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March 11, 2025

The Honorable Monique Limon Chair, Senate Committee on Natural Resources and Water 1021 O Street, Room 3220 Sacramento, CA 95814

RE: Sustainable Groundwater Management Act at 11 Years: Progress and Challenges

Dear Chair Limon:

The Indian Wells Valley Groundwater Authority (IWVGA) appreciates that the Senate Committee on Natural Resources and Water is addressing both the opportunities and challenges of the implementation of the Sustainable Groundwater Management Act (SGMA) at its informational hearing on March 11th. While the IWVGA is intent on continuing to implement its Groundwater Sustainability Plan, we also face some challenges that we believe must be addressed in legislation this year. In this letter, we will outline where our Basin stands in terms of SGMA implementation and the areas where we believe the Legislature must assist us to ensure that the goals of SGMA are achieved.

The Indian Wells Valley Groundwater Authority is the Groundwater Sustainability Agency for the Indian Wells Basin which covers portions of Kern, San Bernardino and Inyo Counties. Our basin is one of the basins that the Department of Water Resources designated in Bulletin 118 as in "critical overdraft." The main population area includes Ridgecrest and the surrounding communities which support the China Lake Naval Weapons Air Station, a critical research and development base to the US Navy. The groundwater basin is currently overdrafting its water supplies by approximately four times the natural recharge. The IWVGA completed a Groundwater Sustainability Plan in 2020 and received approval for it from the Department of Water Resources.

The Indian Wells Valley has been the subject of numerous legal challenges. This includes validation actions, writ proceedings and the groundwater adjudication. These litigations often require the Authority to argue the same set of circumstances in different court actions as opponents to the GSP attempt to *forum shop* the courts. This includes the Safe Yield trial of the groundwater adjudication. IWVGA is a party to this adjudication in defense of the sustainable yield and in defense of the sustainability measures – a proposed interconnection water pipeline – that litigants have asked the court to overturn.

100 West California Avenue Ridgecrest, CA 93555 (805)764-5452 www.IWVGA.org As part of the GSP, IWVGA is implementing both demand management and new water supplies to bring our basin back into sustainability. Towards these goals, we have received approximately \$10 million in State funding as well as securing a \$50 million federal authorization to begin construction of the pipeline.

The challenge that we face is that the courts see a gray area in the law as to whether the Groundwater Sustainability Plan or an adjudication should be the controlling manner of implementing sustainability measures in a contested basin. SGMA requires that Groundwater Authorities implement potentially costly projects to sustainably maintain groundwater basins. To provide the certainty needed to obtain third-party funding, SGMA provides a validation procedure that prevents a plan from being challenged in court once the validation period has ended. Opponents of a groundwater sustainability plan (GSP) have multiple opportunities to challenge the findings and the implemented measures through the regulatory review process at the Department of Water Resources (DWR) and ultimately through the courts in a validation action. Validation actions, appropriately, have a statute of limitations requiring opponents to seek redress in a timely manner. GSPs are updated every five years, opening potential new issues for validation actions. By contrast, groundwater adjudications may be filed at any time.

Opponents of GSPs are using the mechanism of groundwater adjudication as a backdoor to bypass the validation procedures. They argue that the court is required to permit them to challenge the basins' sustainable yields and implement physical solutions outside, and in direct contradiction, of the sustainability measures implemented within the State-approved GSP. In many cases, the comprehensive groundwater adjudication is led years after the adoption of the GSP and many years into the implementation of sustainability measures, placing the ability to fund and implement projects in jeopardy.

This threat to SGMA implementation is playing out in three critically overdrafted groundwater basins including the IWVGA, Fox Canyon and Cuyama. Without a legislative fix, these basins and any basin that may face an adjudication proceeding will continue to have to pay tens of millions of dollars in legal fees without a clear path forward legally. We have introduced language to address this lack of clarity in the SGMA legislation and we hope that you support our efforts to get this bill passed.

In closing, we remain steadfast in our intent to diligently implement the GSP that we completed and that the Department of Water Resources approved. However, without the legislative fix that we are seeking, even basins with an approved GSP may not have a clear path forward for implementation. As such, we look forward to continuing to work with the Legislature to address this timely and important issue. Should you have any questions, please feel free to reach our legislative consultant Mike McKinney at 714-299-0053 or at m.mckinney@capitolcore.com

Very respectfully,

Chair, Indian Wells Valley Groundwater Authority Council Member, City of Ridgecrest

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