

October 13, 2026

Board of Supervisors
Kern County Administrative Center
1115 Truxtun Avenue
Bakersfield, CA 93301

**RESPONSE TO SEPTEMBER 22, 2026 LPC REFERRAL
REGARDING THE CADIZ NORTHERN PIPELINE PROJECT
Fiscal Impact: None**

This letter is in response to a Board referral made at the September 22, 2026 Legislative Program Committee (LPC) meeting directing staff to draft a letter of support for the Cadiz Northern Pipeline project.

For background on the project, Cadiz Inc. proposes to repurpose a long-idle oil and natural gas pipeline, known as the Cadiz Northern Pipeline, to convey groundwater from the eastern Mojave Desert in San Bernardino County north toward Boron, traveling west to Mojave, passing through the Tehachapi area and terminating in the Central Valley near Mettler in Kern County. Cadiz Inc. purchased the unused petroleum pipeline from El Paso Natural Gas Company, completing the transaction in 2021.

The federal Bureau of Land Management (BLM) approved a 50-year right-of-way (ROW) in July 2026 to allow conversion and long-term operation of the pipeline across BLM-managed lands. Construction contracts have been announced, and initial deliveries are described as up to 25,000 acre-feet per year when the system is first placed into service. At the same time, environmental organizations and several tribes have filed new lawsuits challenging the BLM approval, and a 2019 state law (SB 307) requires additional state-level review before desert groundwater can be moved using public conveyance.

The proposal dates back decades and is now presented as the Mojave Groundwater Bank, which would withdraw and store water within the Cadiz aquifer, which is fed by the Bristol Valley, Cadiz Valley and Fenner Valley watersheds in the eastern Mojave Desert. The 3-inch diameter steel pipeline is approximately 220 miles in length and runs underground from Cadiz's property near Amboy in San Bernardino County, north and then west towards Kern and the Central Valley. In July 2026 the BLM issued a Finding of No Significant Impact (FONSI) and a Decision Record, authorizing conversion and long-term operation of the pipeline under the Federal Land Policy and Management Act (FLPMA).

According to the State's SGMA Basin Prioritization Dashboard¹, the Bristol Valley basin (DWR Basin No. 7-008), the Cadiz Valley basin (DWR Basin No. 7-007), and the Fenner Valley basin (DWR Basin No. 7-002) are all designated as a "very low priority". Because of this classification, the basins do not require state-mandated Groundwater Sustainability Agencies (GSAs) or a state-overseen Groundwater Sustainability Plan (GSP) and instead rely on local management. Per company reports, all groundwater use at Cadiz is regulated by San Bernardino County under its Desert Groundwater Management Ordinance (DGMO)². The company's annual reporting to San Bernardino County includes water quantity, water quality, and water levels.

¹ <https://gis.water.ca.gov/app/bp-dashboard/final/#>

² https://codelibrary.amlegal.com/codes/sanbernardino/latest/sanberncty_ca/0-0-0-159109

In late 2025 Cadiz announced a financing agreement with Lytton Rancheria, a federally recognized tribe located in northern California, that would provide an initial tranche of funding upwards of \$51 million, that could be converted into project ownership interests for Lytton. Cadiz also reports execution of Construction Manager at Risk contracts for pumping stations and additional infrastructure, estimating capital costs at approximately \$403 million.

In July 2026, the Central Arizona Irrigation and Drainage District (CAIDD) signed a non-binding memorandum of understanding to pursue up to 10,000 acre-feet per year via interstate exchange mechanisms. CAIDD currently provides water to farmlands in Pinal County (AZ), where growers are dealing with water cutbacks. Under that agreement, Cadiz would deliver non-Colorado River water in California to agencies connected to its Northern Pipeline. In return, CAIDD would receive an equivalent amount of Colorado River water through existing canals and allocations already serving Arizona. No physical water would cross state lines; instead, the Bureau of Reclamation would track the exchanges so the ledger balances across state lines. Stated another way, the deal uses paper exchanges, rather than a new pipeline, to move water benefits across state lines. To become official, it still needs binding contracts, federal approval for exchange accounting, and state compliance in California.

In sum, Cadiz presents the project as providing new supplies and increased groundwater storage to help communities manage drought, Colorado River shortages, and insists that the amount of groundwater it is proposing to convey is currently lost to evaporation, claiming that the project is extracting resources in a sustainable manner.

In juxtaposition, while Cadiz and its tribal partner describe the project as a critical long-term water supply investment for Southern California, the proposal has faced years of scrutiny and opposition from some environmental organizations and desert conservation advocates who have raised concerns about groundwater extraction in the Mojave Desert.

The Center for Biological Diversity and Sierra Club filed suit in the U.S. District Court (Los Angeles) seeking to vacate the July 2026 BLM approval, alleging violations of the National Environmental Policy Act (NEPA) and other statutes. A separate suit by the Fort Mojave Indian Tribe and Chemehuevi Indian Tribe, joined by partners, raises similar claims and emphasizes impacts to natural springs, wildlife, and cultural resources.

Opponents assert that pumping desert groundwater faster than it is naturally recharged would lower the water table, potentially drying out springs and seeps, degrading wildlife habitat (e.g., desert tortoise, bighorn sheep), and exposing playa lakebeds that could generate wind-blown dust with heavy metals, citing Owens Lake as an analog.

