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**BEFORE THE STATE WATER
RESOURCES CONTROL BOARD**

In the Matter of the State Water Resources)
Control Board (State Water Board)) Hearing Date: July 23 - 25, 2008
Hearing to Determine whether to Adopt a)
Draft Cease & Desist Order against)
California American Water Regarding its) Carmel River in Monterey County
Diversion of Water from the Carmel River)
in Monterey County under Order WR 95-10)
_____)

EXHIBIT MPWMD-AB1

TESTIMONY OF ANDREW M. BELL

**DISTRICT ENGINEER AND MANAGER OF PLANNING AND ENGINEERING
MONTEREY PENINSULA WATER MANAGEMENT DISTRICT**

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TESTIMONY OF ANDREW M. BELL

I, Andrew M. Bell, provide the following prepared testimony under penalty of perjury, under the laws of the State of California, in relation to the State Water Resources Control Board (State Water Board or SWRCB) hearing to determine whether to adopt a draft Cease and Desist Order (CDO) against California American Water (CAW or Cal-Am) regarding its diversion of water from the Carmel River in Monterey County under SWRCB Order WR 95-10.

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Q1: PLEASE STATE YOUR NAME AND QUALIFICATIONS.

1. My name is Andrew M. Bell. My education includes a B.S. Degree in Civil Engineering from the University of California, Berkeley, and an M.S. Degree in Civil Engineering from Washington State University. I am registered in California as a Civil Engineer (C 25513) and as an Agricultural Engineer (AG 429). I have over 30 years of experience in water resources planning, engineering, and management in California and the Western United States working with local, state, and federal agencies, with specific professional experience in the fields of municipal water supply, water rights, agricultural water supply, crop irrigation, and geotechnical engineering. My professional memberships include the American Society of Civil Engineers and the American Water Works Association. I am presently employed as the District Engineer and Manager of Planning and Engineering for the Monterey Peninsula Water Management District (MPWMD, District, or Water Management District).

2. In my capacity as District Engineer and Manager of Planning and Engineering, I am knowledgeable regarding Monterey Peninsula water issues. I have participated in planning, engineering, and environmental impact investigations for near-term and long-term water supply projects to expand available supplies. These projects include MPWMD's New San Clemente Dam, MPWMD's New Los Padres Dam, California American Water's (CAW)

1 Cañada Reservoir, CAW's Carmel River Dam and Reservoir, California Public Utilities
2 Commission's ("CPUC") Carmel River Dam Alternative (Plan B) Project, CAW's Coastal
3 Water Project ("CWP"), various seawater desalination projects, various wastewater recycling
4 projects, and the MPWMD/CAW Seaside Groundwater Basin Aquifer Storage and Recovery
5 ("ASR") Project. I am familiar with the process and projects developed by the Regional
6 Plenary Oversight Group (REPOG), now known as the "Water for Monterey County
7 Coalition," originally convened by the CPUC's Division of Ratepayer Advocates (DRA) to
8 develop a more affordable alternative to the CWP. I am familiar with local, state, and federal
9 regulations regarding permitting, construction and operation of water supply projects. I am
10 also familiar with the Water Management District's management responsibility and practice
11 with respect to CAW's water supply operations in the Monterey Peninsula area. I participate in
12 the preparation of water right applications and petitions for MPWMD projects, in the resolution
13 of protests of MPWMD's applications and petitions, in protests of applications by other entities
14 for rights to water in the Carmel River system that are noticed by the State Water Resources
15 Control Board (SWRCB), and in the maintenance of MPWMD's water right permits. My
16 resume is provided as Exhibit MPWMD-AB2.

