

FREQUENTLY ASKED QUESTIONS

WHY IS SEARLES VALLEY MINERALS SUING THE INDIAN WELLS VALLEY GROUNDWATER AUTHORITY?

Searles Valley Minerals filed a lawsuit against the Authority to keep its business from being shut down by an unprecedented new fee and an illegal limiting of Searles' historic groundwater rights – the most senior water rights in the region. Searles and its predecessors have been relying on groundwater for over 90 years to maintain the Searles Valley as an important economic contributor in the region.

WHAT IS THE BASIS OF THE LITIGATION?

Searles Valley Minerals employs more than 700 people and their jobs are now threatened by a new “groundwater replenishment fee” – an exorbitant fee imposed by the Indian Wells Valley Groundwater Authority. This move by the Authority fails to recognize Searles' senior groundwater rights and inappropriately decides who will and will not receive groundwater. Unless the Authority's decisions are overturned by the Court, Searles will have to shut down its business, leaving hundreds out of work during one of our country's worst economic recessions.

WHAT IS SEARLES' ROLE IN THE COMMUNITY?

Searles is a pillar of the Trona and Ridgecrest communities, supporting the local economies with pioneering technologies and good-paying jobs since its founding in 1873. The company is proud to be the largest employer in the Searles Valley, with many employees having served 20+ years and across multiple generations.

Searles has maintained its workforce despite natural disasters and a global pandemic and subsequent economic crisis. The company was designated by the Department of Homeland Security (DHS) as a component of America's critical infrastructure during the COVID-19 pandemic.

WHAT IS THE INDIAN WELLS VALLEY GROUNDWATER AUTHORITY?

The state of California adopted the Sustainable Groundwater Management Act (SGMA) in 2014, which requires the establishment of local Groundwater Sustainability Agencies to help balance the state's overdrafted 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 calls for an arbitrary and significant new fee on a select few groundwater users that will push Searles, and many others, entirely out of operation.

WHAT WAS THE INTENT OF THE SUSTAINABLE GROUNDWATER MANAGEMENT ACT (SGMA) WHEN IT WAS ADOPTED IN 2014?

The landmark Sustainable Groundwater Management Act was signed into law by then-Gov. Jerry Brown for the purpose of fostering better local and regional management of California's groundwater basins. It also requires sustainable groundwater management by 2040, and in some cases 2042. The SGMA is essential to California's path toward water resilience, however, its success hinges on fair and reasonable implementation at the local level. In the case of the Indian Wells Valley Groundwater Authority, an exorbitant replenishment fee is being forced on select users without a real plan for securing future sources of water.

WHAT IS DRIVING THE INDIAN WELLS VALLEY GROUNDWATER AUTHORITY'S DECISION TO INCREASE WATER RATES?

In an attempt to secure new sources of water, the Authority wants to pay for water rights at varied locations throughout California – entering into yet unknown water agreements with other entities – by imposing a new Replenishment Fee on some but not all of the basin's groundwater users. Furthermore, the Authority currently has no way to receive new water supplies even when new water rights are acquired, which means that new water delivery infrastructure would need to be planned, constructed and funded.

WHOSE WATER RATES WILL INCREASE, AND BY HOW MUCH?

The Authority's plan picks "winners" and "losers" in the groundwater basin, without any regard to existing water rights. Searles Valley Mineral's water costs will increase 7,000 – *yes thousand* – percent under the proposed plan. The new fee would cost Searles \$6 million annually and ultimately force the company to close its doors after 140 years in business. The Authority inexplicably leaves other water users, such as the Navy's Air Weapons Station at China Lake, entirely untouched by the new fee.

WHAT IS THE AUTHORITY'S PLAN FOR THE BASIN'S FUTURE WATER SUPPLY?

The Authority does not have a real plan for the region's future water supply. The Authority's plan fails to identify how or when new water sources will deliver a single drop of water to the Basin. Instead, the plan speculates about about an enormously expensive and uncertain water grab that will require vast new infrastructure, cost countless millions of dollars and take many years before even a single drop of water can make its way to the Basin.

HOW WILL THIS IMPACT THE LOCAL COMMUNITY?

The imposition of the Authority's arbitrary new fee will create real economic hardship for many who live in the City of Ridgecrest and will devastate the historically disadvantaged Trona communities. Searles will be particularly hard hit by the exorbitant new fee. The cost will push the company to extinction after operating for more than 140 years and force it to make tough decisions regarding its 700 employees during one of the country's worst economic recessions.

WHAT CAN BE DONE TO SAVE SEARLES AND ITS 700 JOBS?

The Authority's efforts to manage the groundwater basin must be more transparent, collaborative and fair to the entire community. Save Searles – a coalition of employees, community members and community leaders – is calling for a more just and equitable process — one that respects Searles' historic water rights and recognizes the invaluable role the company plays in supporting the region's economy and quality of life. Searles is urging the Authority to protect the entire community and to develop a plan that will balance the groundwater basin while protecting the Ridgecrest and Trona communities.

HOW CAN I GET MORE INFORMATION?

To request to be added to our email list, email Camille Anderson at anderson@svminerals.com.

