

## No water shut-off for Searles yet, attorney compares threat to holding a gun to SVM's head

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Searles Valley Minerals will not have water service shut off for non-payment of fees ... at least not yet.

An Indian Wells Valley Groundwater Authority special hearing Thursday on SVM's failure to pay the \$2,130 per acre-foot replenishment fee was continued to the authority's June regular meeting so the GA could investigate SVM's claim that cutting the company's water supply would take down service to every house, business and school in Trona as collateral damage.

"If you cut off the water supply to Searles, two things will happen. One is Searles will go out of business," said Jeff Dunn, special counsel to SVM. "And if it goes out of business it will never be able to pay your replenishment assessment."

The second result, according to Dunn, is the loss of water for Searles Water Company's domestic customers.

"This type of action, which is just putting a gun to the head of Searles and the communities that depend upon it, is unprecedented," Dunn said.

"As you well know, forcing Searles to cease all water production in the basin will force Searles out of business immediately," said SVM Vice President of Operations Burnell Blanchard.

The hearing was continued to the next regular groundwater authority meeting at 10 a.m. on June 9.

The IWVGA at that time can also consider other options short of a cease and desist order, such as assessing penalties or pursuing unpaid fees by way of a lawsuit.

An actual order to shut off water would likely take months to enact, according to IWVGA special counsel Jim Markman.

Also at issue is whether it is even possible to cut off water to Searles Valley Minerals without also cutting water to residential users served by Searles Water Company in the same area.

Searles Water Company supplies water to approximately 720 households in the Trona community, as well as schools, churches, museums, municipal and medical facilities, a senior center, clubs, retail establishments and other businesses, according to court documents.

Representatives from Searles said during the hearing that it is impossible to cut off water to the plant without also cutting off water to domestic users due to the engineering configuration of the pipes and pumping infrastructure.

Trona has a history as a company town which housed plant employees.

"I would ask you not to do something that would make you the first in California to shut off a water supply to disadvantaged communities and to a business which relied upon groundwater since at least the 1930s," Dunn said.

The hearing delay is intended to allow the groundwater authority and staff to research the validity of SVM's claim that it would be difficult or technically impossible to cut off water service to the Searles plant and still provide domestic water service to those in the community.

The IWVGA's plan is for Steve Johnson from Stetson Engineers to research the engineering aspects of water delivery to the Trona area using information from the public domain.

Representatives from Searles repeatedly declined to give detailed information on groundwater engineering and other issues, saying they want to allow the issues to be worked through in court.

"Searles has made a lot of allegations with no evidence to support them," IWVGA counsel Keith Lemieux said at one point.

"You have received ample evidence," Dunn said in response.

Markman repeatedly stated that the groundwater authority does not want to take any actions that would cause undue hardship to Searles Water Company domestic water users in Trona.

SVM filed an unsuccessful request for a temporary restraining order in order to avoid having to pay the replenishment fee. The TRO request was denied in court April 28. On May 20, Searles will seek a preliminary injunction that if granted will prevent SVM from having to pay the fee while its lawsuit against the IWVGA works its way through the courts.

### **Community voices concerns: 'We do count!'**

Thursday's decision came on the heels of a public hearing in which all but one caller spoke out in passionate opposition to any move to shut off water to Searles Valley Minerals. No one was in favor of shutting off water to SVM, but Renee Westa-Lusk asked if the groundwater authority could put a lien on SVM property or post a bond.

"This is not a game of chicken to see who will flinch first. We are dealing with real people," said Priscilla Benadom, board president for the Trona Joint Unified School District.

"I don't think Searles Valley needs to pay for water they already own," said another caller.

One caller accused the groundwater authority of using SVM as a cash cow. She said that as Trona residents, they were told that "their voices didn't count," maintaining the residents are not fairly represented in the process.

"We do count!" she said at the end of the call.

Another caller said shutting off the water would lead to "desperate and dire hardship" for SVM workers, including his own family.

Searles has claimed it has long-standing water rights to the basin that predate the Navy at China Lake.

SVM has also claimed for some time that the replenishment fee is excessive and unfair and has launched an effort called Save Searles ([savesearles.com](http://savesearles.com)) in opposition to the fee. Searles has maintained that paying the replenishment fee would likely drive the company out of business, and a water shut-off most certainly would.

Searles claims in court documents that paying the replenishment fee would increase SVM's cost for pumping water by approximately \$6 million a year.

The documents further state that due to the 2019 Ridgecrest earthquakes and the COVID-19 pandemic, SVM is operating at a net loss of \$875,000 per month or approximately \$10.5 million per year.

*Daily Independent reporter Lauren Jennings contributed to this story.*

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