February 27, 2012

Dakota Heights LLC
3902 Auburn Way N
Auburn WA 98002

Re: Determination of Water Budget Neutrality for Request No. G4-35508

Dear Dakota Heights LLC:

Thank you for submitting a Request for Determination of Water Budget Neutrality, which was received by the Department of Ecology (Ecology) office on June 27, 2011.

In accordance with Washington Administrative Code (WAC) 173-539A, Ecology has determined your proposed appropriation of groundwater, as mitigated by the trust water right identified in your request, will be water budget neutral with respect to Total Water Supply Available at Parker.

The information in the table below was based on the documents you provided.

<table>
<thead>
<tr>
<th>Use</th>
<th>Proposed Total Annual Quantity (ac-ft/yr*)</th>
<th>Proposed Mitigation (ac-ft/yr*)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Indoor</td>
<td>5.488</td>
<td>1.646</td>
</tr>
<tr>
<td>Outdoor</td>
<td>0.303</td>
<td>0.273</td>
</tr>
<tr>
<td>Total</td>
<td>5.791</td>
<td>1.919</td>
</tr>
</tbody>
</table>

*ac-ft/yr = acre-feet per year (one acre-foot = 325,851 gallons)

Consumptive use, totaling 1.919 ac-ft/yr, is proposed to be offset with Trust Water Right No. S4-05259CTCL@2sb7. The total consumptive use does not exceed the amount of water available under the subject trust water right during the irrigation season nor does it exceed the availability of unused Bureau of Reclamation storage capacity to retain the subject portion of the trust water right for later release during the non-irrigation season. Please refer to the enclosed Advisory Letter for additional information.
Ecology has determined, based on review of your Request for Water Budget Neutral Determination and the accompanying materials, your proposed use of groundwater will be Water Budget Neutral as follows:

1) Water use is to be made within Parcel No. 950354 located within the SW¼SE¼ of Section 06, T. 19 N., R. 16 E.W.M.
2) In-home water use is 14 connections, resulting in a consumptive use of 1.646 ac-ft/yr.
3) Outdoor irrigation use is 0.161 acres, resulting in a consumptive use of 0.273 ac-ft/yr.
4) The proposed well(s) will be located in Parcel No. 950354, located within the SW¼SE¼ of Section 06, T. 19 N., R. 16 E.W.M.
5) Water use shall be recorded and reported as required under WAC 173-539A-070 and as described in the Advisory Letter enclosure.
6) You will record with the Kittitas County Auditor a property covenant as required under WAC 173-539A-050 that restricts or prohibits trees or shrubs over a septic drain field on Parcel No. 950354.
7) You will record with the Kittitas County Auditor an appropriate conveyance instrument under which the applicant obtains an interest in Trust Water Right No. S4-05259CTCL@2sb7 to offset consumptive use as described in this letter.
8) You will pay to Ecology the sum of $821.33, which represents a proportionate amount of the payment due and owing to the United States for storage and deliver of water under Paragraph 15(a) of Water Storage and Exchange Contract No. 09XX101700, between the Bureau of Reclamation and the State of Washington Department of Ecology, Yakima Project, Washington, dated January 29, 2009. \(^1\) The consumptive use of 1.009 acre-feet from September 1 through March 31 is subject to the terms and conditions in the Water Storage and Exchange Contract No. 09XX101700.
9) Any valid priority calls against Trust Water Right No. S4-05259CTCL@2sb7 based on local limitations in water availability, will result in temporary curtailment of the use of water until the priority call for water ends.

**YOUR RIGHT TO APPEAL**

You have a right to appeal this decision to the Pollution Control Hearing Board (PCHB) within 30 days of the date of receipt of this decision. The appeal process is governed by Chapter 43.21B RCW and Chapter 371-08 WAC. "Date of receipt" is defined in RCW 43.21B.001(2).

To appeal you must do the following within 30 days of the date of receipt of this decision:
- File your appeal and a copy of this decision with the PCHB (see addresses below). Filing means actual receipt by the PCHB during regular business hours.

\(^1\) Water Storage and Exchange Contract No. 09XX101700 between the Bureau of Reclamation and the State of Washington Department of Ecology.

The website is located:
- Serve a copy of your appeal and this decision on Ecology in paper form - by mail or in person. (See addresses below.) E-mail is not accepted.

You must also comply with other applicable requirements in Chapter 43.21B RCW and Chapter 371-08 WAC.

<table>
<thead>
<tr>
<th>ADDRESS AND LOCATION INFORMATION</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Street Addresses</strong></td>
</tr>
<tr>
<td><strong>Department of Ecology</strong></td>
</tr>
<tr>
<td>Attn: Appeals Processing Desk</td>
</tr>
<tr>
<td>300 Desmond Drive SE</td>
</tr>
<tr>
<td>Lacey WA 98503</td>
</tr>
<tr>
<td><strong>Pollution Control Hearings Board</strong></td>
</tr>
<tr>
<td>1111 Israel Road SW, Ste 301</td>
</tr>
<tr>
<td>Tumwater WA 98501</td>
</tr>
</tbody>
</table>

For additional information visit the Environmental Hearings Office Website: http://www.eho.wa.gov
To find laws and agency rules visit the Washington State Legislature Website: http://www.leg.wa.gov/CodeReviser

If you have any questions, please contact Teresa Mitchell at (509) 575-2597.

Sincerely,

Mark Kemner, Section Manager
Water Resources Program

MK:KW:gg/120227 G4-35508

Enclosures:  Your Right To Be Heard
             Advisory Letter (white sheet)
             Water Measuring Requirement and Form 1

By Certified Mail: 7007 2560 0001 9535 6213

cc: Heather Cannon, Washington State Department of Health
    Joe Mentor Jr., Mentor Law Group (email pdf)
    Jessica Kuchan, Mentor Law Group, LLC (email pdf)
    Suncadia, LLC
    Philip Rigdon, Director, Natural Resources Division, Yakama Nation