File No G4-32225
WR Doc ID 2086131

State of Washington
Department of Ecology
Office Of Columbia River
Report of Examination for Lake Roosevelt Incremental Storage Releases Water Permit

PRIORITY DATE
October 13, 1994

APPLICATION NUMBER
G4-32225

MAILING ADDRESS
GBI Holding Company
1407 Walla Walla Avenue
PO Box 598
Wenatchee, WA 98807-0598

SITE ADDRESS (IF DIFFERENT)
Parcels "A", "B", "C", "D"-all in the Town of Columbia River, Douglas County, WA.

Quantity Authorized for Withdrawal or Diversion

WITHDRAWAL RATE	UNITS	ANNUAL QUANTITY (AF/YR)
500	GPM	14.0

Purpose

PURPOSE	WITHDRAWAL RATE			ANNUAL QUANTITY (AF/YR)		PERIOD OF USE (mm/dd)
	ADDITIVE	NON-ADDITIVE	UNITS	ADDITIVE	NON-ADDITIVE	
Mining and Industrial	500		GPM	14.0		03/01 - 11/30 each year

Source Location

COUNTY	WATERBODY	TRIBUTARY TO	WATER RESOURCE INVENTORY AREA
DOUGLAS	GROUNDWATER		44-MOSES COULEE

SOURCE FACILITY/DEVICE	PARCEL	WELL TAG	TWP	RNG	SEC	QQ Q	LATITUDE	LONGITUDE
Well	51000000000	BCF-066	21N	22E.W.M.	09	SWNE	47.32965	-120.07912

Datum: NAD83

Place of Use (See Attached Map)

PARCELS (NOT LISTED FOR SERVICE AREAS)
51000000000

LEGAL DESCRIPTION OF AUTHORIZED PLACE OF USE
Parcels "A", "B", "C", "D"-all in the Town of Columbia River, Douglas County, WA, according to the plat thereof recorded in Volume A of Plats, page 271.

Proposed Works

Water will be pumped for use on-site through a wash plant for the purpose of washing sand and gravel products, captured in a settling pond, recycled or allowed to filter back down to the groundwater. A portion of the water will also be used manufacturing ready-mix concrete, dust control (on-site) and other needs.

Development Schedule

BEGIN PROJECT	COMPLETE PROJECT	PUT WATER TO FULL USE
October 1, 2014	December 29, 2016	December 28, 2018

Measurement of Water Use

How often must water use be measured?	Weekly
How often must water use data be reported to Ecology?	Annually (Jan 31)
What volume should be reported?	Total Annual Volume
What rate should be reported?	Annual Peak Rate of Withdrawal in gallons per minute (gpm)

Provisions

Site Permit Coverage

The Department of Ecology (Ecology) requires site permit coverage under the Sand and Gravel General Permit for all owners (or operators) of stationary asphalt or concrete batch plants. In addition, all concrete products manufacturers and property owners (or operators) of sand and gravel pits, rock quarries and asphalt/concrete recycling facilities must apply for site permit coverage under the Sand and Gravel General Permit. All of these activities must be included in the SEPA checklist.

General Orders of Approval

Pursuant to the state of Washington Clean Air Act Chapter 70-94 RCW and Ecology general regulations for air pollution sources Chapter 173-400 WAC, any stationary or portable concrete batch plants, rock crushers and asphalt plants proposing to operate at a source that is regulated by Ecology may request coverage under the General Orders of Approval.

Water Service Contract

Use of water under this permit or certificate is contingent upon the applicant's compliance with a water service contract with Ecology for recovery of costs associated with the Lake Roosevelt Incremental Storage Releases Program. Failure to comply with the terms of the water service contract will result in cancellation of the permit or revocation of the certificate.

Wells, Well Logs and Well Construction Standards

All wells constructed in the state shall meet the construction requirements of Chapter 173-160 WAC titled "Minimum Standards for the Construction and Maintenance of Wells" and Chapter 18.104 RCW titled "Water Well Construction". Any well which is unusable, abandoned, or whose use has been permanently discontinued, or which is in such disrepair that its continued use is impractical or is an environmental, safety or public health hazard shall be decommissioned.

All wells shall be tagged with an Ecology unique well identification number. If you have an existing well and it does not have a tag, please contact the well-drilling coordinator at the regional Ecology office issuing this decision. This tag shall remain attached to the well. All water measuring reports submitted to Ecology must reference this tag number.

