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May 1, 2026

Mr. Ping Chen
California Department of Water Resources
Office of Sustainable Groundwater Management
P.O. Box 100
Sacramento, CA 95812

Subject: Update on Developments Since the Adoption of the 2025 Periodic Evaluation

Mr. Ping Chen,

In accordance with your request for additional information regarding certain developments that have occurred since submission of the 2025 Periodic Evaluation of the Department of Water Resources (DWR) approved Groundwater Sustainability Plan (“GSP”) for the Indian Wells Valley Groundwater Basin, the Indian Wells Valley Groundwater Authority (“IWVGA”) submits this letter. In particular, you asked the IWVGA to provide:

- An explanation of the results of the Searles Valley Minerals (SVM) judgment and the current ongoing Mojave Pistachios & Meadowbrook Dairy Lawsuits.
- An evaluation of how these developments affect plan implementation and the basin’s efforts to achieve its sustainability goal.
- An assessment of whether these developments change the basin’s water budget, including whether they may reduce or eliminate the identified perpetual overdraft through factors such as recycled water use (RCA 3).
- An evaluation of whether these developments impact implementation of the Imported Surface Water Pipeline project (Imported Water Project).
- An assessment of whether these developments affect the Groundwater Sustainability Agency’s (GSA’s) ability to develop and implement a contingency plan (RCA 4).

Accordingly, the IWVGA provides the following additional information:

Searles Valley Minerals Settlement

The SVM settlement is a direct acknowledgement of the need and reasonableness of the management actions set forth in the Groundwater Sustainability Plan (GSP), including the need for an Imported Water Project. In the settlement, SVM has agreed to take and use 2,000 acre feet of partially treated effluent per year from the City of Ridgecrest's wastewater plant. This is effectively all of SVM's industrial water needs. Accordingly, because SVM has met its water needs without reliance on an import water supply, SVM is no longer subject to the Basin's Replenishment Fee.

Importantly, SVM's use of the partially treated effluent, instead of potable basin groundwater, will have a direct and significant impact on reducing a cone of depression that is negatively impacting shallow wells. Additionally, SVM's use of the partially treated effluent, instead of potable basin groundwater, is a direct benefit to the basin as a whole because it removes a water demand that is equivalent to 26% of the basin's sustainable yield. Furthermore, the use of partially treated effluent avoids treatment system losses equivalent to nearly 10% of the basin's sustainable yield. In simple terms, this agreement provides the basin with the most effective use of effluent and it provides a direct increase in the basin's water resources.

The SVM settlement provides significant benefits to the basin as a whole but the basin's most basic domestic needs for health and safety water are still not met by the basin's sustainable yield – accordingly this settlement diminishes the total volume of import water needed but it does not eliminate the need for an imported water project.

Mojave Pistachios Settlement

The Mojave Pistachios settlement also is a direct acknowledgement of the need and reasonableness of the management actions set forth in the GSP, including the need for an Imported Water Project. As part of the settlement, Mojave Pistachios has paid a fee for pumping that occurred without payment of the Basin Replenishment Fee during the litigation and those funds will be used by the Authority to assist in the development of the Imported Water Project. While the settlement has provisions that will allow Mojave Pistachios to import water it obtains on its own through the Imported Water Project if it desires, the settlement does not allow Mojave Pistachio to continue pumping groundwater once its share of transient pool water is consumed. Since the GSP already assumed that Mojave Pistachios would not import water this settlement, aside from providing some additional funding, does not impact the Imported Water Project.

Meadowbrook Dairy Lawsuits

Meadowbrook Dairy has not sued the IWVGA or anyone else. Under the GSP, Meadowbrook Dairy signed an agreement with the IWVGA wherein it would have discontinued all groundwater use once its volumetric share of the transient pool allocation was extinguished – sometime between 2026 and 2030 depending on the actual annual pumping and conservation measures taken by Meadowbrook. Post GSP adoption and execution of this agreement, Meadowbrook Dairy, along with all other basin water users, were sued by the Indian Wells Valley Water District when it filed the comprehensive adjudication. Meadowbrook Dairy is, and will, argue in that adjudication that it has water rights superior to the Indian Wells Valley Water District based on argument that Meadowbrook's use predates the Water District's use.

Should you have any questions or concerns, please contact Ms. April Keigwin at 805-764-5452 or akeigwin@rgs.ca.gov.

Sincerely,

April Keigwin

April Keigwin
General Manager
Indian Wells Valley Groundwater Authority