

Preliminary Development Plan Requirements

Exhibit #13.

Water Rights & Water system

Trust Water Right Acquisition Agreement

This Trust Water Right Agreement is made and entered into as of the 17th day of August, 2017, by and between the Washington State Department of Ecology, Yakima River Basin Trust Water Rights Program ("Ecology") and Reecer Creek Water Right LLC, a Washington Limited Liability Company ("RC").

A. WHEREAS, Ecology is the trustee of the Yakima River Basin Trust Water Rights Program as authorized under Chapter 90.42 RCW ("Trust"); and

B. WHEREAS, RC is the owner of certain water rights in Reecer Creek, a tributary of the Yakima River as more particularly described and confirmed under Claim No. 02261 in the Conditional Final Order issued in Subbasin 7, dated October 25, 2001, in *Ecology v. Acquavella*, Yakima County Superior Court No. 77-2-01484-5 ("*Acquavella*");

C. WHEREAS, the place of use and purpose of use for a portion of draft Surface Water Cert. No. S4-83621-J under Court Claim No. 02261 was changed from irrigation to instream flow for mitigation under Change Application CS4-02261sb7@2 (the "Mitigating Right"). The change was approved by the Kittitas County Water Conservancy Board on January 17, 2017 (KITT-16-07) and confirmed and modified by Ecology under its Modified Approval Letter dated April 5, 2017. The Mitigating Right is described in Exhibit A.

D. WHEREAS, RC has requested to have Ecology hold the Mitigating Right in Trust for instream flow and mitigation so that it can be used to offset or mitigate for future water uses.

E. WHEREAS, subject to the terms of this Agreement, Ecology confirms that it is willing, able and authorized to hold the Mitigating Right in Trust for the intended purposes as provided for herein.

NOW, THEREFORE, in consideration of the foregoing, the mutual covenants and undertakings as hereinafter set forth, and other good and valuable consideration, the receipt of which is hereby acknowledged, Ecology and RC hereby agree as follows:

1. The purpose of this Agreement is to allow RC to provide senior water rights as offsetting mitigation for its own projects or for third parties seeking to mitigate for: 1) existing groundwater withdrawals, 2) water budget neutral determinations, or 3) permits for new surface and groundwater uses. RC agrees to convey, through a Quit Claim Deed, the Mitigating Right to Ecology to be placed in Trust. By doing so, the Mitigating Right may be made available as mitigation for uses designated by RC. These uses will be mitigated in whole or in part by way of a permanent assignment of a portion of the Mitigating Right as is reasonably required to ensure no impairment to total water supply available in the Yakima River basin ("TWSA") or other water rights.

2. Closing. This Agreement shall be effective upon its mutual execution, and the Trust shall commence once the Quit Claim Deed for the Mitigating Right is executed, recorded, and delivered to Ecology. The quit claim deed shall be in a recordable form substantially in the form of Exhibit B

attached hereto. The term of this Agreement shall then be for so long as any portion of the Mitigating Right is available to be assigned to new and/or existing uses.

3. Allocations of Water to Third Parties and/or Water for use by RC

3.1 RC may propose or enter into contracts with third parties to provide a portion of the Mitigating Right as mitigation on such terms consistent with this Agreement as RC may elect. RC or such third parties shall make application to Ecology for a water budget neutrality determination or a permit to appropriate surface or ground water by providing all regularly required supporting information and include documentation, as necessary to conform to WAC 173-539A-050 and designation, on a form prescribed by Ecology, of the specific quantity of the Mitigating Right in Trust required to offset the consumptive uses described in the application or request for water budget neutral determination (hereinafter a "New Application"). As part of the New Applications, Ecology will assign mitigation to offset the consumptive use associated with the uses described on the New Application.

3.2 Ecology will process each New Application in accordance with applicable law, utilizing such portion of the Mitigating Right, as reasonably needed, together with any other proposed mitigation measures, shall reasonably offset the impacts of such new withdrawals.

3.3 If necessary or appropriate, Ecology will complete a Water Transfer Working Group ("WTWG") project description and will present it to the WTWG. Ecology, in consultation with the U.S. Bureau of Reclamation, will determine if some or all of the Water that RC or the third party applicant designates would be assigned to the Reclamation-Ecology storage and delivery exchange contract.