Installation and maintenance of an access port as described in WAC 173-160- 291(3) is required.

Measurements, Monitoring, Metering and Reporting

An approved measuring device must be installed and maintained for each of the sources identified by this water right in accordance with the rule "Requirements for Measuring and Reporting Water Use", Chapter 173-173 WAC, which describes the requirements for data accuracy, device installation and

operation, and information reporting. It also allows a water user to petition Ecology for modifications to some of the requirements.

Water Use Efficiency
The water right holder is required to maintain efficient water delivery systems and use of up-to-date water conservation practices consistent with RCW 90.03.005.

Schedule and Inspections
Ecology personnel, upon presentation of proper credentials, shall have access at reasonable times, to the project location, and to inspect at reasonable times, records of water use, wells, diversions, measuring devices and associated distribution systems for compliance with water law.

YOUR RIGHT TO APPEAL

You have a right to appeal this decision to the Pollution Control Hearings 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.
- 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.

Street Addresses	Mailing Addresses
Department of Ecology Attn: Appeals Processing Desk 300 Desmond Drive SE Lacey, WA 98503	**Department of Ecology** Attn: Appeals Processing Desk PO Box 47608 Olympia, WA 98504-7608
Pollution Control Hearings Board 1111 Israel Road SW Ste 301 Tumwater, WA 98501	**Pollution Control Hearings Board** PO Box 40903 Olympia, WA 98504-0903

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

Signed at Yakima, Washington, this 28th day of April 2014.

Mark C. Schuppe, Operations Manager
Office of Columba River

INVESTIGATOR'S REPORT
Application for Water Right--GBI Holding Company
Water Right Control Number G4-32225
Farida Leek, Department of Ecology

BACKGROUND

Description and Purpose of Proposed Application

On October 13, 1994, the Washington State Department of Ecology (Ecology) accepted Water Right Application Number G4-32225 submitted by Morrill Asphalt Paving Company, Inc. This application was later assigned to GBI Holding Company(GBI Holding) on April 1, 2010, due to transfer of property. Attributes of the application are presented below in Table 1.

On February 26, 2010, the applicant was notified of the availability of mitigation water for this application, developed by the Office of Columbia River as part of the Lake Roosevelt Incremental Storage Releases Program (Program). On April 1, 2010, GBI Holding agreed to continue with the application processing under the Program.

Lands covered by the proposed place of use and upon which the proposed point of withdrawal is located are owned by GBI Holding, parcel number 51000000000, in Douglas County.

The proposed water use is associated with mining and industrial use (washing sand and gravel products, manufacturing ready-mix concrete, etc.) If the water use is approved, GBI Holding intends to use this water right at their designated construction site for housing development.

After an initial investigation and field visit, a Preliminary Permit was issued to GBI Holding Company on November 4, 2011, granting permission to drill a well within the place of use, as described on the subject application, and take groundwater level measurements. In March, 2012, Tumwater Drilling & Pump Inc. of Leavenworth, WA, drilled and completed a well under the Preliminary Permit. Data collected were submitted to Ecology.

Table 1 Application Summary

Name	GBI Holding Co.
Priority Date	October 13, 1994
Instantaneous Rate	2,000 gpm
Annual Quantity	Not given
Purpose(s) of Use	Mining and Industrial
Period of Use	March through November
Place(s) of Use	Parcels "A", "B", "C", "D"-all in the Town of Columbia River, Douglas County, WA, according to the plat thereof recorded in Volume A of Plats, page 271.

Table 2 Proposed Source of Withdrawal

Source Name	Parcels	Well Tag	Twp	Rng	Sec	QQ Q	Latitude	Longitude
Well	51000000000	BCF-066	21N	22E.W.M.	09	SWNE	47.32965	-120.07912

Legal Requirements for Approval of Appropriation of Water

Chapter 90.03 and 90.44 RCW authorize the appropriation of public water for beneficial use and describe the process for obtaining water rights. Laws governing the water right permitting process are contained in RCW 90.03.250 through 90.03.340 and 90.44.050. In accordance with RCW 90.03.290, determinations must be made on the following four criteria in order for an application for a water right to be approved:

- Water must be available
- There must be no impairment of existing rights
- The water use must be beneficial
- The water use must not be detrimental to the public interest.

