

Introduction to Sustainable Yield Allocation Chart

The Groundwater Authority's (GA) responsibilities are set forth in the Sustainable Groundwater Management Act (SGMA). At its core, SGMA requires that the GA bring the Basin into sustainability through the regulation of groundwater pumping in a manner that is consistent with existing California water rights law. DWR has expressly stated that "SGMA requires local agencies to develop and implement GSPs that achieve sustainable groundwater management by implementing projects and management actions . . ." Consequently, the GA's actual power to achieve sustainability is fundamentally linked to the GA's ability to develop augmentation projects and require that the users of those projects pay their fair share of those augmentation costs.

Accordingly, the attached chart does not reflect a legal determination of anyone's water rights, nor does it prohibit anyone from actually pumping groundwater. This chart merely reflects an analysis of California Water Law to determine the use priorities of the Basin's sustainable yield, which is then used to determine how much, if any, augmentation supply is needed to sustain someone's pumping.

Counsel for the GA have determined that existing water rights law provides the Navy with a Federal Reserve Water Right (Reserve Right) that is superior to all other water rights in the Basin, with the exception of those rights that were in existence at the time at the Base was founded. This water right extends not only to the Base's current pumping, but to all the water that is necessary for the Base to carry out its mission.

Given the Reserve Right's superiority, the GA requested a Navy estimation of its Reserve Right. On June 17, 2019, the Navy formally responded with a response that declined to set forth an express estimation of the Reserve Right. However, the response did expressly provide that the Reserve Right is not limited to the 2,041afy figured provided, in November of 2018, "as the amount of water the installation could agree to use under a GSP."

The response provided the GA with data demonstrating that the Navy's historic water consumption peaked in 1970 at a maximum annual Navy production of 7,988af. The response also provided data demonstrating that the 6,530af was the quantity of water needed to sustain the Navy's current and future mission, including the Navy workforce (military, civilian, contractors and dependents) at the Base.

The Navy's response also expressly provides that, because of the movement of Navy staff and dependents off-Station, "the water requirements of the Navy cannot be determined solely by the Navy's recent direct production amounts". The response further provides that "[s]ince the Navy mission at China Lake requires its workforce, the full Navy water requirements are the combination of the on-Station requirements and those of the Navy workforce and their dependents off-Station."

While Counsel for the GA believe that the provided data could lead to an adjudicated Federal Reserve Water Right of 7,988af, or more, the lower figure of 6,530af in Section 6.0 has been chosen for the purposes of the attached chart.

Next in order of priority are overlying domestic water users that fit the SGMA definition of a de minimus user because their use cannot be limited or reduced under state law. In addition, the GA must recognize the pumping rights of the City of Ridgecrest and Kern County as those rights are superior to all of other overlying owners because public entity rights may not be prescribed against.

Searles Valley Minerals has asserted a claim that it has a water right superior to the Navy's Reserve Right. Given the Navy's sovereign immunity, the GA lacks the authority to conclusively determine the merits of that dispute and as a result 217af for the domestic use in Trona and 2,413af for Searles Valley Minerals operations were chosen for the purposes of the attached chart.

At this point, the sustainable yield of the Basin has been completely allocated and there is no native water left for inferior rights holders. Recognizing that the water used by these inferior rights holders is put to significant and important economic use and to ease the transition from current pumping levels to sustainable pumping levels, the GA proposes to establish a pool of water that will allow the mining of the Basin in the amount of yet to be determined.

Sustainable Yield Allocation

Pumping Group	Current Est Pumping ¹	Current Rpt Pumping ²	Sustainable Yield Allocation	Carry Over ³	Allocation w/ Carry Over	Allowed GSP Pumping	Augment Supply Need
Navy	1,450	1,450	6,530	—	1,450 ⁴	1,450	—
De minimis Wells ⁵	800	—	800	0	800	800	0
City of Ridgecrest	373	115.4	339	0	339	339	0
Kern County	18	16.3	18	0	18	18	0
IWVWD	6,507	6,204.9	0	4,461	4,461	6,507	2,046
Inyokern CSD	102	133.3	0	102	102	102	0
Small Mutuals	300	243.6	0	300	300	300	0
Trona DM	217	N/A ⁶	0	217	217	217	0
SVM	2,413	2,703.3	0	0	0	2,413 ⁷	2,413
Meadowbrook Dairy	6,387	4,478.9	0	0	0	Pool ⁸	0
Mojave Pistachio	6,400	4,292.2	0	0	0	Pool	0
Quist Farms	693	619.6	0	0	0	Pool	0
Sierra Shadows	765	74.4	0	0	0	Pool	0
Amberglow	62	86.2	0	0	0	Pool	0
Terese Farms (Hovaten)	310	266.8	0	0	0	Pool	0
Hickle	85	5.9	0	0	0	Pool	0
Bellino	50	FTR	0	0	0	Pool	0
Simmons Ranch	918	100.6/FTR ⁹	0	0	0	Pool	0
Blubaugh	1	1.8	0	0	0	Pool	0
McGee	400	FTR	0	0	0	Pool	0
Shacklett	1	FTR ¹⁰	0	0	0	Pool	0
Total	28,252	—	7,687	5,080	7,687	12,146	4,459

¹ Current estimated pumping reflects the most current/recent available data and does not represent a single reporting year. Sources of data include 1) Production reported by the Cooperative Group for 2016 (and 2017 when available); 2) Production reported to the WRM directly by pumpers; and 3) Production estimates developed during the development of the Baseline model scenario

² This Column reflects pumping reported through the GSP Pumping Fee. Those marked FTR have Failed to Report. What if any impacts the FTR will have on pool allocations has yet to be determined.

³ In accordance with the priorities and principles of California Water law and communications with the Navy, this column reflects the distribution of the unused portion of the GA estimated Navy Federal Reserve Water Right to the Domestic water providers.

Currently, it is estimated that the Navy is directly using 1,450af on the installation which leads to a total Carry Over of 5,080af ($6,530 - 1,450 = 5,080$). The Navy has reported a potential future need of 2,041af for direct use on the Base. If and when this increase occurs, the Carry Over of 5,080af will be reduced in direct proportion to the increase on the base ($6,530 - 2,041 = 4,498$).

⁴ For the purposes of this chart, the current estimated on Base use 1,450af is used, rather than, the Navy's reported potential future on Base need of 2,041af.

⁵ See Water Code Section 10721(e).

⁶ SVM does not break their reporting down to this level for the purposes of the IWVGA pump fee. Trona use is included in the SVM reported value.

⁷ This reflects the industrial use by SVM and it's listed as a GSP allowed pumping because there is a presumption that SVM can afford the augment costs.

⁸ Pool water is listed because there is an educated presumption that Fee for Augmented Supplies will exceed the rate of return for the water.

⁹ Failed to Report since May 2019.

¹⁰ In partial compliance with Well Registration.