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Searles Valley Minerals Sues to Protect Historic Groundwater Rights Precedent Setting Litigation Demonstrates the Devastating Impacts of a Local Groundwater Authority's Unreasonable Plan to Comply with California's Sustainable Groundwater Management Act

Trona, CA — Searles Valley Minerals, the largest employer in the Searles Valley, filed a [lawsuit yesterday in the Kern County Superior Court](#) against the Indian Wells Valley Groundwater Authority (Authority) to protect its groundwater rights in the Indian Wells Valley Groundwater Basin (Basin), and to stop the collection of an illegal and unfair “groundwater replenishment fee” and a tax disguised as an “extraction fee.” The unprecedented and exorbitant new fees would increase the company’s water costs by 7,000 percent or \$6 million per year – pushing Searles Valley Minerals out of business after more than 140 years of operation and threatening the livelihood of the company’s 700 employees.

This lawsuit has the potential to be landmark litigation with consequences for any California business with historic water rights as new groundwater authorities throughout the state consider how best to implement the 2014 Sustainable Groundwater Management Act (SGMA).

Searles Valley Minerals’ 90-year-old water rights are the most senior in the Basin. The Authority’s decision to single out the company with this hefty new “replenishment fee” while inexplicably leaving other groundwater users in the Basin untouched – such as the Naval Air Weapons Station China Lake – represents an arbitrary and illegal taking of Searles Valley Minerals’ water rights. Moreover, all domestic and municipal activities for the disadvantaged Trona communities are supplied by groundwater that Searles Valley Minerals pumps from the Basin. The economic impacts of the Authority’s new fee would devastate these communities.

“Searles is a pillar of the Trona and Ridgecrest communities, providing jobs and economic benefits to these communities since we were founded in 1873,” **said Burnell Blanchard, Vice President of Operations for Searles Valley Minerals.** “We’ve maintained our workforce through natural disasters, a global pandemic and the subsequent economic crisis. Now, we face the threat of closing our doors and putting hundreds of people out of work because the Authority has refused to recognize our long-established groundwater rights.”

SGMA requires the establishment of local Groundwater Sustainability Agencies to help balance the state’s over-drafted groundwater basins. As a result, the Indian Wells Valley Groundwater Authority was created and by law must develop and implement a plan to sustainably manage the region’s limited groundwater resources by 2040.

The Authority’s “sustainable” groundwater management plan is anything but sustainable – it’s a significant new burden on a select few groundwater users that will push many entirely out of operation without any regard to existing water rights.

“This litigation is about far more than one company and one groundwater agency,” said **Eric L. Garner, Managing Partner at Best Best & Krieger and an expert on water rights and groundwater issues.** “Arbitrary taxes and fees that ignore historic water rights threaten to wreak havoc on businesses and industries. The outcome of this litigation will have far-reaching implications for every groundwater agency and every business that holds a water right in the state of California.”

The Authority’s new fee will have impacts beyond Searles Valley Minerals. As drafted, the fee also applies to customers of the Indian Wells Valley Water District, who will see an increase of about \$300 per year on their water bills starting January 1, 2021. Searles Valley Minerals is requesting that these fees be enjoined by the court to prevent the real economic hardship it would create for the company, and for thousands of businesses and local residents who live in the City of Ridgecrest and historically disadvantaged Trona communities.

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