3.4 Ecology will investigate the New Applications and recommend issuance or denial of a permit or a determination of water budget neutrality based on applicable policy, rules, and law. Ecology's review of New Applications shall also include the following considerations:

3.4.1 In order to develop and confirm performance standards as set forth in any respective report of examination or determination of water budget neutrality, Ecology and such third party shall provide information to reasonably show or estimate, as the case may be, that the consumptive uses of the proposed project, when offset by a portion of the Mitigating Right and any other proposed mitigation measures, do not increase the consumptive use of water. As a way to show compliance, entities relying on the Mitigating Right for future use will participate in Kittitas County's metering program.

3.4.2 With regard to domestic uses, RC shall propose the gallons per day on a year-round basis per equivalent residential unit ("ERU") that is acceptable to Ecology and the Washington State Department of Health. The projects will be subject to covenants, conditions, and restrictions which impose water use restrictions for both inside and outside purposes which will be recorded against the project; and reasonable water use enforcement provisions provided; and return flows provided for through an approved septic or other waste treatment facility reasonably designed to infiltrate treated water in the general area from which it is being withdrawn.

3.5 If issued, Ecology's permit or determination of water budget neutrality relative to a New Application will specify the conditions and limitations on the use of water to be consistent with the Mitigating Right held by Ecology as mitigation. Reimbursement of any Ecology costs to administer the Reclamation-Ecology Exchange Contract will also be included in the permit. RC will ensure that any fees associated with storage under the exchange contract are paid to Ecology.

3.6 If all or a portion of the Mitigating Right is deemed adequate to fully mitigate a New Application, then the third party, upon receipt of final approval from Kittitas County of its land use applications for development of the real property that is the intended place and purpose of use of the New Application, and exhaustion of all applicable appeal periods thereof, the third party applicant (beneficiary of the Water) shall execute such documentation as necessary to irrevocably and perpetually assign a portion of the Mitigating Right for purposes of offsetting the New Application.

3.7 In the event Ecology prepares to issue an ROE for a New Application, it will publish the draft ROE on its Internet site. If the form and substance is acceptable to RC and to the third party applicant, if any, RC shall cause an escrow to be opened for such transaction at the Escrow Agent upon the mutual execution and deposit of the fully executed agreement between RC and the third party applicant, if any, or the deposit of any other documents required for closing. The escrow shall close within thirty (30) days of the occurrence of the last of the following events:

- mutual execution of all agreements and documents contemplated by or collateral to this Agreement; RC's deposit of an executed document in a form acceptable to Ecology permanently allocating a portion of the then available and unallocated Mitigating Right to the proposed purpose as set forth in the New Application;
- the giving of all requisite public notices for actions contemplated by such transaction;
- deposit of the ROE and the new water right permit, each in form and content acceptable to RC and such third party, if any;
- the expiration of all notice, comment and appeal periods related to the full implementation of this Agreement, the ROE, and the new water right permit;
- the deposit of all monies, documents and things relevant and necessary to conclude the transaction between RC and any third party.
- Third party's participation in Kittitas County's metering program.

3.8 All escrow costs shall be shared equally between RC and the third party. RC, and any third party having the right to do so under an agreement with RC, may, at any time prior to closing of escrow and without cause, withdraw the New Application or otherwise prevent any allocation of any portion of the Mitigating Right to such transactions.

4. Management of Trust Water. Ecology shall hold and manage the Mitigating Right pursuant to chapter 90.42 RCW and this Agreement as a part of the TWSA. Ecology:

4.1 Shall take no position and make no assertions that the quantities and beneficial use of the Water is other than as stated in Exhibit 1 and paragraph 3 above, and this representation shall also apply to any Water removed from the Trust;

4.2 Shall, in addition to the protections against relinquishment afforded through the Trust Water Rights Program, at all times during the Term manage, maintain, preserve and protect for the benefit of RC and its successors, designees and assigns all aspects and attributes of the Mitigating Right including, but not limited to, the priority date, the total diversionary right, instantaneous quantity, and annual consumptive quantity from impairment, challenges, and claims;

4.3 Shall process all New Applications where portions of the Mitigating Right are proposed to be assigned mitigation and shall take all steps necessary to comply with any restrictions imposed by other agreements to which Ecology may be subject, including, but not limited to memorandums of agreement and groundwater moratoriums or subsequently enacted water right processing rules; and

4.4 Shall not assess or charge RC any costs or fees for maintaining the Water in the Trust; provided that Ecology may charge third parties its regular costs and fees for water right applications, transfers and investigations or costs attributable to assignment of a portion of the Water to Ecology's USBR contract for storage and exchange contract.