Public Notice

RCW 90.03.280 requires that notice of a water right application be published once a week, for two consecutive weeks, in a newspaper of general circulation in the county or counties where the water is to be stored, diverted and used. Notice of this application was published in the Douglas County Empire Press, during the weeks of November 3 and November 10, 2011. Ecology received the Affidavit of Publication from the applicant on January 17, 2013. No comments or protests were received during the 30-day comment period.

Consultation with the Washington Department of Fish and Wildlife

Ecology must give notice to the Washington Department of Fish and Wildlife (WDFW) of applications to divert, withdraw or store water (RCW 77.57.020).

On February 27, 2014, Ecology received a comment document from WDFW regarding this application. The following are drawn from the information obtained:

> "... Based on impacts to fish and/or wildlife and the habitat they rely on, and pursuant to Chapter 77.57.020 RCW, WDFW does not oppose the issuance of this application. The majority of this water will percolate back down into the ground and discharge to the Columbia River or be recycled and reused. The consumptive portions of this water will be mitigated with water made available from the Lake Roosevelt Incremental Storage Releases Program. The well is located adjacent to the Columbia River and not near any salmon bearing tributary streams."

Consultation under WAC 173-563-020

Under WAC 173-563-020(4), consultation is required before issuance of new Columbia River water right permits:

The instream flows established and implemented by this chapter for instream and out-of-stream uses, and the average weekly flows applied by this chapter to out-of-stream uses do not apply to any application for water from the main stem Columbia River on which a decision is made by the department of ecology on or after July 27, 1997. Any water right application considered for approval or denial after that date will be evaluated for possible impacts on fish and existing water rights. The department will consult with appropriate local, state, and federal agencies and Indian tribes in making this evaluation. Any permit which is then approved for the use of such waters will be, if deemed necessary, subjected to instream flow protection or mitigation conditions determined on a case-by-case basis through the evaluation conducted with the agencies and tribes.

On December 14, 2009, Ecology contacted local, state, and federal agencies and Indian tribes requesting consultation and comments on issuing new municipal and industrial permits from the Columbia River mitigated by 13,527 acre-feet of water under the Program. On November 5, 2010, Ecology consulted with local, state, and federal agencies and Indian tribes again to update the quantity of water released, to 37,500 acre-feet for municipal/industrial uses and associated instream releases.

From these consultations, Ecology received written responses from the WDFW, Bonneville Power Administration, U.S. Fish and Wildlife Service, Confederated Tribes of the Colville Reservation, the Confederated Tribes of the Umatilla Indian Reservation, and the United States Forest Service. Ecology also had several meetings with stakeholders, including the Columbia River Policy Advisory Group (PAG) where it received oral comments.

Copies of the written comments received are available in the file and PAG meeting notes are available on-line at: http://www.ecy.wa.gov/programs/wr/cwp/cr_pag.html. The comments generally identified that the Program was adequate mitigation for up to 25,000 acre-feet of water for new municipal, multiple domestic and industrial permits.

State Environmental Policy Act (SEPA)

Pursuant to the State Environmental Policy Act (SEPA) (Chapter 43.21C RCW) and the SEPA Rules (Chapter 197-11 WAC), the Program was addressed in the Final Programmatic Environmental Impact Statement (FPEIS) for the Columbia River Management Plan. A Final Supplemental Environmental Impact Statement (FSEIS) was released on August 29, 2008 and an Addendum to the FSEIS was released on December 29, 2009; both documents address the Program in detail. On June 12, 2009, the United States Bureau of Reclamation (Reclamation) issued an Environmental Assessment (EA) and Finding of No Significant Impact (FONSI) for the project under the National Environmental Policy Act (NEPA).

The above described SEPA Documents are available online:
FPEIS - http://www.ecy.wa.gov/programs/wr/cwp/eis.html
FSEIS & FSEIS Addendum - http://www.ecy.wa.gov/programs/wr/cwp/cr_lkroos.html
EA & FONSI - http://www.ecy.wa.gov/programs/wr/cwp/cr_lkroos_envirostudies.html

Project specific SEPA compliance

A water right application is subject to a SEPA threshold determination (i.e., an evaluation whether there are likely to be significant adverse environmental impacts) if any one of the following conditions are met:

- It is a surface water right application for more than 1 cubic foot per second (cfs). If the project is for agricultural irrigation, the threshold is increased to 50 cfs, so long as the project will not receive public subsidies;
- It is a groundwater right application for more than 2,250 gallons per minute (gpm);
- It is an application combined with other water right applications for the same project and exceeds the amounts above;
- It is a part of a larger proposal that is subject to SEPA for other reasons (e.g., the need to obtain other permits that are not exempt from SEPA);
- It is part of a series of exempt actions that, considered together, trigger the need to do a threshold determination, as defined under WAC 197-11-305.

