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9 SEARLES VALLEY MINERALS INC.

10 SUPERIOR COURT OF THE STATE OF CALIFORNIA
11 COUNTY OF ORANGE

13 MOJAVE PISTACHIOS, LLC, a California
limited liability company; and PAUL G.
14 NUGENT AND MARY E. NUGENT, Trustees
of the Nugent Family Trust dated June 20,
15 2011,

16 Petitioners and Plaintiffs,

17 v.

18 INDIAN WELLS VALLEY
GROUNDWATER AUTHORITY, a California
19 joint powers authority; et al.,

20 Respondents and
21 Defendants.

22 AND CONSOLIDATED/RELATED CASES.

Case No. 30-2021-01187589-CU-WM-CXC

[Consolidated Case No. 30-2021-01188089-
CU-WM-CXC; Related Case No. 30-2021-
01187275-CU-OR-CJC; Related Case No.
30-2022-01239487-CU-MC-CJC; Related
Case No. 30-2022-01239479-CU-MC-CJC;
Related Case No. 30-2022-01249146-CU-
MC-CJC]

Judge: Hon. William D. Cluster

**SEARLES VALLEY MINERALS INC.'S
REPLY TO INDIAN WELLS VALLEY
GROUNDWATER AUTHORITY'S
SUPPLEMENTAL BRIEF IN
OPPOSITION TO INDIAN WELLS
VALLEY WATER DISTRICT'S
MOTION FOR ORDER RE
"INTERESTED PARTY" STATUS, OR
IN THE ALTERNATIVE, LEAVE TO
AMEND ANSWER**

Date: February 6, 2026
Time: 11:00 a.m.
Dept: CX101

1 **I. INTRODUCTION**

2 Searles Valley Minerals Inc. (“Searles”) respectfully submits this reply to the Indian Wells
3 Valley Groundwater Authority’s (“Authority”) Supplemental Brief in Opposition to Indian Wells
4 Valley Water District’s (“District”) Motion for Order re “Interested Party” Status, or, in the
5 Alternative, Leave to Amend Answer (“Supplemental Brief”) for the limited purpose of clarifying
6 the terms of Searles’ and the Authority’s settlement agreement, a copy of which is attached to the
7 Declaration of Jeffrey V. Dunn as Exhibit 1. As Searles explained in its January 12, 2026
8 supplemental brief on this matter, Searles requests that this Court immediately enter Searles’
9 request for dismissal under applicable California law. (See Code Civ. Proc. § 581, subd. (b); *S.B.*
10 *Beach Properties v. Berti* (2006) 39 Cal.4th 274, 380.)

11 Authority agrees that “Searles has an absolute right to dismiss this action.” (Suppl. Brief
12 at p. 1; *see also id.* at pp. 9-11.) But the Authority then takes one step too far in addressing
13 purported “public policy harms” that could result from the District’s motion. Authority claims
14 that, if this case continues on with the District as a party, “it could invalidate the settlement
15 agreement between the Authority and Searles as both parties understood that by entering into the
16 settlement that this action would be dismissed in its entirety.” (Suppl. Brief at pp. 8-9.) That is
17 incorrect. As explained below, the settlement agreement’s terms provide that it will remain in
18 effect regardless of this Court’s order on the District’s motion.

19 **II. THE SETTLEMENT AGREEMENT IS ENFORCEABLE REGARDLESS OF THE**
20 **COURT’S RULING ON THE DISTRICT’S MOTION**

21 Searles agrees with the Authority that the two parties engaged in settlement discussions
22 over the course of several months during 2025. (Declaration of Keith Lemieux (“Lemieux
23 Decl.”), ¶ 2; Declaration of Jeffrey V. Dunn (“Dunn Decl.”) at ¶ 3.) The settlement agreement
24 was executed in its final form in November of 2025. (Dunn Decl. at ¶ 3 and **Ex. 1.**) Section 1.1
25 of that settlement agreement states:

26 Searles and the GA will dismiss with prejudice the Dismissed Actions. The
27 Parties agree that within five (5) business days of the Effective Date of this
28 Agreement, the Parties will each file a Request for Dismissal with the Court for
each case which that Party initiated, indicating that the Parties have settled all of

1 the claims as against each other that were raised in the Dismissed Actions and
2 requesting dismissal with prejudice.

3 (*Id.* at **Ex. 1** at p. 2, § 1.1.) In pertinent part, the “Dismissed Actions” include the instant action.

4 (*Id.* at **Ex. 1** at p. 1 [defining the instant action as the “Searles Action”].)

5 The settlement agreement’s terms are quite clear, however. Authority improperly purports
6 to describe Searles’ “understanding” of the settlement agreement. (Suppl. Brief at p. 19.) The
7 Authority does not and is not authorized to speak on Searles’ behalf, and Searles submits this
8 reply to clarify its understanding of the settlement agreement.

9 As is clearly described in section 1.1, set forth above, the settlement agreement required
10 only that Searles “file a Request for Dismissal with the Court of each case which [Searles]
11 initiated.” (Dunn Decl. at ¶ 4 and **Ex. 1** at p. 2, § 1.1.) Accordingly, Searles filed such a request
12 promptly, first on November 13, and then again on November 17 upon request of the Court. (*Id.*
13 at ¶ 5.) Searles has never had any intent other than to have this case dismissed in its entirety. (*Id.*
14 at ¶¶ 6-7.) There was no understanding that this case would or would not be continued by any
15 other party. (*Ibid.*) Rather, Searles agreed to file a request to dismiss its claims in its petition and
16 complaint against the Authority, and that Searles’ claims would be dismissed consistent with the
17 settlement agreement’s unambiguous terms which do not, in any way, express or implied, require
18 other parties to be dismissed from this action. (*Id.* at ¶¶ 6-8.)

