February 15th, 2010

Dan Haller
Office of the Columbia River
303 S. Mission Street, Suite 200
Wenatchee, WA 98801

RE: Lower Wenatchee Instream Flow Enhancement Project Update

Dear Dan,

This letter is intended to inform you of the ongoing progress of the Lower Wenatchee Instream Flow Enhancement Project and to provide an update on the current funding status. Trout Unlimited Washington Water Project (WWP, formerly Washington Rivers Conservancy) has worked extensively with the Pioneer Water Users Association’s (PWUA) Board of Directors, various governmental agencies, funders, and citizens across the region over the past year and together we have made tremendous headway in creating a project that will be implemented on the ground, while providing the lowest cost approach.

The current project scope includes pumping water from a well field adjacent to the Columbia River and delivering the water under pressure to shareholders on the north side of the river. This will be made possible by transferring authority and responsibility of service from PWUA south side users to Regional Water Supply (Regional). Due to the significance of this undertaking, the project scope has evolved and grown over the past year, but the current plan for the north side pump-back now has the support of the PWUA Board and Regional Water Supply. A formal vote of the PWUA shareholders will occur at their annual board meeting in Mid-March and WWP, PWUA and Regional will be negotiating an agreement for the absorption of the south side obligations by Regional.

$100,000 dollars from WWP’s Office of the Columbia River Program grant request is designated to maintain and improve side-channel habitat in the Lower Wenatchee River. We are presently working with local WDFW biologists and the Bureau of Reclamation to analyze current information about existing and potential side channel locations for the use of these funds. We expect to have a preferred alternative (or alternatives) this summer.

The funding for this project has not been completely secured, but the forecast for full funding is strong and WWP is moving forward in the development of the project concurrently with building greater support and increasing our funding base for implementation. A general funding synopsis is listed on the following page, with some important project updates and some of the critical next
steps. WWP is working to solidify all necessary funding prior to the start of implementation next fall.

In respect of your time, the current funding breakdown is charted below, and updates are bulleted following the chart.

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<th>Funding Status</th>
<th>Federal</th>
<th>Non-Federal</th>
<th>Local</th>
<th>Total</th>
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<td>NFWF (see 1 below)</td>
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<td>BPA Capitol</td>
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<td>Department of Ecology (see 2)</td>
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<td>USFWS (WNTJ) (see 3)</td>
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<td>Other, Yakama Nation, Priest Rapids, etc. (see 4)</td>
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**Funding Updates**

1. The potential for funding through National Fish and Wildlife Foundation (NFWF) remains strong, but is awaiting technical review and match dollars to come in.

2. A proposal to the DOE Columbia River Program for $1,000,000 was made this fall and the Pioneer project is ranked 1st on the list for funding, with final decision scheduled to be made this month.

3. A proposal was submitted for the USFWS Western Native Trout Initiative for $100,000 dollars, the project will be funded and we are working on a cooperative agreement with USFWS.

4. The remaining $682,693 of funding need is being sought with vigor.

**Project Updates**

- **$188,000** dollars have been committed to begin the engineering design, with 35% design completed in April and 75% design completed by June.
- **$50,000** dollars has been secured from BPA for a habitat alternative analysis of the current diversion side-channel
- Project implementation is still scheduled to start following the 2010 irrigation season with project completion scheduled prior to 2012 irrigation season.
Next Steps

- Finalize agreement between TU-WWP and PWUA
- Work with PWUA, Chelan County, BOR, and engineer on project design
- Determine actual water needs on the North and South side of the Wenatchee River
- Determine firm costs for pumping water on the North Side, with potential temporary augmentation to the south side
- Evaluation of future maintenance costs
- Determine alternatives for well locations and housing
- Develop contracted commitment from Regional

While this project alone is not going to mitigate all the low flow problems in the Wenatchee River, this effort does represent a collaborative stakeholder approach that will serve as the first tangible solution to a complex community and environmental problem. This project represents the region’s most viable large scale water conservation project. Implementation of this project will not only have positive impacts on the lower Wenatchee River and the populations it supports, but this critical first success will provide momentum and something to build on to continue this necessary work. No single water conservation project is the answer, but this project is a large step in building a foundational example of future water management, highlighting win-win solutions for the community, the fishery and agriculture.

Please feel free to contact me anytime if you have questions or if there is further supplemental information WWP can provide.

Cordially,

Aaron Penvose
TU-Washington Water Project

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