During a phone conversation on March 25, 2013, Curtis Liliquist from Douglas County Planning stated that there are no county permits for the project that require SEPA. The applicant must apply to Ecology for site permit coverage for construction related activities. The development will require a Sand and Gravel General Permit (Chapter 90.48 RCW) from Ecology's Water Quality Program and a General Order of Approval (Chapter 70.94 RCW) permit from Ecology's Air Quality Program. These authorizations from Ecology require SEPA. As such, Ecology will be SEPA lead entity.

Although the SEPA rules stress that the SEPA process be integrated with agency activities at the earliest possible time, SEPA review should not occur until the principal features of a proposal and its environmental impacts can be reasonably identified. This authorization for water use may be issued prior to a SEPA determination since it does not limit the choice of reasonable alternatives (WAC 197-11-070) at the GBI Holding's property.

INVESTIGATION

A site visit was conducted by Ecology employees Farida Leek and Eiko Urmos-Berry on February 14, 2011. Mr. Bill Terhaar, Pacific Rim Land, Inc. and Mr. Donald Dimmitt, Attorney, were present during the site visit and discussion of the project.

The approximate 100 acre property, currently owned by GBI Holding, is mostly undeveloped. The Burlington Northern railroad track parallels the site's western boundary, running between the site and the Columbia River. The terrain of the site rises sharply from its western boundary.

Mr. Terhaar described their proposed project as follows:

> "GBI Holding holds three water right applications in this area and intends to build out all of them. The plan is to use the same well for all three applications if they can get the production out of it.
>
> The application G4-32225 is for mining purposes. Water will be pumped for use on-site through a wash plant for the purpose of washing sand and gravel products, captured in a settling pond, recycled or allowed to filter back down to the groundwater. A portion of the water will also be used manufacturing ready-mix concrete, dust control (on-site) and other needs."

During further discussion, Mr. Terhaar mentioned that the plan is to level out one area under the mining application, move the mining equipment to another site, then level it out while houses begin to be constructed at the first place under GBI Holding's other municipal and domestic use applications.

The cost recovery mechanism under the Program was discussed with the applicant during the site visit. The State will recover its cost of developing the water supply at a rate of $35 an acre-foot per year. Payment shall be due to Ecology by November 1st of each year for the subsequent year's water use.

Water Availability

For water to be available for appropriation, it must be both physically and legally available.

Legal Availability

The Program involves releases of water stored in Lake Roosevelt under Reclamation's 1938 storage right (Reservoir Certificate Number 11793) to provide municipal, domestic and industrial water supply; provide water to replace some groundwater in the Odessa Subarea; enhance stream flows in the Columbia River to benefit fish; and provide drought relief for interruptible water right holders.

Surface Water Permit Number S3-30556 was issued on December 1, 2008 to the USBR, authorizing a maximum of 305 cfs, 37,500 acre-feet per year for instream purposes in Lake Roosevelt and below Grand Coulee Dam with a priority date of May 16, 1938. Surface Water Permit Number S3-30556 is considered the "secondary" water use permit authorizing use of water stored under Reservoir Certificate Number 11793.

On December 21, 2010, Ecology issued Superseding Certificate of Trust Water Right S3-30556, accepting 305 cfs, 37,500 acre-feet per year to the Washington State Trust Water Right Program (TWRP) for the purpose of instream flow. Under Superseding Certificate of Trust Water Right S3-30556, water is held in the TWRP to mitigate the impacts of 25,000 acre-feet of new state water rights issued under the Program's municipal and industrial water right permitting; the remaining 12,500 acre-feet is reserved exclusively for instream flows. In June 2011, Ecology provided notice under RCW 90.42.040(5) that it would modify Superseding Certificate of Trust Water Right S3-30556 to allow for mitigation of domestic uses as well as municipal and industrial uses. No comments from this notification were received, and Ecology issued a second Superseding Certificate of Trust Water Right S3-30556 on August 17, 2011.

