

January 12, 2021

**Via Email (apriln@iwvwd.com)**

Indian Wells Valley Groundwater Authority Board of Directors  
c/o April Keigwin, Clerk of the Board  
500 W. Ridgecrest Blvd.  
Ridgecrest, CA 93555

**Subject: Consideration by the Board to Postpone Implementation of the Replenishment Fee at the January 2021 Board meeting**

Dear Chairman and Board Members:

Searles Valley Minerals Inc. (Searles Valley) respectfully submits this letter requesting that the January 1, 2021 effective date for the imposition of the Basin Replenishment Fee (Fee) that the Indian Wells Valley Groundwater Authority (Authority) adopted in August 2020 be postponed until the California Department of Water Resources (DWR) has deemed the Groundwater Sustainability Plan (GSP) for the Indian Wells Valley Groundwater Basin (Basin) adequate pursuant to SGMA.

Searles Valley has expressed several concerns, procedural and substantive, with the Fee. In addition to the written comment letters submitted to the Authority and concerns expressed in the action filed against the Authority respecting the Fee (Case No. BCV-20-102285), we believe that postponing the implementation of the Fee is a reasonable interim step which would allow the Authority and Searles Valley to discuss issues of fundamental concern to Searles related to the Authority's management of the Basin.

The Fee adopted by the Authority far exceeds any pumping fee imposed by any other groundwater management agency in California. The effective date of the Fee of January 1, 2021, does not allow Searles Valley and others sufficient time build up a reserve or take measures to mitigate the harsh economic impacts of the Fee. The Fee, as adopted by the Authority, will put many Searles Valley employees, most of whom are residents of Ridgecrest, at risk of losing a good-paying and stable job, which would exacerbate the current economic hardships caused by the Covid-19 pandemic. This concern, along with other concerns regarding the GSP, was also expressed in the letter the Authority received from DWR, dated December 8, 2020, on behalf of the State Water Resources Control Board.

Postponing the implementation of the Fee would not materially impact groundwater conditions in the Basin because no undesirable results have been identified by the Authority in the GSP occurring within the first 24 months of the SGMA implementation period and the Authority has not yet identified a source of imported water for the Basin. Finally, Searles Valley notes that three other major pumpers, Mojave Pistachios, Meadowbrook Dairy and the Indian Wells Valley Water District have also requested postponement of the Fee. Searles Valley shares the concerns they expressed in their letters. It would be extremely poor governance on the part



**Searles Valley Minerals**

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of Authority to ignore these requests from four of the parties that will be most impacted by the Fee.

Therefore, Searles Valley respectfully asks the Authority Board to add this request to its January 2021 regular meeting agenda, as suggested by Chairman Gleason at the December 17, 2020 board meeting, and consider taking action consistent with this request. This request accords with Chairman Gleason's latest call for Searles Valley's ongoing participation in the process to achieve Basin sustainability and his stated commitment to the success of Searles Valley and the Trona communities. If you have any questions, please contact me at 760-372-2306 or email me at [Blanchar@svminerals.com](mailto:Blanchar@svminerals.com).

Sincerely,  
Burnell Blanchard  
Vice President of Operations  
Searles Valley Minerals Inc.