playable, currently estimated to be in April-May 2014. Following the closure of The Legends course, scheduled tournaments already on contract for The Legends will have the option to be re-booked for The Ranch course. In addition, the golf course and pro shop staff will remain focused on the grooming, maintenance and management of The Ranch’s fairways, tees, hazards, and greens.

*Information accurate as of 3/2014*