Physical Availability

Municipal, domestic, and industrial water uses associated with the Program will divert or withdraw water from the Columbia River or tributary groundwater on a continuous, year-round basis. In the preferred Alternative 1C, identified in the FSEIS, mitigation releases from Lake Roosevelt will occur during time periods that will provide the greatest benefit to fish populations. These releases will occur during the months in which increased flow in the Columbia River will benefit fish the most, generally during April through September. The exact quantities and timing of the mitigation releases will be determined annually by the Fish Flow Releases Advisory Group (FFRAG). The membership of the FFRAG agrees that mitigation releases should be scheduled to help restore normative flows in the Columbia River. Since flows in October through March are higher than normative, mitigation for diversions and withdrawals under the Program during this time period are not seen as critical by FFRAG, leaving water available for release during the critical April through September period. This strategy was also supported in the consultations for the Program.

The subject application is being investigated under the mitigation framework established under the Program. In order to mitigate the impacts of any new appropriation of water on the Columbia River, hydrologic evidence must indicate that impacts on the Columbia River associated with the proposed water use would be successfully mitigated by the Lake Roosevelt mitigation releases. Additionally, it must be possible to manage the impacts on the Columbia River of proposed pumping in a manner that avoids carry-over of impacts across mitigation cycles.

A licensed Ecology staff hydrogeologist Ron Dixon produced and stamped a separate technical memorandum which discusses the hydrogeologic analysis for this application. The hydrogeologic interpretations provided below are extracted from this memorandum.

Due to the hydrogeologic uncertainties and the lack of site specific data available for the project area, Ecology issued a Preliminary Permit on November 4th, 2011 which allowed the applicant to drill a test/production well within the place of use and collect the hydrogeologic information necessary to determine whether or not the new point or points of withdrawal (wells) will satisfy the requirements and objective of the Program as described above.

An eight inch well, approximately 425 feet from the Columbia River at an elevation of 660 feet above mean sea level (amsl), was completed on March 22nd, 2012 to a depth of 252 feet below the ground surface (bgs). The well is a little over a mile southeast of Rock Island Dam and within the southwest quarter of the northeast quarter of Section 9, T. 21 N., R. 22E.W.M.

Based on the information provided on the driller's well log, the well is drilled through 54 feet of sediments described as clay, cobbles, sand, gravel, and rocks. The strata from 54 feet to 84 feet bgs is described as broken basalt with sand. Below 84 feet the strata is described as hard, broken, and fractured basalt.

The static water level (swl) reported on the driller's well log was 85 feet below the top of the well on March 22nd, 2012. With casing set at two feet above the land surface and a reported land surface elevation of 660 feet amsl, the 85 foot water level equates to an elevation of 577 feet amsl. Additional swl data for the well was collected in 15 minute increments beginning May 22nd, 2012 and ending June 8th, 2012, using a Geokon 4500C pressure transducer (Nelson, 2012). During this period the maximum swl elevation in the well was 579.16 feet amsl, the minimum was 578.10, and the average was 578.73 feet amsl.

Surface water elevations for the Columbia River were also reported for the same time period with a maximum surface water elevation of 579.48 feet amsl, a minimum of 570.10 feet amsl, and an average of 576.17 feet amsl. A comparison of groundwater elevations and surface water elevations suggests that, in general, the water levels in the well correlate with the fluctuating elevations of the Columbia River.

An evaluation of possible pumping interference as a result of the permitting action was accomplished using the Theis non-equilibrium equation and the parameters listed below. A maximum instantaneous pumping rate of 1,000 gallons per minute (gpm) and an annual quantity of 670 acre feet per year for this application and GBI Holding's two other applications for the same well is based on preliminary information provided by Ecology permitting staff.

During a pump test conducted by the applicant on August 21st, 2012, the well was capable of producing water at a sustained pumping rate of only 195 gpm. In order to pump the preliminary annual quantity of 670 acre feet per year, the well would need to be pumped continuously at a rate of approximately 415 gpm. Based on this information, multiple pumping scenarios were analyzed.

Results indicate that pumping the well at an instantaneous rate of 1,000 gpm would exhaust the preliminary annual quantity of 670 acre feet in approximately 152 days and potentially drawdown the water within the aquifer an estimated 24 feet at a distance of 4,000 feet from

the pumping well. However, this pumping scenario is very unlikely as water would be required throughout the year and not just for 152 days.

Pumping at 415 gpm for 365 days would also exhaust the preliminary annual quantity of 670 acre feet and potentially drawdown the water within the aquifer an estimated 15 feet at a distance of 4,000 feet from the pumping well. This pumping scenario is also unlikely as wells are seldom ran 24 hours a day year-round. If the subject well is pumped in cycles or if it is pumped at less than the instantaneous rates modeled above, the predicted drawdown effect in the aquifer would be reduced.