5. Representations and Warranties. In keeping with the purpose of this Agreement and as a material part of the consideration for this Agreement upon which its execution is dependent:

5.1 RC makes the following undertakings, representations and warranties to Ecology:

5.1.1 RC is a Washington limited liability company duly formed and authorized and fully able to enter into and perform all its obligations in this Agreement according to its terms.

5.1.2 Each individual executing this Agreement on behalf of RC is duly authorized to execute and deliver this Agreement.

5.1.3 Upon its full execution, this Agreement is binding upon RC in accordance with its terms.

5.1.4 RC shall use its best efforts to fully and timely perform its obligations and actions contemplated by this Agreement.

5.2 Ecology makes the following undertakings, representations and warranties to RC:

5.2.1 Ecology is a division of the State of Washington duly formed and authorized and fully able to enter into and perform all its obligations in this Agreement according to its terms.

5.2.2 Each individual executing this Agreement on behalf of Ecology is duly authorized to execute and deliver this Agreement.

5.2.3 Upon its full execution, this Agreement is binding upon Ecology in accordance with its terms.

5.2.4 Ecology shall use its best efforts to fully and timely perform its obligations and actions contemplated by this Agreement.

6. Termination and Default. RC shall have the right at any time to withdraw a pending New Application, terminate this Agreement and remove from the Trust any portion of the Water that has not been permanently assigned as mitigation for other water uses as set forth in this Agreement. In the event RC terminates this Agreement, then Ecology shall, without delay, re-convey the unallocated portion of the Mitigating Right back to RC using a quit claim deed. Ecology shall also have the right at any time to terminate this Agreement and remove from the Trust any portion of the Water that has not been permanently assigned as mitigation for other water uses as set forth in this Agreement. In the event Ecology terminates this Agreement, then Ecology shall, without delay, re-convey the unallocated portion of the Water Right back to RC using a quit claim deed.

If either party defaults in its obligation under this Agreement; or if this Agreement, or a material portion thereof, be declared illegal or unenforceable; or, if either party, through no fault or action by such party, should be incapable or prevented from performing any material obligations or actions, the non-defaulting party in the event of a default or either party in any other event shall have the right to the following:

6.1 As the computation of damages may be difficult, continue this Agreement and bring an action to specifically perform this Agreement.

6.2 Declare the Agreement null and void, whereupon the parties shall cooperate to end the trust water right relationship in an orderly manner as follows:

6.2.1 RC shall identify all in-process designation agreements and inform Ecology of their status. RC shall not make representations regarding in-process designations and shall in each instance work with Ecology to determine whether an assignment should be completed. If Ecology agrees, the permit process will be completed promptly in accordance with applicable policies, rules, and law.

6.2.2 Ecology shall promptly convey to RC or its designee the portion of the trust water right not yet designated and assigned as mitigation for individual ground water and surface water permits. Ecology may use any unassigned portion of the Mitigating Right set aside to address uncertainty associated with the then existing mitigated permits.

6.2.3 Each party shall be responsible for their own costs associated with ending the trust water right relationship in an orderly manner.

6.3 Pursue any other remedy now or hereafter available.

6.4 In no event shall the termination of this Agreement alter or affect any Water previously allocated for mitigation or permits granted relative to New Applications.

7. This Agreement may be assigned by RC upon the giving of written notice to Ecology and Ecology's written concurrence of the assignee's suitability. This Agreement is binding upon and

inures to the benefit of the parties to the Agreement as well as upon and to the benefit of their respective heirs, personal representatives, assignees and other successors in interest.