17
18 **Q2: PLEASE DESCRIBE MPWMD'S EFFORTS TO DEVELOP SEAWATER**
19 **DESALINATION PROJECTS.**

20 3. The Water Management District has conducted a number of studies and held
21 several public workshops regarding seawater desalination as a supplemental water supply for
22 the Monterey Peninsula area starting in 1989 and continuing through the present. In 1989, the
23 MPWMD Board of Directors tasked staff with developing water supply options that could be
24 supplemental to the New Los Padres Dam and Reservoir Project on the Carmel River.
25 Various labeled near-term or interim water supply projects, these efforts led to the conclusion
26 that the best supplemental water supply project would be a small seawater desalination plant.

1 Technical and environmental studies determined that a 3-million-gallon-per-day (“MGD”)
2 plant located in the City of Sand City was the preferred alternative. The Final EIR on that
3 project, titled MPWMD Near-Term Desalination Project, was completed in December 1992,
4 and the final Engineer’s Report for the project, a required step in advance of the vote on the
5 project, was issued in March 2003. MPWMD issued a Call for Bids for final design,
6 construction, and operation of the project, and bids were received in April 1993. In the June
7 1993 election, the project measure was not approved by the voters, and as a result the project
8 did not proceed.

9 4. Seawater desalination was one of the alternatives identified in environmental
10 impact studies for the MPWMD and CAW dam projects on the Carmel River during the period
11 1987 through 1998. From 1998 through 2002, MPWMD participated in the California Public
12 Utility Commission’s “Plan B” process related to Cal-Am, which evaluated seawater
13 desalination as the primary alternative to Cal-Am’s Carmel River Dam and Reservoir Project.
14 The project proposed in the Final Plan B Project Report (July 2002) became the basis of
15 CAW’s proposal for the CWP.

16 5. In 2002, the District began technical and environmental studies of a seawater
17 desalination project in the City of Sand City area to provide 8,409 acre-feet per year of supply
18 to support Cal-Am’s water needs. These efforts included preparation of an administrative Draft
19 EIR for the Monterey Peninsula Water Supply Project in December 2003, and issuance of
20 technical reports as recently as June 2004. In 2004, the MPWMD Board determined not to
21 complete the Draft EIR on this project and instead shifted its focus to CAW’s CWP or other
22 regional desalination project that could solve the Monterey Peninsula’s long-term water supply
23 need.

24 6. From 2004 through the present, MPWMD has prepared a series of reports
25 summarizing water supply options available to the Monterey Peninsula area. These reports,
26 each of which includes a “Matrix of Long-Term Water Supply Projects,” provide information

1 on major seawater desalination projects, including CAW's CWP. The initial report in this
2 series was prepared and presented in a public workshop in September 2004, and subsequent
3 updates were presented in September 2005, October 2006, and March 2008. This latter matrix
4 is presented as **Exhibit MPWMD-HS3**.

5 7. MPWMD conducted engineering studies from 2006 through early 2008
6 evaluating technical, cost, and permitting aspects of four seawater desalination projects that
7 have been proposed for the Monterey Peninsula. The four projects are CAW's CWP,
8 Pajaro/Sunny Mesa Community Services District's (Pajaro/Sunny Mesa CSD) Monterey Bay
9 Regional Seawater Desalination Project, MPWMD's Sand City Desalination Project, and Water
10 Standard Company's Seawater Desalination Vessel. The final report for these studies, titled
11 "Evaluation of Seawater Desalination Projects Proposed for the Monterey Peninsula" (February
12 20, 2008), was prepared for MPWMD by Bookman-Edmonston/GEI Consultants, Separation
13 Processes, Inc., and Malcom-Pirnie, Inc. (B-E/GEI Consultants, et al.). A summary of
14 desalination plant capacities and estimated costs provided by the respective project proponents
15 is presented in Table ES-1 of this report (located on page ES-8 of the report, **Exhibit**
16 **MPWMD-AB3**).

17 8. In early 2008, the MPWMD Board of Directors directed staff to review the
18 potential for the seawater desalination project in the City of Sand City and former Fort Ord area
19 studied by MPWMD from 2002 through 2004. A report on the feasibility of this project is
20 scheduled for presentation to the MPWMD Board at their August 2008 meeting.

