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June 27, 2025

VIA E-MAIL

Mr. Mark Kovich
President, Board of Directors
Western Hills Water District
markkovichwhwd@gmail.com

Re: Kern County Water Agency – Contract to Transfer Water

Dear Mr. Kovich:

As we have discussed, at the March 27, 2025, Kern County Water Agency (Agency) Board of Directors' meeting, Agency staff were given direction to terminate the June 5, 2000 Contract to Transfer Water (Contract) between the Agency and Western Hills Water District (WHWD) as the Agency cannot continue to incur the costs of supplying water to WHWD without payment. By letters to WHWD dated April 2 and May 28, 2025, the Agency agreed to continue to provide water to WHWD through June 30, 2025. In its May 28, 2025 letter, the Agency also limited WHWD ongoing water usage to the California Department of Water Resources' Human Health and Safety (HH&S) cap of 55 gallons per capita per day.

By letter dated June 12, 2025, WHWD requested an unconditional extension of the water supply for 60 to 90 days and renegotiation of the Contract. At the June 26, 2025 Agency Board of Directors' meeting, the Agency Board gave direction to continue to supply water to WHWD through September 30, 2025 to allow WHWD to develop an alternate supply. Deliveries through September are not contingent upon the rate increase; however, WHWD must continue to limit its water use to the HH&S cap of 55 gallons per capita per day. Pursuant to the Agency's May 28, 2025 letter, if the proposed rate increase is successful and WHWD begins to make monthly payments to the Agency for administrative and variable costs, the Agency will continue to supply water to WHWD through December 31, 2025.

To protect the economic interests of its constituents, the Agency will not renegotiate the Contract. Please let me know if you have any questions regarding this matter and the Agency's course of action.

Sincerely,

A handwritten signature in blue ink that reads "Lauren Bauer".

Lauren Bauer
Water Resources Manager

Phone No. (661) 634-1400

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