8. Any notice or communication required by this Agreement between RC and Ecology shall be given to the addresses set forth below:

To Ecology:

Water Resources Section Manager
Washington Department of Ecology
Central Regional Office
1250 West Alder Street
Union Gap, WA 98903

To RC:

Reecer Creek Water Right, LLC
ATTN: Patrick Deneen, Manager/Member
P.O. Box 808
Cle Elum, Washington 98922

9. RC, from time to time, may request by letter that Ecology add additional water rights, which RC owns or controls, to this Trust Agreement. Upon Ecology's agreement with said request, said water shall be added to this trust Agreement through an addendum.

10. No provision of this Agreement is severable from any and all other provisions of this Agreement. Should any provision of this Agreement be unenforceable for any reason outside the control of the parties and subject to the provisions of Paragraph 6.2, the party finding itself unable to enforce the provision may, at its sole discretion, declare this entire Agreement to be null and void.

11. If either party fails to exercise its rights under this Agreement, it will not be precluded from subsequent exercise of its rights under this Agreement. A failure to exercise rights will not constitute a waiver of any other rights under this Agreement, unless stated in a letter signed by an authorized representative of the party and attached to the original Agreement.

12. Amendments to this Agreement must be in writing and signed by an authorized representative of each of the parties.

13. Both parties recognize that when WAC 173-539A is repealed, an addendum or a new agreement will need to be negotiated to address how mitigation will be assigned to new uses if Ecology no longer has authority to issue Water Budget Neutral Determinations.

14. Each party shall protect, defend, indemnify, and hold the other hold harmless from and against their respective acts and omissions and for all third party claims arising out of or related to this Agreement.

15. This Agreement will be governed and enforced under the laws of the State of Washington. Venue for any action arising under or related to this Agreement shall be in Kittitas County, Washington.

16. If either party hereto is required to retain an attorney to enforce any provision of this Agreement, whether or not a legal proceeding is commenced, the substantially prevailing party shall be entitled to reasonable attorneys' fees regardless of whether at trial, on appeal, in any bankruptcy proceeding, arbitration matter or without resort to suit.

This Agreement is executed as of the date first above written.

**STATE OF WASHINGTON
DEPARTMENT OF ECOLOGY:**

By: Trevor Hutton
Print Name: Trevor Hutton
Its: Central Region Water Resources Director

REECER CREEK WATER RIGHT, LLC:

By: Patrick Deneen
Print Name: Patrick Deneen
Its: Manager/Member

EXHIBIT A

The Mitigating Right

As transferred to instream flows under Change Authorization No. CS4-02261sb7@2

MAXIMUM CUB FT/ SECOND 1.21 cfs diversionary 0.26 cfs maximum monthly average CU (July)		MAXIMUM GAL/MINUTE	MAXIMUM ACRE-FT/YR 165.98 AF/y diversionary (41.0 AF/y CU)	TYPE OF USE, PERIOD OF USE Instream flow enhancement/water banking purposes, for enrollment in State Trust Water Rights Program			
SOURCE Reecer Creek			TRIBUTARY OF (IF SURFACE WATER) Yakima River				
PARCEL NO. 621033*	$\frac{1}{4}$ SE	$\frac{1}{4}$ NE	SECTION 28	TOWNSHIP N. 18	RANGE 18 E	WRIA 39	COUNTY. Kittitas

* At a point located 800 feet north and 1100 feet west from the east quarter corner of Section 28

Instream flow/Trust Primary Reach:

The primary reach begins at the lower authorized irrigation point of diversion on Reecer Creek, and extends downstream to the point where all irrigation runoff or return flows reach the Creek, approximately at Old Highway 10 (estimated to be 900 feet north and 700 feet west of the southeast corner of Section 28, T. 18 N., R. 18 E.W.M.)

Secondary reach:

The secondary reach begins approximately 900 feet north and 700 feet west of the southeast corner of Section 28, T. 18 N., R. 18 E.W.M. and extends downstream to the confluence of Reecer Creek and the Yakima River, and further downstream to the confluence of the Yakima River and Columbia River.

