



For Immediate Release

May 26, 2021

Contact:

Camille Anderson

(760) 372-2306

anderson@svminerals.com

**Judge Recognizes “Grave Financial Hardship” for Searles, Expresses Concern Over Indian Wells Groundwater Authority Groundwater Fee**

*Ruling Delayed to June 17, Threatening to Disrupt the Supply Chain for COVID-19 Vaccine Vials and Cut Off Water to Hundreds of Families in Disadvantaged Community*

**Santa Ana, CA** – An Orange County Superior Court judge expressed that he was “very concerned” about the impacts of the replenishment fee imposed by the Indian Wells Valley Groundwater Authority (Authority), acknowledging that it could cause “grave financial hardship” for Searles Valley Minerals. At a hearing yesterday, the Court delayed its ruling to June 17 in order to allow the Authority to vote on whether or not to shut off Searles’ wells for nonpayment.

In an effort to drive Searles out of business and to discourage other users from challenging the excessive fee in Court, the Authority has demanded immediate payment of its replenishment fee and threatened to shut off water supplies – a decision that will be made at a public meeting scheduled for June 9. A water supply shutoff would not only harm Searles, but also cut supplies to the disadvantaged community of Trona, where 720 households rely on Searles as their sole source of domestic water. In addition, evidence submitted to the Court showed that the fee will harm the national and worldwide effort to contain COVID-19, as Searles is the only US-headquartered company providing critical mineral supplies for the vaccination vial supply chain.

Searles is a recognized component of the U.S. Department of Homeland Security’s critical infrastructure and is one of only three companies in the world that produces an ingredient critical to making Type 1 pharmaceutical glass used to make vaccine vials, including COVID-19 vaccine vials. Shutting off Searles water supplies will have a direct impact on the COVID-19 vaccine distribution supply chain.

“Searles has supported the local economy with pioneering technologies and good-paying jobs since its founding in 1873,” said Burnell Blanchard, Vice President of Operations for Searles. “We have survived the Great Depression, two world wars and other historic catastrophes. We can even survive the worst global pandemic in 100 years. However, this outrageous fee is so costly that it could be the one thing that forces us to shut our doors.”

Should the replenishment fee be enforced, it would cause the company’s water costs to skyrocket to nearly \$500,000 a month, a 7,000% increase over previous pumping fees. The Authority’s \$2,130 per acre foot replenishment fee is unlawful and unenforceable due to the Authority’s failure to comply with established water law principles and Proposition 218.

“This is an example of well-intentioned public policy gone wrong when government officials abdicate their responsibility to the public,” Blanchard said.

The state of California adopted the Sustainable Groundwater Management Act (SGMA) in 2014 to help bring the state’s over-drafted groundwater basins into balance by 2040. SGMA directs local

groundwater agencies, such as the Authority, to sustainably manage groundwater. However, the success of the policy depends on equitable and reasonable implementation of a groundwater sustainability plan at the local level.

The Authority's Groundwater Sustainability Plan and related replenishment fee were ultimately approved by the Authority board despite thousands of protest letters and widespread calls for a more reasonable and equitable process.

The Authority's groundwater replenishment plan neglects to identify where this replenishment water would be imported from, how much that water will cost, and how or when the massive infrastructure needed to actually get that water into the local groundwater basin would be developed and financed.

Earlier this month, the Authority conducted a public hearing to determine whether to shut off the water supply to Searles for nonpayment of the fee. The Authority ultimately recognized that it didn't have enough information and postponed any decision until June 9.

A ['Save Searles'](#) campaign has been in place for several months, representing a coalition of Searles' employees, their families, as well as local residents and businesses from the town of Trona and nearby City of Ridgecrest – many of whom live in what the federal government has classified as underserved and severely disadvantaged communities already suffering from economic burdens.

###