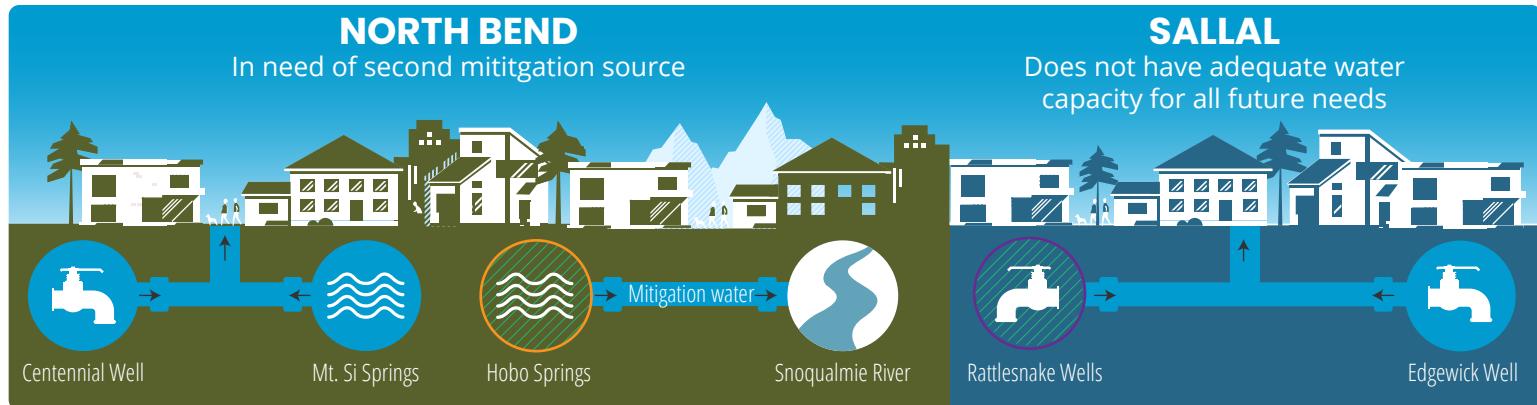




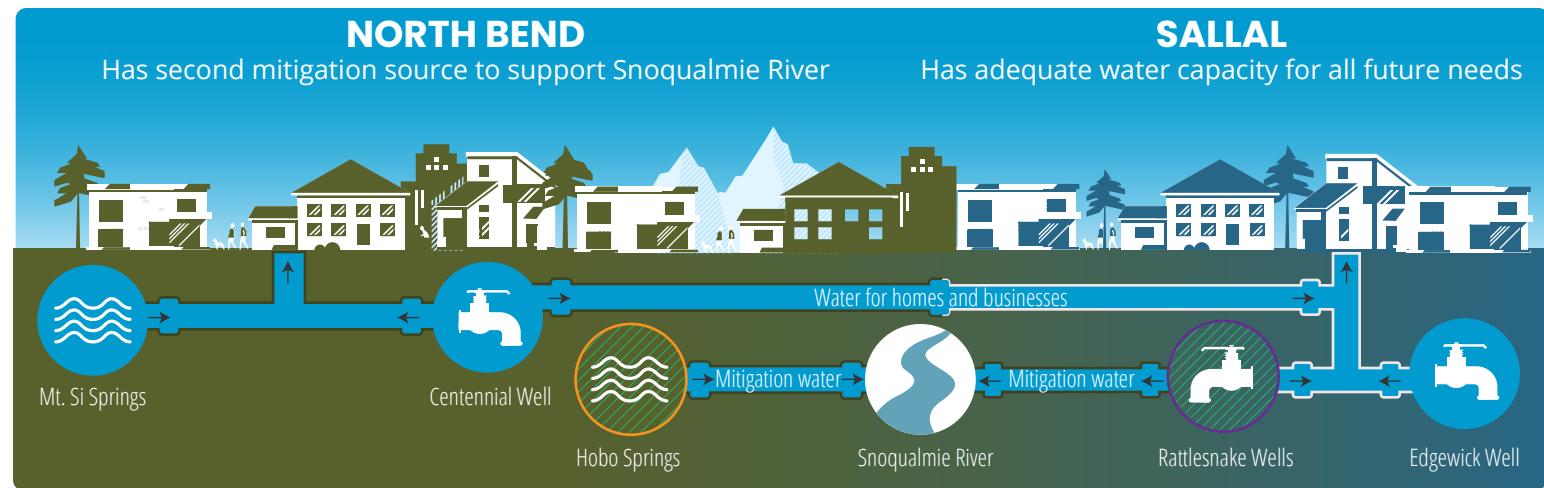
NORTH BEND AND SALLAL WATER ASSOCIATION WATER SYSTEM OPTIONS

The illustration below shows the City of North Bend and Sallal Water Association's current water supply systems, and two different options for a future system – a water supply agreement and system consolidation. If a water supply agreement were executed, the City would sell Sallal water for their homes and businesses and Sallal