Consumptive Use (CU) – (Secondary Reach)							
	<i>May</i>	<i>June</i>	<i>July</i>	<i>August</i>	<i>September</i>	<i>October</i>	<i>Total Annual</i>
Monthly (AF) *	4.02	8.86	12.14	9.68	5.53	0.77	41.00
Average QI (cfs)	0.03	0.15	0.26	0.17	0.11	0.01	--

EXHIBIT B

QUIT CLAIM DEED – MITIGATING WATER RIGHT

Grantor(s):	Reecer Creek Water Right, LLC, a Washington limited liability company
Grantee(s):	Washington Department of Ecology, State Trust Water Rights Program
Abbreviated Legal Description:	That portion of the East ½ Section 28, Township 18 N. Range 18 E.W. M., lying north of State Highway 10, south of the Dry Creek Road and west Reecer Creek.
Assessor's Tax Parcel No.:	Ptn. of Kittitas County Parcel No. 621033 / Map No. 18-18-28000-0040

THE GRANTOR, REECER CREEK WATER RIGHT, LLC, a Washington limited liability company, for valuable consideration, conveys and quit claims to the WASHINGTON STATE DEPARTMENT OF ECOLOGY, STATE TRUST WATER RIGHTS PROGRAM ("Grantee") all of Grantor's right, title and interest in and to a portion of the water right under (proposed) Certificate No. S4-83621-J, Court Claim No. 02261 in *State of Washington v. Acquavella, et al.*, Yakima County Superior Court Cause No. 77-2-01484-5, described as follows:

1.21 cubic feet per second, 165.98 acre-feet per year diversionary quantities (0.26 cfs, 41.0 ac-ft/yr consumptive use) instream flow water right per Change Authorization No. CS4-02261sb7@2 (KIT-16-07), which was historically appurtenant to the East ½ Section 28, Township 18 N. Range 18 E.W. M., lying north of State Highway 10, south of the Dry Creek Road and west Reecer Creek, being situate in County of Kittitas, State of Washington.

SUBJECT TO the terms and conditions of that certain Trust Water Right Agreement between Grantors and Grantee, attached hereto.

DATED THIS 17th day of August, 2017.

REECER CREEK WATER RIGHT, LCC

By: 
Patrick Deneen, its Manager/Member



STATE OF WASHINGTON
 DEPARTMENT OF ECOLOGY
 1250 W Alder St • Union Gap, Washington 98903-0009 • (509) 575-2490

April 5, 2017

Teaway Ridge LLC
 P.O. Box 808
 Cle Elum, WA 98922

RE: Water Right Change Application No. CS4-02261sb7@2 (KITT-16-17)

In accordance with RCW 90.80.080 the Department of Ecology (Ecology) has reviewed the Record of Decision (ROD), Report of Examination (ROE), and all comments, protests, objections and other relevant information submitted by the Kittitas County Water Conservancy Board (the Board) for the above referenced application for change.

Ecology has **modified** the decision of the Board and the proposed change/transfer of water right is **approved** under the following conditions:

Summary of Ecology's Final Order

MAXIMUM CUB FT/ SECOND		MAXIMUM GAL/MINUTE		MAXIMUM ACRE-FT/YR		TYPE OF USE, PERIOD OF USE	
(1) 4.49 cfs				(1) 618.42		(1) Irrigation of 44.15 acres, Apr 1 – Oct 31	
(2) 1.21 cfs				(2) 165.98		(2) Instream Flow, Mitigation, Apr 1 – Oct 31	
SOURCE					TRIBUTARY OF (IF SURFACE WATER)		
(1) Two diversions on Reecer Creek, (A) and (B) below (2) N/A – Instream Flow within Reecer Creek; no diversion					(1) Yakima River (2) Yakima River		
¼	¼	SECTION	TOWNSHIP	RANGE	WRIA	COUNTY	
(A) NE	NE	28	18	18 E.W.M.	39	Kittitas	
(B) SE	NE	28	18	18 E.W.M.	39	Kittitas	
AT A POINT LOCATED: PARCEL NO.							
621033							
LEGAL DESCRIPTION OF PROPERTY ON WHICH WATER IS TO BE USED AS APPROVED BY THE BOARD							
(1) That portion of the E ½ S. 28, T. 18 N., R. 18 E.W.M. lying north of State Highway 10, south of the Dry Creek Road and west of Reecer Creek.							
(2) Primary Reach: Begins at the lower authorized POD on Reecer Creek: 800 feet north and 1100 feet west from the E quarter corner of S 28, T. 18 N., R. 18 E.W.M., and extends downstream to the point where all irrigation runoff and return flows reach Reecer Creek, approximately at Old Highway 10; estimated to be 900 feet north and 700 feet west of the SE corner of said Section 28.							