In addition, SB 307 (Roth, 2019) requires the California State Lands Commission (SLC), in consultation with state resource agencies, to find that transfers of desert groundwater using public conveyance will not adversely affect natural or cultural resources before such transfers may occur. This state review applies to proposals like the Cadiz project that rely on conveyance facilities with unused capacity.

In December 2024, the SLC terminated its pipeline right-of-way lease that otherwise could have continued into 2035 and issued a 3-year caretaker lease to El Paso Natural Gas to maintain the pipeline in idle status while it develops a decommissioning plan. El Paso Natural Gas Company, the state's lessee, sold the pipeline to Cadiz Inc. in 2014 without the Commission's consent to assign the lease. The portion under lease with the Commission is roughly 1 mile. The pipeline has been idle since 2000 and was previously part of a distribution

system that transported oil across California and into Arizona and Texas. The caretaker lease required El Paso Natural Gas Company to submit a decommissioning plan and application by December 2025³. Subsequent communication with the SLC revealed that El Paso Natural Gas Company submitted its application and decommissioning plan on December 15, 2025. The plan would remediate the 1.1-mile segment of pipeline on State lands by capping both ends of the segment and filling the space in between with a concrete slurry to prevent ground subsidence if the structural integrity of the pipeline was ever compromised. As of the date this report was drafted, the SLC has not considered (approved or denied) the decommissioning proposal with staff suggesting it could be considered by the Commission in early 2027.

In March 2026, Fenner Gap Mutual Water Company/Cadiz submitted an application/request for review to the SLC for consultation and findings to use the Northern Pipeline under Water Code Section 1815. That review process is underway and SLC staff anticipates it will present its findings to the Commission in Q1 2027. It is unclear what Cadiz will do if the SLC approves and requires El Paso Natural Gas Company to follow through with the capping and remediation of the 1.1-mile segment on State lands. Capping the small segment could jeopardize the remaining 220 miles of pipeline for the water conveyance project.

All told, the current federal ROW itself does not authorize groundwater pumping nor substitute for state and local-level approvals (e.g., SB 307 review, SLC lease agreement for conveyance, San Bernardino County DGM). If future local actions are requested within Kern (e.g., use of rights-of-way or interconnections), those would be brought to the Board through normal processes.

Per the LPC referral, a draft support letter addressed to the SLC is attached to this Board letter for your consideration. The letter conveys the County's support for the project, provided that all required state and federal regulatory processes and legal challenges are fully resolved.

Therefore, IT IS RECOMMENDED that your Board discuss and provide direction on the proposed support letter.

Sincerely,



Nancy Anderson
County Administrative Officer

NA/TB: LEGGEN Response to September 22, 2026 LPC referral regarding Cadiz Northern Pipeline project (BOS).docx

Attachment

cc: County Counsel

³ <https://www.slc.ca.gov/commission-meeting-highlights/december-17-2024-meeting-highlights/>

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October 13, 2026

The Honorable Malia Cohen
Chair, California State Lands Commission
100 Howe Avenue, Suite 100 South
Sacramento, CA 95825

**Subject: Cadiz Northern Pipeline Project – Support Contingent on Completion of
Regulatory and Legal Requirements**

Dear Chair Cohen,

On behalf of the Kern County Board of Supervisors, thank you for the opportunity to comment on matters related to the Cadiz Northern Pipeline project. The County recognizes the significant potential of the proposed project to enhance water supply reliability, expand groundwater storage capacity, and support regional resilience in the face of drought and ongoing Colorado River shortages. Cadiz Inc.'s proposal to repurpose an existing, long-idle natural gas pipeline into a conveyance system capable of moving groundwater north toward Kern County represents a notable effort to utilize existing infrastructure for public benefit.

We also acknowledge the substantial progress made at the federal level, including the Bureau of Land Management's (BLM) approval of a 50-year right-of-way governing long-term operation of the pipeline across BLM-managed lands. Recent project developments, such as construction contracts, financial partnerships, and exploration of interstate exchange mechanisms, demonstrate momentum and a growing interest in new approaches to regional water management.

At the same time, the County is mindful of the important regulatory and legal processes that remain underway. Environmental organizations and several Tribal governments have filed lawsuits concerning federal approvals, and SB 307 (Roth, 2019) requires the State Lands Commission (SLC), in consultation with other resource agencies, to ensure that transfers of desert groundwater using public conveyance will not adversely affect natural or cultural resources. In addition, we understand that a portion of the pipeline under SLC lease is subject to separate requirements that must be addressed.

The County respects the role of the SLC and the importance of thorough environmental review, Tribal consultation, and compliance with all applicable state and federal laws. Our support for the Cadiz Northern Pipeline project is therefore contingent on the successful completion of these required

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processes and on clear findings that the project's operations will protect California's desert ecosystems, cultural resources, and groundwater basins.

We appreciate the Commission's careful work on this matter and remain committed to supporting responsible, sustainable water supply solutions for California. Thank you for your consideration.

Sincerely,

Phillip Peters, Chairman
Kern County Board of Supervisors

cc: Eleni Kounalakis, CA State Lands Commission Member
Joe Stephenshaw, CA State Lands Commission Member
Matthew Dumlao, Executive Officer, CA State Lands Commission
Honorable Members, Kern Legislative Delegation
Susan Kennedy, Chairman and CEO, Cadiz, Inc.
Shaw Yoder Antwih Schmelzer & Lange