

## January 2022 Newsletter

Please submit questions/comments to [admin@sallal.com](mailto:admin@sallal.com)

<p><b>Annual Members Meeting</b></p>	<p>The annual meeting of Sallal’s membership will be held virtually on March 29, 2022 at 7 p.m. The meeting is open to all members that request a remote sign-in invitation. The Board President will review the prior year’s events and three open Board positions will be voted on by the members at this meeting. The full notes and agenda together with the ballot for election of the board positions will be mailed to all members at least two weeks prior to the meeting, along with the details of how to attend virtually or by phone.</p>
<p><b>Board Elections</b></p>	<p>Three Board positions are up for election at the March 29<sup>th</sup> Annual Member Meeting. Trustees serve a three-year term once voted in. If you are a member in good standing and would like to run for one of those three positions and can dedicate at least 10 hours a month to Board service, please submit a bio to <a href="mailto:Kristina@sallal.com">Kristina@sallal.com</a> or mail to Sallal Water Association Attn: Board Elections, PO Box 378, North Bend, WA 98045.</p> <p>Your submittal must be received by Sallal no later than 4 p.m. on February 18, 2022 to be on the ballot for the March 29<sup>th</sup> Annual Members Meeting. In order for members voting by mail have a complete view of who is running, no write-in candidates or floor nominations will be accepted.</p>
<p><b>Rate Changes</b></p>	<p>The third phase of a rate study has been completed by a highly qualified rate consultant and was presented at the January 4<sup>th</sup> Board work study session. This phase provided a review of the General Facility Fee for new connections/memberships. Our consultant’s recommendation is to increase the General Facility Fee to \$25,327 for Sallal installation and \$22,527 for member installation based on analysis of Sallal’s Capital Improvement Plan costs and new member forecast over the next 10 years. The General Facility Fee was last updated in 2016. At the January 18, 2022 meeting, the Board voted to approve this increase effective March 1, 2022.</p> <p>With regard to monthly rates, at the January 18<sup>th</sup> meeting, the Board voted to approve a 3.4% increase to the base and usage rates, to take effect March 1, 2022. The typical household can expect to see an increase of around \$4-\$6 a month on their bill because of these rate changes.</p>
<p><b>Water System Capacity</b></p>	<p>The rate of new development within our service area is pushing water demand much closer to the limits of our water right and faster than anticipated. Last summer during the heat wave, instantaneous demand for water came close to Sallal’s permit limit. This reality supported the engineering analysis that concluded Sallal cannot guarantee any amount of instantaneous quantity of water to the city for their mitigation needs. Doing so could impair Sallal’s ability to maintain continuity of service to its members, which would not be acceptable. Negotiations with</p>

	<p>the City on a water supply contract have been challenged by this outcome, but both the City and Sallal are still looking for ways to reach an agreement that is mutually beneficial to both parties. Additionally, some large developments have been proposed that are unusual and difficult to predict or plan for. The Board is currently assessing how best to navigate these demands to meet the long-term needs for the Association.</p>
<p><b>King County Franchise Fee Update</b></p>	<p>The courts have authorized King County to negotiate with utilities for the payment of rent for the use of public right of way. Rent must be reasonable and is subject to offset for a water purveyor's costs of providing fire suppression services. What remains is for Sallal (and many other utilities that utilize King County right of way) to determine through negotiation the amount of rent and the application of a credit for fire suppression costs.</p>
<p><b>Capital Projects Update</b></p>	<p>Construction work for a new reservoir and a new supply well is wrapping up. These facilities are already in operation.</p> <p>The construction of Sallal's new office/shop building at our Edgewick site is progressing well. The office and shop are framed in, the roof is on, and windows are installed. Fire sprinkler systems are installed along with plumbing, HVAC, and wiring rough-in. Interior finishes will be starting this month. The project is approximately 65% complete through end of year 2021 and is on track to be completed in the Spring barring any delays caused by supply chain shortages.</p>