Secondary Reach: Begins approximately 900 feet north and 700 feet west of the SE corner of said Section 28 and extends downstream to the confluence of Reecer Creek and the Yakima River, and further downstream to the confluence of the Yakima River and Columbia River.					
PARCEL NO.	¼	¼	SECTION	TOWNSHIP	RANGE
DEVELOPMENT SCHEDULE					
BEGIN PROJECT BY THIS DATE:		COMPLETE PROJECT BY THIS DATE:		WATER TO PUT TO FULL USE BY THIS DATE:	
Begun		Immediately		Immediately	

Ecology has **MODIFIED** the decision of the Board as follows:

- (1) On Page 4 of the Board’s ROE, the History of Water Use section’s first sentence is altered such that “Ecology’s general policy is to” is REPLACED with “Ecology may”.
- (2) Ecology notes that although an “updated WIG” is referenced to have been used to estimate water quantities, it appears the standard WIG values were actually used for these estimations.
- (3) For the portion of the water transferred to instream flow, all references to the primary and secondary reaches is for informational purposes only. This primarily refers to language found on Page 10 of the Board’s ROE. Ecology notes that transfers to instream flow as mitigation do not typically result in defined primary and secondary reaches. Those terms are more typically reserved for portions conveyed to Trust. Ecology further notes that using the term “shall be” is typically reserved for use within the “Provisions” section and inappropriate within the body of the ROE.
- (4) On the bottom of Page 10, the first sentence is DELETED from the Impairment section. As approved by the Board, this is not a water right change processed under chapter 90.38 RCW, but rather a water right change processed under RCW 90.03.380. The exercise of a Trust water right is not at issue since there has not been a conveyance of this water to Trust.
- (5) Near the top of Page 11, the second sentence of the second paragraph (with the underlined language) is DELETED. The water use quantities appear to be in error and there is no protection within the primary reach under the Trust Water Rights Program as there has not been a conveyance of this water to Trust.

This Decision may be appealed pursuant to RCW 34.05.514(3), RCW 90.03.210(2), and Pretrial Order No. 12 entered in *State of Washington, Department of Ecology v. James Acquavella, et al.*, Yakima County Superior Court No. 77-2-01484-5 (the general adjudication of surface water rights in the Yakima River Basin). The person to whom this Decision is issued, if he or she wishes to file an appeal, must file the notice of appeal with the Yakima County Superior Court **within thirty (30) days of receipt of this Decision**. Appeals must be filed with the Superior Court Clerk’s Office, Yakima County Superior Court, 128 North 2nd Street, Yakima WA 98901, RE: Yakima River Adjudication. Appeals must be served in accordance with Pretrial Order No. 12, Section III (“Appeals Procedures”). The content of the notice of appeal must conform to RCW 34.05.546. Specifically, the notice of appeal must include:

- The name and mailing address of the appellant;

Teanaway Ridge, LLC

April 5, 2017

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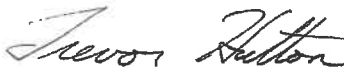
- Name and address of the appellant's attorney, if any;
- The name and address of the Department of Ecology;
- The specific application number of the decision being appealed;
- A copy of the decision;
- A brief explanation of Ecology's decision;
- Identification of persons who were parties in any adjudicative proceedings that led to Ecology's decision;
- Facts that demonstrate the appellant is entitled to obtain judicial review;
- The appellant's reasons for believing that relief should be granted; and
- A request for relief, specifying the type and extent of relief requested.

The "parties of record" who must be served with copies of the notice of appeal under RCW 34.05.542(3) are limited to the applicant of the decision subject to appeal, Ecology and the Office of the Attorney General.