19 **III. AUTHORITY AND SEARLES BOTH KNEW THAT THE DISTRICT INTENDED**
20 **TO CHALLENGE AUTHORITY’S GROUNDWATER SUSTAINABILITY PLAN**
21 **AND CERTAIN FEES IF SEARLES AND AUTHORITY REACHED A**
22 **SETTLEMENT**

23 During the settlement negotiations, Searles repeatedly stated to Authority that District
24 would pursue claims against Authority. (Dunn Decl. at ¶ 6.) Searles repeatedly told Authority
25 that Searles had no ability to stop District from pursuing any claims against the Authority. (*Ibid.*)
26 Moreover, Searles had no information on how District would pursue such claims. (*Ibid.*) Searles
27 made clear to Authority that all Searles could do was to dismiss its case; and once Searles filed its
28 request for dismissal of this action, this entire action would end. (*Ibid.*)

1 The parties could have included in Section 1.1 of the settlement agreement a condition
2 precedent that the settlement agreement would only be effective upon the express condition that
3 the entire action was dismissed. But the parties did not do so. (Dunn Decl. at ¶ 9.) Both parties
4 knew that the District might pursue claims against the Authority; how the District would pursue
5 those claims was not made known to Searles. (*Id.* at ¶ 6.) Indeed, the transcript quote that
6 Authority set forth from undersigned counsel is consistent with Searles’ ability to have the
7 Searles’ case dismissed in its entirety. (*See* Suppl. Brief at p. 19; Dunn Decl. at ¶¶ 6-7.)

8 Further, both Authority and Searles have continued to act consistent with the settlement
9 agreement as if it is and will remain enforceable—which, according to its plain terms and to
10 Searles’ understanding, it is. As indicated in the Authority’s Supplemental Brief, the Authority
11 agreed, through the settlement agreement, to terminate its option agreement to purchased
12 reclaimed water from the City of Ridgecrest and make that roughly 2,000 acre-feet of water
13 available to Searles. (Suppl. Brief at p. 19; see also Dunn Decl. at **Ex. 1** at p. 3, § 2 [“GA agrees
14 to terminate this option so that the City can make this approximately 2,000 acre-feet of reclaimed
15 water available to Searles”].) Upon information and belief, Searles understands that the Authority
16 has already terminated said option to the City of Ridgecrest’s reclaimed water, therefore acting
17 consistent with the settlement agreement’s terms and indicating Authority’s belief that the
18 settlement agreement is and will remain in effect. (Dunn Decl. at ¶ 10.)

19 In short, there is nothing in the settlement agreement that indicates it is impacted in any
20 way by this Court’s ruling on the District’s motion.

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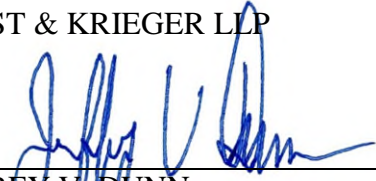
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IV. CONCLUSION

As set forth in Searles’ supplemental brief filed on January 12, 2026, Searles simply asks that this Court enter its request to dismiss, with prejudice, its entire petition and complaint. The settlement agreement remains in force and effect, and will remain in force and effect regardless of how this Court rules on the District’s motion. Searles takes no position on the remainder of the Authority’s arguments.

Dated: January 26, 2026

BEST BEST & KRIEGER LLP

By: 

JEFFREY V. DUNN
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WENDY Y. WANG
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Attorneys for Plaintiff and Petitioner
SEARLES VALLEY MINERALS INC.

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PROOF OF SERVICE

I, Vanessa Guillen-Becerra, declare:

I am a citizen of the United States and employed in San Bernardino County, California. I am over the age of eighteen years and not a party to the within-entitled action. My business address is 2855 E. Guasti Road, Suite 400, Ontario, California 91761. On January 26, 2026, I served a copy of the within document(s):

**SEARLES VALLEY MINERALS INC.'S REPLY TO INDIAN WELLS VALLEY
GROUNDWATER AUTHORITY'S SUPPLEMENTAL BRIEF IN OPPOSITION TO
INDIAN WELLS VALLEY WATER DISTRICT'S MOTION FOR ORDER RE
"INTERESTED PARTY" STATUS, OR IN THE ALTERNATIVE, LEAVE TO AMEND
ANSWER**


by transmitting via e-mail or electronic transmission the document(s) listed above to the person(s) at the e-mail address(es) set forth below.

Please see attached Service List.

I am readily familiar with the firm's practice of collection and processing correspondence for mailing. Under that practice it would be deposited with the U.S. Postal Service on that same day with postage thereon fully prepaid in the ordinary course of business. I am aware that on motion of the party served, service is presumed invalid if postal cancellation date or postage meter date is more than one day after date of deposit for mailing in affidavit.

I declare under penalty of perjury under the laws of the State of California that the above is true and correct.

Executed on January 26, 2026, at Ontario, California.



Vanessa Guillen-Becerra

1 **Service List**

2 Mojave Pistachios, LLC, et al., v. Indian Wells Valley Water District, et al.
3 Lead Case No. 30-2021-01187589-CU-WM-CXC
4 [Consolidated Case No. 30-2021-01188089-CU-WM-CXC; Related Case No. 30-2021-
5 01187275-CU-OR-CJC; Related Case No. 30-2022-01239487-CU-MC-CJC; Related Case No.
6 30-2022-01239479-CU-MC-CJC; Related Case No. 30-2022-01249146-CU-MC-CJC]

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