

SJV WATER

A \$4 million water fund gathered through Kern County oil permits is on hold until companies “spud in”

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Kern County has collected \$4,076,000 from oil permits issued since the start of the year as part of its strategy to help disadvantaged communities with failing water systems.

But it can only actually spend \$9,592 of that, so far.

That's because, until oil companies begin the drilling process— known as spudding in – the \$9,732 water fee charged as part of county permits doesn't technically belong to the county, explained Planning Director Craig Murphy.

“It's held in trust while the oil company works to get its permits from CalGEM (California Geologic Energy Management), and then get all its equipment, financing and people in

place,” Murphy said. “Once they notify the county that they’re activating the permit, that triggers the money to be transferred into the Disadvantaged Communities Water Relief Fund.”

So far, only one of the nearly 400 permits issued since January has been activated, Murphy said.

Because the county takes \$140 off the top for staffing and administrative costs, the full amount in the fund is \$9,592.

Murphy said there isn’t a threshold amount that needs to be in the fund before the county begins doling it out, but he acknowledged \$9,592 certainly isn’t yet enough.

The county is still working out exactly how communities, water districts and others can access the fund, once it grows.

But it does have some of the basics worked out.

Planning will work with the Public Health Department to identify disadvantaged communities “in the central valley portion of Kern County” that could be eligible for the money. A year-end report and public hearing, required as part of the ordinance, will detail exactly how much money has come in each year and how applications for the funding were handled, Murphy said.

“We’re excited to work with communities that really need this assistance,” Murphy said. “Before this ordinance, there were no requirements for the oil industry to do anything like this.”

[The ordinance](#) that created the permit fee allows the money to be used for a wide range of projects including construction, technical assistance, consolidation and more. It can also be paired with grants or other funding sources. That includes the state’s SAFER (Safe and Affordable Funding for Equity and Resilience) program.

“We welcome any new resources to help with water mitigation,” said Tom Collishaw, President of Self-Help Enterprises, a Visalia nonprofit that provides emergency water and long-term solutions for valley residents whose homes go dry either from drought or well failures.

He said Self-Help is “anxious to hear more” about how the Kern fund will work.

Particularly as the future of state SAFER funding after next year is [up in the air](#).

Collishaw said the Legislature has until Monday to find a new source for SAFER funding after it was all but cut from its original source, the state's cap-and-invest program.

"We are concerned that the commitment the administration and Legislature made to this important work and the human right to water seems to be failing lately," Collishaw said of SAFER funding. "Because unless that commitment has to have money behind it, otherwise it's an empty promise."