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**Sent:** Friday, June 21, 2024 3:17 PM  
**To:** Board of Directors <[board@valleywater.org](mailto:board@valleywater.org)>  
**Subject:** Delta

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Hello,

**Unfortunately I will not be able to attend the meeting. I request that you please read the following points.**

**Cost Ratio:**

- The BCA benefit-cost ratio is inflated by assuming extremely high demand growth, ultra-low interest rates, ignoring environmental costs, and other issues. In addition, the BCA doesn't consider any alternatives, so a benefit-cost ratio of 2.2, even if correct, does not mean the tunnel is the best alternative. If evaluated with similar assumptions, alternative investments would have very high BCA ratios, too.
- While ignoring risk and sensitivity analysis for the project cost, the cost estimate still says that costs could increase by 80%, which would be \$6 billion for the tunnel. Studies show that 90% of mega projects exceed their budget with an average cost of 60% in increases.
- The BCA only examines uncertainty from climate-change forecasts but does not include sensitivity analysis of construction cost uncertainty, the Endangered Species Act, water demand and value, or lifespan and discount rates.
- The BCA is based on inflated population and demand projections by Metropolitan Water District, the main proponent of the Delta tunnel project. MWD's model assumes new households grow at more than double the rate projected by the California Department of Finance through 2045, and then flat demand after 2045, although the California Department of Finance, and general consensus, project population decline after 2044.
- Even when exaggerating the benefits, the costs exceed the benefits for ag districts, which means many ag districts will opt out and the costs will be higher for urban users. The BCA suggests that urban water supply is 94.4% of water supply benefits. The BCA ratio for ag users is 0.39, even with the exaggerated values included in the BCA, and clearly a terrible investment for ag users at \$0.39 per dollar invested.

**Environmental Costs**

- The BCA ignores the environmental impacts from both construction and operation in the tunnel's EIR for the dozens of impacts where the EIR found the impact to be less than significant after mitigation. Less than significant under CEQA does not mean no impact. While it may be infeasible to monetize every environmental impact, there will be high-value, and thus high-cost, impacts to endangered fish and wildlife species,

which are certainly not equal to zero impact. Large-scale habitat restoration and mitigation are extremely unlikely to fully offset negative impacts of the tunnel, and this was rejected in previous iterations of the project, which the consultants are likely aware of.

- The costs of the impacts to endangered salmon alone can be in the billions of dollars that will affect communities throughout California- just look at the closed salmon fishing seasons- and leaving these costs out of the BCA represents a significant failure in the process.
- If the cylindrical fish screens placed on the Sacramento River are deadlier to endangered salmon than predicted by the EIR, then conditions imposed under the Endangered Species Act would be likely to restrict or halt tunnel operations, which would reduce water deliveries, and increase water supply costs. The tunnel proposal has no Safe Harbor protections proposed, and this risk was not accounted for in the BCA.

Thank you so much for your attention.

Sincerely,  
Leslie Colyer