STATE OF WASHINGTON
DEPARTMENT OF ECOLOGY
15 W Yakima Ave, Ste 200 • Yakima, WA 98902-3452 • (509) 575-2490

August 4, 2010

P Squared LLC
Attn: Mark Wald
1501 35th Ave S
Seattle WA 98144-4033

Re: Determination of Water Budget Neutrality for Request No. G4-35336

Dear P Squared 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 1, 2010.

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.

### Proposed Uses and Mitigation Offered

<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>0.392</td>
<td>0.118</td>
</tr>
<tr>
<td>Outdoor</td>
<td>0.022</td>
<td>0.019</td>
</tr>
<tr>
<td>Total</td>
<td>0.414</td>
<td>0.137</td>
</tr>
</tbody>
</table>

*ac-ft/yr = acre-feet per year (1 acre-foot = 325,851 gallons)

Consumptive use, totaling 0.137 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 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 on consumptive use.
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:

- Water use is to be made within Parcel No. 20502, located within SW¼SW¼ of Section 24, T. 20 N., R. 15 E.W.M.
- In-home water use is one connection, resulting in a consumptive use of 0.118 ac-ft/yr.
- Outdoor irrigation use is 0.011 acres, resulting in a consumptive use of 0.019 ac-ft/yr.
- The proposed well(s) will be located in Parcel No. 20502, being within SW¼SW¼ of Section 24, T. 20 N., R. 15 E.W.M.
- Water use shall be recorded and reported as required under WAC 173-539A-070 and as described in the Advisory Letter enclosure.
- 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. 20502.
- 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.
- You will pay to Ecology the sum of $61.78 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. The consumptive use of 0.072 acre-feet from September 1 through March 31 is subject to the terms and conditions in the Water Storage and Exchange Contract No. 09XX101700.
- 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 Order to the Pollution Control Hearing Board (PCHB) within 30 days of the date of receipt of this Order. 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 the Order:

- File your appeal and a copy of this Order with the PCHB (see addresses below). Filing means actual receipt by the PCHB during regular business hours.
- Serve a copy of your appeal and this Order 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.

### ADDRESS AND LOCATION INFORMATION

<table>
<thead>
<tr>
<th>Street Addresses</th>
<th>Mailing Addresses</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Department of Ecology</strong></td>
<td><strong>Department of Ecology</strong></td>
</tr>
<tr>
<td>Attn: Appeals Processing Desk</td>
<td>Attn: Appeals Processing Desk</td>
</tr>
<tr>
<td>300 Desmond Drive SE</td>
<td>PO Box 47608</td>
</tr>
<tr>
<td>Lacey WA 98503</td>
<td>Olympia WA 98504-7608</td>
</tr>
<tr>
<td><strong>Pollution Control Hearings Board</strong></td>
<td><strong>Pollution Control Hearings Board</strong></td>
</tr>
<tr>
<td>4224 – 6th Avenue SE</td>
<td>PO Box 40903</td>
</tr>
<tr>
<td>Rowe Six, Building 2</td>
<td>Olympia WA 98504-0903</td>
</tr>
<tr>
<td>Lacey WA 98503</td>
<td></td>
</tr>
</tbody>
</table>

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

Sincerely,

Mark C. Schuppe, by,

Mark C. Schuppe, Section Manager
Water Resources Program

MCS:IE:gg/100808

Enclosures: Your Right To Be Heard
Advisory Letter
Water Measuring Requirements

By Certified Mail: 7007 2560 0001 9525 1614

cc: Cathy Bambrick, Kittitas County Health Department
    Joe Mentor Jr., Mentor Law Group (email pdf)
    Suncadia, LLC
    Philip Rigdon, Director, Natural Resources Division, Yakama Nation