1	EVHIDIT DDC 2				
2	EXHIBIT PBC - 2				
3					
		BEFORE THE CALIFORNIA			
4	STATE WATER RESOURCES CONTROL BOARD				
5					
6	In the Matter of:	TESTIMONY OF MICHAEL NICCUM			
7					
8	CALIFORNIA AMERICAN WATER COMPANY CEASE AND DESIST ORDER HEARING				
10	DESIGN GROWN TEACHER				
11					
12	I. Michael Niccum, provide the follow	ving prepared testimony under penalty of perjury			
13	in relation to the California State Water Resources Control Board ("State Water Board")				
14	hearing, Phase 2, to determine whether to adopt a draft Cease and Desist Order ("CDO")				
15	against California American Water ("Cal-Am") regarding its diversion of water from the				
16					
17	Carmel River in Monterey County.				
	Q1. Please state your name and position.				
18	1. My name is Michael Niccum. I am General Manager and District Engineer of				
19	the Pebble Beach Community Services District ("PBCSD"). I was appointed General Manager				
20	on February 1, 2008. Prior to that, I was District Engineer of PBCSD, a position which I				
21	occupied starting in June 1994. I am a California Licensed Civil Engineer. I received my B.S.				
22	in Civil Engineering from the University of California, Berkeley, in 1980.				
23	Q2. Please describe your responsi	ibilities with respect to the CAWD - PBCSD			
24	Wastewater Reclamation Project.				
25	2. PBCSD is responsible, together with the Carmel Area Wastewater District				
26	("CAWD") and Pebble Beach Company ("PBC"), for the management and operation of the				
27	CAWD - PBCSD Wastewater Reclamation	CAWD - PBCSD Wastewater Reclamation Project (the "Reclamation Project"). PBCSD			
28	owns and operates the distribution system, and CAWD owns and operates the treatment plant				
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components, of the Reclamation Project. Management is conducted through a Management Committee composed of two representatives of PBCSD, two representatives of CAWD, and one representative of PBC.

- 3. I am the person at PBCSD primarily responsible for operation of the Reclamation Project. In that capacity, it is my responsibility to be familiar with the aspects of operation, maintenance and performance of the Reclamation Project. I am personally familiar with the facts relating to the Reclamation Project testified to herein.
- Q3. Please describe the performance of the Reclamation Project in supplying reclaimed water for irrigation of the Del Monte Forest golf courses and other recreational open spaces.
- 4. The Reclamation Project was completed and commenced operation in the fall of 1994, shortly after my arrival at PBCSD. The performance of the Reclamation Project in supplying reclaimed water is generally measured in a "water year" which runs from October 1 of one year to September 30 of the following year. The following table lists the total water, reclaimed water, and potable water delivered for irrigation of the Del Monte Forest golf courses and other recreational open spaces for all water years from beginning of operation through 2006 2007.

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1	Water Year*	Total	Recycled	Potable	% Recycled
2	1994-1995	792 AF	615 AF	177 AF	78 %
3	1995-1996	936 AF	552 AF	384 AF	59 %
4	1996-1997	1,109 AF	782 AF	327 AF	71 %
5	1997-1998	701 AF	590 AF	111 AF	84 %
6	1998-1999	902 AF	667 AF	235 AF	74 %
7	1999-2000	1,068 AF	769 AF	299 AF	72 %
8	2000-2001	972 AF	600 AF	372 AF	62 %
9	2001-2002	1,037 AF	734 AF	303 AF	71 %
10	2002-2003	1,030 AF	721 AF	309 AF	70 %
11	2003-2004	1,226 AF	791 AF	435 AF	65 %
12	2004-2005	881 AF	674 AF	207 AF	77 %
13	11-Year Average	968 AF	681 AF	287 AF	70%
14	2005-2006	920 AF	768 AF	152 AF	84 %
15	2006-2007	1,079 AF	919 AF	160 AF	85 %
16	13-Year Average	973 AF	706 AF	267 AF	73 %

^{*}Water Year is measured from October 1st to September 30th.

5. The Reclamation Project was originally designed to deliver at least 800 acre feet of reclaimed water on average annually, freeing up at least 800 acre feet of potable water annually for other uses and for conservation. On completion of the original Reclamation Project, however, it was discovered that the salinity of the reclaimed water stressed the golf courses, requiring periodic flushing of the golf courses with potable water, and further that, there was insufficient storage capacity to meet peak demand, also requiring supplementation with potable water during peak demand periods. As a consequence, until 2005, the Reclamation Project supplied an average of 681 acre-feet of reclaimed water for irrigation annually (70% of total demand), and required an average of 287 acre-feet of potable water supplementation (30% of total demand) to satisfy all irrigation demand, as shown and calculated in the above table.

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6. Starting in water year 2005/2006, however, two improvements were instituted o address each of these issues of the Reclamation Project performance. First, the Forest Lake Reservoir in Del Monte Forest (previously purchased by PBCSD from Cal-Am) was ehabilitated and completed in 2005 at a cost of \$12.6 million, and now provides 325 acre-feet of reclaimed water storage. This has rectified the storage problem during peak demand, hereby eliminating approximately half of the potable water previously required for upplementation during peak demand; as shown in the above table, during water years 2005-2006 and 2006-2007, the Reclamation Project supplied an average of 844 acre feet annually of eclaimed water, or 84% of the golf course irrigation needs. Second, improvements to the Carmel Area Wastewater District Treatment Plant have been constructed and are currently in ne start-up and testing period, which will reduce the salinity of the reclaimed water through esalinization facilities. The improvements will eliminate the salinity problem and the equirement for potable water to flush the golf courses. Once the Forest Lake Reservoir is illed with desalinized reclaimed water during the winter of 2008/09, the Reclamation Project s expected to satisfy all of the irrigation needs of the golf courses and open spaces in Del Monte Forest with no potable water supplementation required, thus conserving an additional 85+ acre feet of potable water from the amount of potable water deliveries existing until 006.

I declare under penalty of perjury that the foregoing is true and correct, except as to hose matters stated on my information and belief, and as to those matters I believe them to be rue.

Executed this 7th day of July 2008 at 1cbble beach

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