21
22 **Q3: WHAT ARE ANTICIPATED WATER DELIVERY DATES FOR MAJOR**
23 **WATER SUPPLY PROJECTS CURRENTLY PROPOSED TO SERVE THE**
24 **MONTEREY PENINSULA AREA?**

25 9. In a presentation to the MPWMD Board of Directors (page 11 of March 27, 2008
26 presentation titled "Update of Projected Water Supply Needs and Solutions," **Exhibit**

1 MPWMD-AB4), CAW states an anticipated final construction date for the CWP of July 2015.
2 This schedule also indicates that a Draft EIR for the project was anticipated to be released in July
3 2008. However, at the June 4, 2008 meeting of the group known as the Regional Plenary
4 Oversight Group (REPOG), or the Water for Monterey County Coalition, it was stated that the
5 Draft EIR for the CWP is anticipated to be issued at the end of 2008 or the beginning of 2009.
6 This statement was made by the lead consultant preparing a regional water supply alternative to
7 the CWP, which is proposed to be one of the project alternatives evaluated in the Draft EIR for
8 the CWP. This indicates a delay in the CWP project schedule by at least five months.

9 10. MPWMD consultants currently evaluating the potential for the MPWMD
10 seawater desalination project in the City of Sand City area have made a preliminary estimate that
11 the project could be in operation in 2015 to 2016, assuming no major permitting or legal
12 obstructions.

13 11. In a report by Pajaro/Sunny Mesa CSD in cooperation with Poseidon Resources
14 Corporation titled "Monterey Bay Regional Desalination Project, Conceptual Design Report"
15 (April 2006), the "target completion date" for commercial operation of Pajaro/Sunny Mesa
16 CSD's seawater desalination project in Moss Landing is stated to be July 2010. However, target
17 completion dates for other phases of this project (environmental review and permitting, water
18 supply arrangements, and design) have passed but have not been met.

19 12. In the February 20, 2008 report by B-E/GEI Consultants, et al., titled "Evaluation
20 of Seawater Desalination Projects Proposed for the Monterey Peninsula," Water Standard
21 Company is reported to have stated that water delivery with the Seawater Desalination Vessel
22 Project "... will commence three years after contractual agreements are signed." The B-E/GEI
23 report continues, "In our opinion, this seems optimistic given the uncertainties in the permitting
24 process."
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1 **Q4: PLEASE SUMMARIZE WATER RIGHT PERMITS HELD BY MPWMD.**

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3 13. MPWMD currently holds three permits from the State Water Resources Control
4 Board for the right to divert and store water from the Carmel River and its associated alluvial
5 aquifer, Permits 7130B, 20808A, and 20808B. A description of these permits, including the
6 dates of filing and issuance and the respective quantities and seasons of diversion and storage, is
7 provided in Exhibit MPWMD-AB5. Permit 20808A was issued jointly to MPWMD and CAW
8 in support of the Seaside Groundwater Basin Phase 1 Aquifer Storage and Recovery (ASR)
9 Project. The Water Management District is working to use its other permits in support of future
10 water supply projects. On June 30, 2008, the District submitted a Petition for Change to Permit
11 20808B for the planned Phase 2 ASR Project. A description of the rights requested in this
12 Petition is provided in Exhibit MPWMD-AB6.

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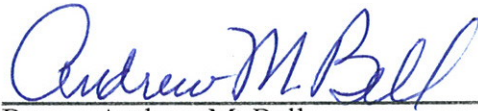
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1 I, Andrew M. Bell, declare under penalty of perjury that I have read the foregoing
2 "Testimony of Andrew M. Bell" and know its contents. The matters stated in it are true of my
3 knowledge except as to those matters which are stated on information and belief, and as to those
4 matters I believe them to be true.

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7 Executed on July 3, 2008, at Monterey, California.

8
9 MONTEREY PENINSULA WATER
MANAGEMENT DISTRICT

10 

11 By: Andrew M. Bell
12 District Engineer and Manager
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