

Main Conditions of the Contract

While not finalized by either party, here is the substance of what has been negotiated:

- Sallal will provide the City no more than 100 AF per year of mitigation water. The City may use this water before or instead of using water from Hobo Springs.
- The City must pay back the water in the same calendar year. Sallal has the option to use the 100 AF in advance of the City using our mitigation water, or we can take the water afterwards.
- No charge for mitigation or replacement water – the City and Sallal agree to a straight swap for the 100 AF.
- The City will sell Sallal all the water we need for the Urban Growth Area. Projections are up to approximately 950 acre feet per year in the long run. The wholesale rate for this purchase is set at the City's cost to produce the water.
- Sallal offers no guarantees of the instantaneous flow rate of water available for mitigation – the City can only receive water at a rate that is available from our system when they need water.
- Sallal and City all share equally when there is a water shortage.
- Essential terms are equally applied to both parties.
- Sallal will adopt conservation policies comparable to the City's. To be clear, Sallal is not obligated to adopt the City's ordinance. However, our conservation policies must ensure members take reasonable steps to conserve water.