All others receiving notice of this Decision, who wish to file an appeal, must file the appeal with the Yakima County Superior Court within **thirty (30) days of the date the Order was mailed**. The appeal must be filed in the same manner as described above.

Please send a copy of your appeal to:

Trevor Hutton
Water Resources Program
Ecology Central Regional Office
1250 W. Alder St.
Union Gap, WA 98903-0009



Trevor Hutton, Section Manager
Water Resources Program
Central Regional Office

TH:TRP:JR/170402
WRTS No. 6799756

Enclosures: Your Right to Be Heard

By Certified Mail: 91 7199 9991 7036 9324 4866

cc: Philip Rigdon, Director Natural Resources Division Yakama Nation
Chery Byers, Kittitas County Water Conservancy Board
Paul Dempsey, Halverson Northwest Law Group
Thomas Perkow, Department of Ecology (ecc)



STATE OF WASHINGTON
DEPARTMENT OF HEALTH
EASTERN DRINKING WATER REGIONAL OPERATIONS
16201 E Indiana Avenue, Suite 1500, Spokane Valley, Washington 99216-2830
TDD Relay 1-800-833-6388

December 22, 2016

Clint Perry, Manager
Palomino Fields
PO Box 394
Cle Elum, WA 98922

Subject: Palomino Fields Water System; PWS ID #AD362; Kittitas County
Source Approval; DOH Project #15-0420; APPROVAL

Dear Mr. Perry:

The source approval for the above project received in this office November 23, 2015 together with various updates received by both email and postal mail, has been reviewed and, in accordance with the provisions of WAC 246-290, is hereby APPROVED.

Please Note:

1. This approval only applies to Source Approval for the two sources, S01 and S02, identified by well tags BIN651 and BIN652, respectively.
2. This approval does not provide approval for any connections. To gain approved connections, it is a two-part process:
 - You will need to complete your planning document and its associated Capacity Analysis to identify the capacity that can be served by your system.
 - You will then submit distribution system, and other components, design to DOH for approval. No change will be made to the number of approved connections until such time as the distribution system and other required water system components are constructed and certification of the completed construction is submitted to the Office of Drinking Water at the address shown above.

As required in WAC 246-290-040 – Within sixty days following the completion of, and prior to the use of the above project or portions thereof, the attached Construction Report must be completed by a professional engineer and returned to this department.

WAC 246-290-120 provides if the certification of completion has not been submitted within two years of the date of this letter, this approval will become null and void unless you take action at that time to arrange for an extension of the approval period in the manner prescribed.

In addition, you are required to submit a revised Water Facilities Inventory (WFI) at the time of certification in order that these new sources may be properly listed on your WFI

Clint Perry
December 22, 2016
Page 2

WAC 246-290-990 authorizes a schedule of fees to be implemented for review of planning, engineering, and construction documents. The Department of Health's (DOH) total cost to review the source approval is \$382.00. An invoice is enclosed.

No change will be made to the number of approved connections until such time as the project is constructed and certification of the completed construction is submitted to the Office of Drinking Water at the address shown above.

Please note that the water system is expected to permit additional new connections in a manner consistent with this project or your approved water system plan, or both, so that physical capacity and water rights are not exceeded.

DOH Disclaimer: The department's approval of your water system design does not confer or guarantee any right to a specific quantity of water. The approved number of service connections is based on your representation of available water quantity. If the Washington Department of Ecology, a local planning agency, or other authority responsible for determining water rights and water system adequacy determines that you have use of less water than you represented, the number of approved connections may be reduced commensurate with the actual amount of water and your legal right to use it. A letter provided from the Department of Ecology indicates that a trust water right can be transferred to these two wells once your planning document is approved by DOH.

If you have any questions please feel free to contact me at (509) 329-2116.

Sincerely,



Russell Mau, PhD, PE
Regional Engineer
Office of Drinking Water
Division of Environmental Public Health

Enclosures: Invoice
Construction Completion Report

cc: Kittitas County Health Department
Nathan Nofziger, PE, Western Pacific Engineering, Inc
Alyssa Gersdorf, DOH WFI Coordinator