

PUBLIC COMMENTOR 210 - SCOT STEGEMAN, SEPTEMBER 24, 1996

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Scot Stegeman, 2727 Montecito Avenue, Santa Rosa. Mayor Wright, members of the council and the BPU, I am speaking before you as executive director of the Sonoma County farmlands group, and also as a representative of the SCOR group.

You heard the general history of the SCOR group and the priorities that were identified by that group, and I'd like to specifically focus on some of the community economic implications. Discussion of the cost aspects of the various alternatives have focused on a narrow perspective of the direct cost implications to subregional system rate payers based on the specifically described alternatives.]

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While this is one legitimate concern, it obscures the enormous regional economic benefits of reuse for irrigation, open space, recreation and so on. There is no economic return from investing in a project that is predominantly a river discharge. The economic value of the resources lost and your capital costs are committed at the start of the project and cannot ever be reallocated in another way. The economic value to the community occurs in two ways. An economic analysis prepared by a City consultant estimates the increased value of crops under a strong reuse project to be between 2 million and 40 million dollars per year, depending upon what is being irrigated. For example, the gross crop value of silage from 100 acres is estimated at \$54,000, while 100 acres of dry farmed apples had an estimated 148 thousand per year, a value which will double or triple when placed under irrigation. The same acreage of truck farm and specialty vegetables had a value of around 1 to 1.5 million per year. Multiplying those sorts of numbers by an extra 5000 or more acres under irrigation and planted in grapes, apples or truck crops produces an enormous annual economic return in direct creation of a sellable commodity.]

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Secondly, any business sector provides an economic boost to the community by putting money into circulation, by buying raw materials, employing workers, purchasing equipment, et cetera.

The income from the additional farm production described above keeps on making money as it moves through the community. Local agriculture has one of the highest multipliers in this county. This means that one new job, and one new dollar paid, and one new dollar in sales creates more additional jobs, payroll, and sales than almost any other industry sector in Sonoma County and much of that secondary economic impact will occur within the Subregional System as people are employed and goods are bought.]

So the selection of a reuse project is not only a decision to reuse a -- a resource, and practice conservation. It is also a significant economic development decision for this county and this community. The priorities should be to design a project that maximizes the economic value of a scarce resource and then recaptures value to offset the project cost to rate payers. This approach better represents the true economic choices that affects the region in general and subregional rate payers in specific. Simply taking the cheapest project may leave county residents including system rate payers paying for hidden costs and lost opportunities for decades to come.]

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First, there is very limited reference to the use of phasing, buffers, and small storage options as a means of creating more flexible and cheaper alternatives. The apparent fact that this EIR will cover small storage options as was suggested with the proposed Kendall-Jackson storage site associated with the geysers project needs to be explicitly stated, so that clearly the Kendall-Jackson site and that idea as covered by the EIR is indicative of how small storage sites will be treated in general]

Secondly, EIRs do not usually probe deeply into economic impacts at all. That's a fairly nontraditional issue in an EIR. But if costs and rate payer impacts are a legitimate consideration, then other economic items need to be addressed, specifically the additional funding opportunities that open up with agriculture as the lead agent or applicant for parts of the project and cost results that may result and thus reduce rate payer impacts.]

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Thirdly, there should be recognition of external costs of the alternatives, as well as benefits. Some have objected to agricultural reuse as a subsidy at City expense, but no project can be found that stays within the true geographic confines of the subregional system. It can't be done. There should be acknowledgment of any external costs that will be borne by others outside the system. Including those that may be considered insignificant under CEQA and thus not be mitigated]

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I'd like to conclude by stating -- and this again reflects on the EIR as well as the project selection -- that the EIR reinforces a persistent pattern of describing possible projects in their most extreme form, such as massive reuse, enormous storage reservoirs, or greatly increased river discharge. This tends to divide the community and create projects that are easy targets for different interest groups. The best step forward would be to acknowledge that while the specific projects as described in the EIR are all difficult for political or economic reasons, that the building blocks are there for a hybrid.

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Mayor Wright:

Will you wrap it up, Mr. Stegeman?

SCOT STEGEMAN:

Yes, this is the last sentence.

Mayor Wright:

Okay, good.

SCOT STEGEMAN:

The building blocks are there for a hybrid that represents the best interest both economic and environmental of all interested parties in the County. Thank you]

Mayor Wright:

Thank you. Let me just reiterate one more time, we've heard the need to make sure that the EIR addresses the economic impacts, economic implications, agriculture sustainability and the economic benefits of agriculture. You do not need to repeat that. And I would again ask that you -- you make sure you focus on -- we ask that you focus on adequacy of the EIR. Anne, followed by Alan Strachan, followed by Bill Kortum.