would sell the City mitigation water. If consolidation were to occur, the City would purchase Sallal and own and operate both water systems.

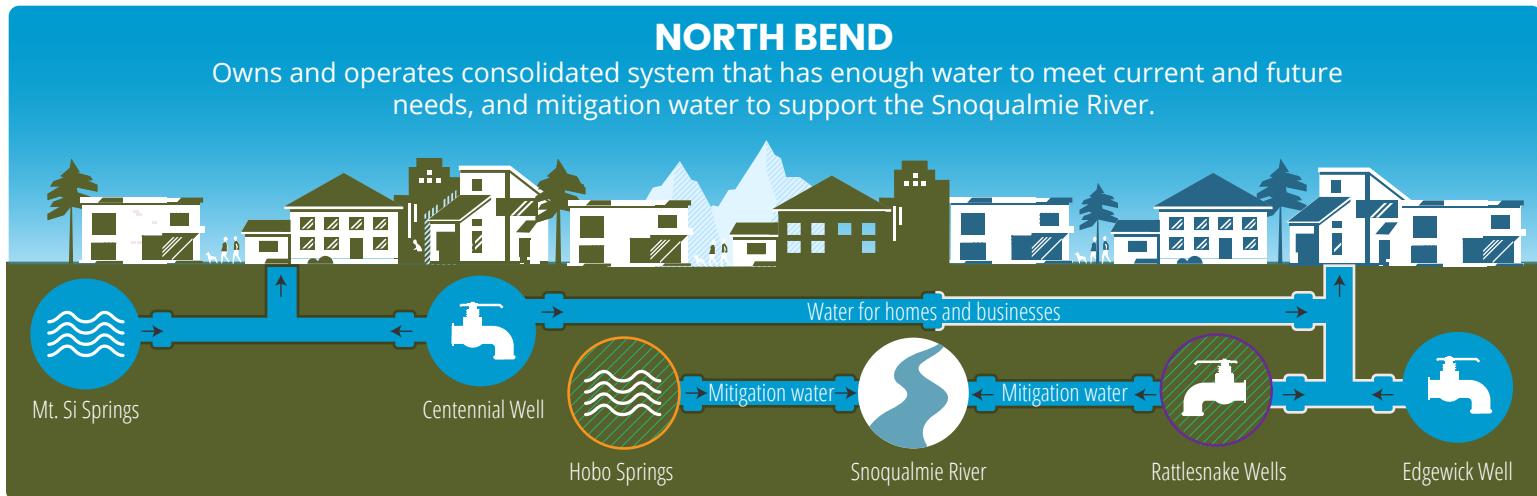
CURRENT SYSTEM



OPTION 1: WATER SUPPLY AGREEMENT



OPTION 2: SYSTEM CONSOLIDATION



Water source



Approved Department of Ecology mitigation source for Snoqualmie River



City of North Bend managed pipe



Approved Department of Ecology mitigation source and water source



Sallal managed pipe