

# Water Rights Agreement with North Bend — FAQs

## FREQUENTLY-ASKED QUESTIONS



### Q1

Why is this agreement necessary for Sallal and North Bend?

- A utility needs a water right to pump water. Sallal has enough water rights to supply existing customers. However, Sallal does not have sufficient water rights to support future water needs within its service area. North Bend's Centennial Well has more than enough capacity and water rights to share with Sallal, if the pumping impacts are lessened by "mitigation." (See next bullet.)
- When North Bend pumps its Centennial Well, the flow in the Snoqualmie River is affected. North Bend needs a backup water source to maintain minimum instream water flows within the Snoqualmie River. State law requires that new groundwater pumping cannot impact minimum flows in rivers; mitigation water must be provided if there are impacts. Mitigation water is the water that a utility puts back into a river to ensure that it maintains state mandated minimum water flow levels. Sallal can help North Bend mitigate that impact, if an agreement is reached.

### Q2

What will happen if this agreement is not approved?

- If Sallal is unable to finalize an agreement with North Bend, we will eventually be unable to meet our obligation to provide water to new customers. Accordingly, Sallal would be required to give up its exclusive rights to serve its territory. As a result, North Bend would expand into Sallal's current service area, raising the possibility that North Bend would use its power of eminent domain to force Sallal members to buy more expensive, chlorinated water from the City. Currently, the average Sallal ratepayer pays considerably less than the average North Bend ratepayer.
- The inability to add new members would also lead to higher rate increases over time because there would be no new membership fees to defray the cost of maintaining and improving our water facilities.
- North Bend needs to provide mitigation water, as required by its water right, to maintain existing minimum instream flow levels in the Snoqualmie River. Minimum flows in the Snoqualmie River historically have not been met at times. Currently, North Bend has an agreement with Seattle Public Utilities (SPU) to provide mitigation from Hobo Springs near Rattlesnake Lake, but that source is insufficient to reliably provide all mitigation water needs. Without an agreement, the Snoqualmie River could go below minimum flows during the dry season, putting fish at risk.

### Q3

How can Sallal provide mitigation water to North Bend when it does not have enough water rights to provide water for its current service territory?

- Sallal would provide mitigation water from its Rattlesnake wells only if Hobo Springs were unable to meet the need. By proactively managing Sallal's water operations, Sallal can ensure that it has enough water to both meet its own needs and also supply North Bend with mitigation water. Simply put, Sallal would draw water from the Centennial Well when the river is high and mitigation water is not needed. This would allow Sallal to provide mitigation water from its Rattlesnake wells at a later time if the river runs low and mitigation water is needed.
- The agreement between Sallal and North Bend would ensure that Sallal members are served before any water is used for mitigation.

### Q4

Why doesn't Sallal get additional water rights from somewhere else?

Sallal has a pending application before the Washington State Department of Ecology but the basin is closed to further appropriations of water due to the Snoqualmie not meeting minimum flows. The application has been put aside by Ecology due to the availability of water from the Centennial Well. It is not feasible at this time to revive the pending application.

### Q5

How will my water quality be affected?

Water quality for Sallal members will remain high. Centennial Well water is groundwater that meets all Federal, State, and local water quality requirements. Sallal will build a tap directly at the Centennial wellhead before North Bend adds chlorine to its water. Neither Sallal water, nor the water purchased from the Centennial Well, will be treated with chlorine or fluoride.

## Q6

### How will this agreement impact my water rates?

Rates are established by many factors, including the cost to produce or purchase water and the cost of infrastructure. Infrastructure requirements to connect to the Centennial Well will be paid for through new member connection fees so there will be little to no impact on the rates existing customers pay.

If finalized, this agreement will help keep Sallal's rates among the lowest in King County. It will maintain a strong ratepayer base to more broadly distribute the water system's operational and maintenance costs. New membership fees would pay for any new connections and the additional rate revenue would allow Sallal to upgrade its aging infrastructure without substantially raising rates.

If Sallal does not enter into a water supply agreement with North Bend, new connections would not be available once its water rights are exhausted. Sallal has a 50-year-old water system with aging facilities that require maintenance and replacement. Existing reserves, while substantial, are not sufficient to fund capital improvements and major maintenance items. Without new connections, monthly rates will likely increase to fund those costs.

To better understand the impact on member rates, Sallal hired a consultant to prepare a projection of how future water rates may be affected without the addition of new members. That information will be available later in 2019.

## Q7

### If Sallal and North Bend do not sign an agreement, will it prevent planned or future building development or result in a building moratorium?

No, if Sallal and North Bend do not reach an agreement, it will not result in a building moratorium within Sallal's service area. North Bend will provide water service to any planned or future building developments within its city urban growth boundary limits, even if that requires that they expand into Sallal's service area. Please see the City of North Bend's proposed joint service area map on the second page of our fact sheet ([www.sallal.com/factsheet/](http://www.sallal.com/factsheet/)). Since the City of North Bend has chlorinated water and Sallal does not, this would require North Bend to invest heavily in infrastructure. This arrangement would increase the possibility of North Bend using its power of eminent domain to seize Sallal's service area and infrastructure, forcing Sallal members in the joint service area to become customers of the City. North Bend is exploring options to find additional sources of mitigation water if an agreement is not reached with Sallal.

## Q8

### Why is having a secondary source of water important?

Identifying and securing a secondary water source that can provide safe, quality drinking water to our members is of critical importance. Currently, 90% of water supplied to Sallal members comes from Sallal's Rattlesnake wells, and the pipes that carry this water cross the Snoqualmie River. In the event of a major earthquake, sections of these pipes may break. Without a secondary source of water, Sallal members could be without water for days or weeks until those pipes were repaired or replaced. North Bend's Centennial Well sits on the valley floor, and could supply water to the majority of Sallal members in the event of an earthquake. Even without a water supply agreement, Sallal is working on completing an emergency intertie with the City of North Bend to ensure minimal service interruptions in the event of an emergency.

## Q9

### How does this agreement benefit the Snoqualmie River?

Maintaining healthy water levels (instream flows) is a vital part of our natural environment and community water supplies. In addition to providing habitat for fish and wildlife, instream flows contribute to the scenic and aesthetic qualities of natural settings and help support recreation, stock watering, and other uses of water. This agreement will ensure that the Snoqualmie River has sufficient year-round instream flows to support healthy river habitat for important species, such as salmon.

Instream flows for the Snoqualmie River were established by the Washington State Department of Ecology in 1979. Fish biologists conduct technical studies and review current science to determine preferred flows for fish habitat; they then combine this information with historic stream flow records to set instream flow levels.

This agreement ensures healthy instream flows on the Snoqualmie River by ensuring that North Bend has adequate mitigation water.

To learn more about instream flows, please visit: <https://fortress.wa.gov/ecy/publications/documents/1711002.pdf>.

For additional questions, please email [info@sallal.com](mailto:info@sallal.com).