

## Special June 2022 Newsletter

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

### Emergency Moratorium

The Board voted at its June 21, 2022, regular meeting to initiate an emergency moratorium on new water connections for up to six months while we complete an in-depth review of our most current water usage data. Data from 2021 showed anomalous high usage that could be due to leaks, malfunctioning meters, unusually hot weather and multiple instances of draining the new reservoir while trying to make it watertight. This high usage from 2021 suggests that we may have reached our water right limit sooner than expected. The investigation we conduct over the next six months will focus on determining if we have truly reached our certificated limit for water usage. A public hearing will be held on August 16, 2022, in order for the Board to receive testimony about the interim moratorium and possible next steps. Please check the Association website for detailed information about the hearing.

A moratorium would not necessarily prevent all new connections. Sallal intends to honor certificates of availability that are in good standing. In addition, we can honor exempt well transfers as an option for properties within our service area that have failing wells.

The Board did not make the decision to adopt this interim moratorium lightly. Given our limited options for additional water supply, the Board concluded that this action was our only option. Sallal's long standing water right application was not acceptable to the State, and we have not been able to negotiate a supply contract with the City that would be good for Sallal members. After much consideration, we believe going into moratorium is better than entering into a disadvantageous supply contract with the City. If we were to agree to the current proposal for water supply from the City, once the systems are tied together, all of Sallal would be subject to curtailment when instream flows are not being met. To illustrate this point, a June 16, 2021 email from the City Public Works Director Mark Rigos to Sallal management team stated:

*"...during those rare drought years and during late summer/early fall, Sallal would not be allowed to purchase more potable water from the City than the volume of mitigation water that the City would buy from Sallal. [The City] will likely be mitigating for every drop pulled out of Centennial Well during a significant drought. Somehow during those very rare conditions, Sallal will need to be storing water in their reservoirs and asking/telling their customers to conserve water during those rare conditions."*

We have not stopped talking to the City and have suggested separating the topic of mitigation water from the domestic water supply issue. We await their response. We have also spoken with Seattle Public Utilities (SPU) about the possibility of purchasing potable water from the Cedar River impoundment, but SPU's response is years away.

### How Rates May Change in the Future Without New Connections

Sallal's capital projects plan calls for roughly \$7M (current dollars) in capital spending over the next 8-10 years to replace aging water system facilities. These project, which include replacing pipes that have reached the end of their useful life, are necessary to ensure proper operation of our system for all members. We currently have roughly \$8M in capital reserves. With the remaining water from our existing water rights only able to accommodate a limited number of new connections, and if Sallal is unable to obtain additional water supply, funding for capital

	<p>improvements in the coming years will need to be reevaluated to determine how much will need to come from monthly water rates. A water system capacity analysis is underway to refine our planning figures with regard to our remaining water right. Cost analysis and financial planning will be ongoing activities as capital projects are scheduled. Updates on the outcome of these evaluations will be provided to Sallal members as the results are obtained.</p>
<b>Water Quality Report for 2021</b>	<p>Our Water Quality Report for 2021 has been mailed to all members (either email or postal service) and is also available on our website at: <a href="https://sallal.com/wp-content/uploads/2022/06/2021-Water-Quality-Report.pdf">https://sallal.com/wp-content/uploads/2022/06/2021-Water-Quality-Report.pdf</a></p>