



GOVERNMENT OVER-REACH: INDIAN WELLS VALLEY GROUNDWATER AUTHORITY PUTS 700 JOBS AT RISK WITH HEFTY NEW FEE

REPLENISHMENT FEE 101

- Searles Valley Minerals (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.
- In an attempt to manage the region's over-drafted groundwater basin, the Indian Wells Valley Groundwater Authority (Authority) is singling out Searles with a hefty new "Replenishment Fee," choosing winners and losers in the Indian Wells Valley Basin.
- For Searles, the arbitrary application of this exorbitant new fee:
 - Ignores the company's historic 90-year-old water rights, the most senior rights in the Basin
 - Increases its water costs by 7,000% or approximately \$6 million per year
 - Pushes the company to extinction after operating for more than 140 years
 - Forces Searles to make tough decisions regarding its 700 employees during one of our country's worst economic recessions



GOVERNMENT GONE WRONG: LOCAL GROUNDWATER AUTHORITY GAMBLES LIVELIHOODS WITH NEW WATER GRAB

In 2014, the State of California adopted the Sustainable Groundwater Management Act (SGMA), requiring the establishment of local Groundwater Sustainability Agencies to help balance the state's overdrafted groundwater basins.

The local Groundwater Authority is one of these agencies and by law must develop and implement a plan to sustainably manage the region's limited groundwater resources by 2040.

The Authority's plan calls for the purchase of rights to water at varied locations around California. The plan fails to identify how or when these rights to water will deliver actual water to the Basin. Instead, the plan speculates 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.

THE COMMUNITY RELIES ON SEARLES, AND SEARLES RELIES ON WATER

- The company is proud to be the largest employer in the Searles Valley.
- Our 700 employees are the backbone of our company – many have 20+ years of service and generations of families have worked for us.
- Searles has maintained its workforce despite natural disasters, a global pandemic and subsequent economic crisis.
- Searles has been designated by the Department of Homeland Security (DHS) as a component of America's critical infrastructure during the COVID-19 pandemic.

COLLABORATIVE & FAIR APPROACH NEEDED

The Authority's efforts to manage the groundwater basin for the thousands of people who rely on it for their homes, farms and businesses must be more transparent, collaborative and fair to our entire community.

Searles agrees that all must work together to balance the Valley's groundwater basin. But, jeopardizing the jobs of Searles' 700 employees during one of our country's worst economic recessions – without any concrete plans for our water supply future – is wrong.

Searles 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.



COMMUNITY LEADERS WEIGH IN

"Delaying consideration and adoption of a basin replenishment fee will prevent an excessive fee being levied during a widespread pandemic that has had considerable adverse effects on local property owners, businesses, and economies."

CONGRESSMAN PAUL COOK, EIGHTH CONGRESSIONAL DISTRICT OF CALIFORNIA

"This will devastate Searles and their 700 workers! Fee increases during a recession is a bad idea!"

ASSEMBLYMAN JAY OBERNOLTE, CALIFORNIA ASSEMBLY DISTRICT 33

"There is no pending urgency, so why not let our businesses and citizens have more time to recover?... Our residents and businesses, who will shoulder this proposed fee, have been through major earthquakes and now the ongoing coronavirus pandemic. Both affect their health and risk their financial well-being and their quality of life. We question the IWVGA's desire to proceed towards a decision which may further imperil the financial well-being of our Valley's citizens and businesses. The phrase 'The beatings will stop once morale improves' comes to mind."

SCOTT M. O'NEIL, EXECUTIVE DIRECTOR, INDIAN WELLS VALLEY ECONOMIC DEVELOPMENT CORPORATION

"The Association of Realtors is concerned that there has not been enough transparency on the part of the Groundwater Authority, particularly financial transparency...We would like to see a more equitable plan to all parties that can be brought forward to the public in its entirety."

CAROLE VAUGHN, 2020 ASSOCIATION PRESIDENT, RIDGECREST AREA ASSOCIATION OF REALTORS

"These are pass-through fees implemented by the Authority. Though they will appear on your water bill, the money collected goes to the Authority and not the District...This fee, as drafted, applies only to customers of the District and to Searles Valley Minerals."

DON ZDEBA, GENERAL MANAGER, INDIAN WELLS VALLEY WATER DISTRICT