

**COMMENT LETTER 51 - SCOR, SCOT STEGEMAN (SEPTEMBER 24, 1996),
RECEIVED SEPTEMBER 24, 1996**

Response to Comment 51-1

Comment Summary: The comment states that disposal in the Russian River produces no economic benefits and throws away the water's value; that in a drought-prone region water is the scarcest resource with significant long-term value; and that reuse can generate economic benefits for the community including the rate payers.

The Draft EIR/EIS concludes that Alternative 5A (Russian River Discharge) creates a negative economic effect as measured by total income and employment. The Draft EIR/EIS also concludes that, because of the use of reclaimed water for irrigation, Alternatives 2 and 3, which focus on agricultural irrigation, create a net economic benefit measured in total income and employment. However, Section 4.18 of the Draft EIR/EIS (page 4.18-51) points out that the benefits and costs under Alternatives 2 and 3 do not accrue to the same groups, and that under this analysis, the costs fall primarily on the rate payers, while the benefits accrue primarily to the users of reclaimed water.

Response to Comment 51-2

Comment Summary: The comment states that discussion of the costs of the project have been too narrowly focused and that a broader regional economic perspective- would recognize the benefits of reuse for irrigation, open space and recreation. The comment also states that there is no economic return from a river discharge alternative, and cites examples of increased farm income from higher quality or value added products by local agriculture.

The Draft EIR/EIS, in Section 4.18 addresses the broader regional economic effects of all alternatives, including reuse. It concludes that Alternatives 2 and 3, which focus on agricultural irrigation, have significant regional economic benefits in terms of income and employment, while Alternative 5 (Discharge) has a negative regional economic impact. Section 4.18 also analyzes the impacts of agricultural irrigation on the local economy and concludes that irrigation would result in additional value of between \$2.5 million and \$102 million from new crops depending on the location of irrigated land and the cropping scenarios to be used.

Response to Comment 51-3

Comment Summary: The comment describes the "multiplier" effect in relation to the circulation of additional income in the greater Sonoma County community.

As stated in Section 4.18 (page 4.18-29) the Draft EIR/EIS recognizes the "multiplier" effect- in its analysis of the economic costs and benefits of the project alternatives.

Response to Comment 51-4

Comment Summary: The comment states an opinion that the priority should be to design a project that maximizes the economic value of a scarce resource, and recaptures a portion of that value to offset project costs. The comment also states that choosing the “cheapest” project may involve hidden costs and lost opportunities.

This comment is an opinion concerning the criteria for project selection. Refer to Master Response 2, located in Section 6.2 of this document.

Response to Comment 51-5

Comment Summary: The comment urges phasing, buffers and small storage areas.

Refer to Master Response 14, located in Section 6.2 of this document, regarding phasing and small storage reservoirs. Refer to Response to Comment 24-6 concerning buffers.

Response to Comment 51-6

Comment Summary: The comment states that in relation to cost and ratepayer impacts, additional funding opportunities with agriculture need to be addressed, resulting in cost-reductions for the ratepayer.

The scope and applicability of funding opportunities, such as charging for the use of reclaimed water, are not fully known at this time and their impact on costs cannot be accurately projected. Therefore, for the purpose of evaluating impacts, the Draft EIR/EIS assumes that the project cost will be paid through service charges and demand fees, as described in Section 4.18 (page 4.18-22) of the Draft EIR/EIS. Based upon this conservative method of addressing impacts of costs, the impact on rate payers due to increased service charges was considered significant. To the extent that additional funding opportunities would reduce the portion of project costs which would have to be funded through service charges, the impact on rate payers could be reduced. The value of reclaimed water for agriculture is recognized in Table 4.18-17, on page 4.18-39 of the Draft EIR/EIS, which summarizes the estimated gross value of new crops resulting from irrigation. This is a factor which can be considered in project selection. Also refer to Master Response 13, located in Section 6.2 of this document.

Response to Comment 51-7

Comment Summary: The comment states that there should be recognition of external costs of the alternatives as well as benefits, and that there should be acknowledgment that costs will be borne by others outside the system.

The Draft EIR/EIS considers external costs and benefits in an analysis of economic impacts on the Sonoma and Marin County economies, as described in Section 4.18 (page 4.18-46). As described in this section, impacts on income and employment were analyzed using an input-output model for all alternatives, which considered indirect

economic impacts and induced economic effects as well as direct impacts. The analysis, in describing impacts on the area-wide economy, recognizes that there will be costs borne by those outside the Subregional System. The Draft EIR/EIS also acknowledges that the Project has "costs" (i.e., impacts) that affect those outside the subregional system, and has evaluated those impacts in 18 different subject areas.

Response to Comment 51-8

Comment Summary: The comment states that the Draft EIR/EIS describes the alternatives in their most extreme form and that this tends to divide the community and makes easy targets for interest groups. The comment recommends that the Draft EIR/EIS acknowledge that the projects described in the Draft EIR/EIS are difficult but are building blocks for hybrid projects that represent the best interest of the economic and environmental interests.

The primary purpose of the Draft EIR/EIS is to focus on the environmental effects of a particular project. The balance between the environment and economics will be considered during the project selection process.

The Draft EIR/EIS does use conservative assumptions to ensure evaluation of the maximum impact of the possible range of alternatives from which the City may select a project. However, the Draft EIR/EIS describes reasonable and feasible alternatives, not the most extreme cases. Alternatives were developed which included feasible components suggested by the public during Step 1 of the Scoping Phase and which meet the CEQA and NEPA requirements for alternatives analysis in the Draft EIR/EIS. The Draft EIR/EIS also provides analysis to allow selection from a range of discharge rates and sizes of irrigation storage systems Refer to Appendix A (Range of Discharge Evaluation).

