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*Exempt from filing fee pursuant to
Gov't. Code Section 6103*

11 Attorneys for Cross-Complainant,
12 ANTELOPE VALLEY-EAST KERN WATER AGENCY

13 **SUPERIOR COURT OF THE STATE OF CALIFORNIA**
14 **FOR THE COUNTY OF LOS ANGELES – CENTRAL DISTRICT**

15 Coordination Proceeding
16 Special Title (Rule 1550(b))

Judicial Council Coordination Proceeding
No. 4408

17 **ANTELOPE VALLEY**
18 **GROUNDWATER CASES**

Santa Clara Case No.
1-05-CV-049053
The Honorable Jack Komar, Dept.17

19 **Included Actions:**

**DECLARATION OF DWAYNE
CHISAM IN SUPPORT OF ANTELOPE
VALLEY-EAST KERN WATER
AGENCY'S MOTION FOR SUMMARY
ADJUDICATION**

20 Los Angeles County Waterworks District
21 No. 40 vs. Diamond Farming Company, a
22 corporation, Superior Court of California,
23 County of Los Angeles, Case No.
24 BC325201;

25 Los Angeles County Waterworks District
26 No. 40 vs. Diamond Farming Company, a
27 corporation., Superior Court of California,
28 County of Kern, Case No. S-1500-CV-254-
348;

Wm. Bolthouse Farms, Inc. vs. City of
Lancaster, Diamond Farming Company, a
corporation, vs. City of Lancaster, Diamond
Farming Company, a corporation vs.
Palmdale Water District, Superior Court of
California, County of Riverside, Case Nos.
RIC 353840, RIC 344436, RIC 344668.

Date: January 27, 2014
Time: 9:00 a.m.
Room: To be determined
Judge: Hon. Jack Komar

Trial Date: February 10, 2014 (Phase V)
Time: 9:00 a.m.

1 DWAYNE CHISAM declares and states:

2 1. I am the Assistant General Manager for the Antelope Valley - East Kern Water Agency
3 (AVEK), a party to this action. I have personal knowledge of all of the facts set forth below and,
4 if called as a witness, I could and would testify competently thereto.

5 2. From the inception of AVEK's participation in the State Water Project, AVEK's
6 taxpayers have paid a total of \$475,777,218.84 to insure participation therein, and to
7 construct, maintain and operate the "infrastructure" needed to import, transport, treat and
8 deliver AVEK imported water to its customers.

9 3. AVEK also has incurred and paid energy and related costs related to the actual
10 transportation of SWP water which total \$331,663,051.00.

11 4. Accordingly, the total cost incurred and paid by AVEK and its taxpayers to obtain,
12 transport, treat and deliver SWP water to its customers is \$807,440,269.84 (i.e.,
13 \$475,777,218.84 + \$331,663,051.00).

14 5. From 1972 (when AVEK first began importing SWP water) through 2012, AVEK has
15 imported a total of 1,976,971AF of SWP water.

16 6. Some loss unavoidably results during the transportation, treatment and delivery stages;
17 as a result, AVEK delivered to its customers during the same time period a total of
18 1,923,039 AF.

19 7. Accordingly, the average total cost per acre feet to AVEK and its taxpayers for the
20 water delivered to AVEK customers from 1972 through 2012 is \$419.88 per AF (i.e.,
21 \$807,440.269.84 ÷ 1,923,039).

22 8. During the same time period, AVEK has delivered to Waterworks District #40 a total
23 of 808,790 AF.

24 9. The total cost incurred and paid by AVEK and its taxpayers in procuring and delivering
25 the SWP water that was sold and delivered to Waterworks District #40 is approximately
26 \$339,594,745.20 (i.e., 808,790 AF x \$419.88 per AF).
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1 10. Waterworks District #40 has paid a total of only \$177,693,610.00 for the aforesaid
2 808,790 AF of SWP water it purchased and received from AVEK, or \$219.70AF (i.e.,
3 \$177,693,610.00 ÷ 808,790 AF).

4 11. Thus, for the water received by it, Waterworks District #40 paid \$200.28AF less than
5 the actual cost of the water (i.e., \$419.88 - \$219.70) or only 52% of the total cost of the
6 water it received (i.e., \$177,693,610.00 ÷ \$339,594,745.20).

7 12. Therefore, AVEK and its taxpayers have subsidized the cost of the water delivered to
8 Waterworks District #40, by paying the additional cost of such water in the amount of
9 \$161,901,135.20 (i.e., \$339,594,745.20 - \$177,693,610.00).

10 13. Considered in a slightly different way, Waterworks District #40 received 42% of the
11 total water delivered to AVEK's customers (i.e., 808,790AF ÷ 1,923,039AF), but paid
12 only 22% of the total cost of that water (i.e., \$177,693,610 ÷ \$807,440,269.84).

13 14. The amount of money paid directly by Waterworks District #40, combined with the
14 payments made by taxpayers located within the area of adjudication serviced by both
15 Waterworks District #40 and AVEK, is still less than the total actual cost of the water
16 AVEK delivered to Waterworks District #40.

17 15. Some of Waterworks District #40's customers are located outside of both AVEK's
18 service area and the area of the adjudication; accordingly, those customers of Waterworks
19 District #40 do **not** pay property taxes which support AVEK's importation of SWP water
20 at all.

21 16. Many of AVEK's taxpayers are "non-users," i.e., they either take water from wells or
22 leave their properties fallow; as a result, such non-users do not benefit directly from the
23 SWP, although their property taxes significantly subsidize the SWP water purchased by
24 Waterworks District #40 and other AVEK customers.

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I declare under penalty of perjury under the laws of the State of California that the foregoing is true and correct, and that this declaration was executed in Lancaster, California, on October 22, 2013.



DWAYNE CHISAM

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I am employed in the County of the San Bernardino, State of California. I am over the age of 18 and not a party to the within action; my business address is 1839 Commercenter West, San Bernardino, California 92408-3303.

■ **BY ELECTRONIC SERVICE AS FOLLOWS** by posting the document(s) listed above to the Santa Clara website in the action of the *Antelope Valley Groundwater Litigation*, Judicial Council Coordination Proceeding No. 4408, Santa Clara Case No. 1-05-CV-049053.

Executed on November 11, 2013, at San Bernardino, California.


P. Jo Anne Quihuis