In conclusion, the observations noted above indicate that groundwater in the relatively shallow basalt aquifers is hydraulically connected to the Columbia River. As a result, groundwater withdrawals from the basalt aquifers encountered in the subject well would meet the Program's allocation requirements. In addition, analytical modeling using the Theis equation indicates that any drawdown which may occur as a result of the permitting action is not expected to impair nearby well owners. Therefore, it is recommended that the subject application be approved.

Should additional wells be needed in order to meet the water demands of the whole development project, those wells should be as close to the river as possible and limited in depth such that they are withdrawing water from the same body of groundwater as the well that is the subject of this memorandum.

Impairment Considerations

Columbia River Water Rights

An investigation of a water right application includes an analysis of whether the proposed water use will impair other existing water rights. The impairment analysis involves identifying how the proposed water use may impact the current water rights regime.

In considering impacts to existing water right holders and the instream flow rule, an analysis must consider actual river operation, particularly in drought years when water availability issues are most acute. In the context of this application, there are four classes of water uses that must be considered:

- Water right holders with priority dates senior to May 16, 1938.[1]
- Uninterruptible water rights with priority dates junior to May 16, 1938.
- Interruptible water rights with priority dates junior to May 16, 1938.
- The June 24, 1980 Instream Flow Rule (Chapter 173-563 WAC).

A detailed analysis of the current water rights regime on the Columbia River was issued in the Report of Examination (ROE) for S3-30556.

[1] Although the priority date of this application is October 13, 1994, based on the date of filing with Ecology, the application is backed by mitigation with a priority date of May 16, 1938, which is how it will be managed if regulation of Columbia River water rights is required.

Under the Program, 37,500 acre feet per year of mitigation water is held in the TWRP for instream purposes under Superseding Trust Water Certificate S3-30556 with a priority date of May 16, 1938, 25,000 acre-feet of which may be used for mitigation of new out-of-stream uses. Under the State's priority system, the mitigation water is senior to all water rights issued after May 16, 1938. The mitigation water rights are specifically exempted from the Columbia River instream flow rule (WAC 173-563-020(5)). Additionally, the mitigation water is protected under the TWRP from diversion by junior water right holders who may be curtailed during low-flow years. These junior users total approximately 379 interruptibles who are curtailed based on a forecast methodology outlined in Chapter 173-563 WAC. Although junior to the mitigation that is available for this application, no conflict is expected between the applicant's diversions or withdrawals and interruptible water users because of the mitigation provided by the Program.

Water Rights in the Vicinity

As described in the "Other Water Rights in the Vicinity" table below, there are two other new water right applications and one active water right change application that overlap with the place of use. Both new water right applications are owned by the applicant; both propose water use from the same existing well as the subject application. The water right change application also proposes to withdraw water from this well. The next closest point of withdrawal is approximately 4,000 feet from the proposed point of withdrawal.

Table 3 Other Water Rights in the Vicinity

File Number	Applicant	Document	Priority Date	Purpose	Qi, gpm	Qa, ac-ft/yr
G4-31813	GBI Holding Co.	New application	07.30.1993	Municipal	2,000	Not entered
CG4-GWC7601-A@1	John Goroch	Change application	06.30.2005	Municipal	725	280
G4-35323	GBI Holding Co.	New application	05.21.2010	Municipal	425	161

Beneficial Use

The use of water for multiple domestic and irrigation purposes is defined in statute as a beneficial use (RCW 90.54.020(1)). Beneficial use encompasses two principal elements of a water right:

1. Beneficial use refers to the purpose for which water may be used.
2. Beneficial use determines the measure of a water right. The owner of a water right is entitled to the amount of water necessary for the purpose to which it has been used.

To determine the amount of water necessary for a beneficial use, courts have developed the principle of "reasonable use". Reasonable use of water is determined by analysis of the factors of water duty and waste.

Currently, GBI Holding does not have any state issued water rights in this area. Applications do not authorized the use of any water; however, GBI Holding's applications shown in Table 3 are all currently being processed.

The subject application, submitted 20 years ago, proposes a maximum instantaneous rate of 2,000 gpm for mining purposes. No total annual quantity is given on the application. Discussions with the applicant have clarified that a maximum 500 gpm withdrawal rate and 75,000 gallons per day of water for mining activities from March through November, for 12 weeks (60 days) each year would be sufficient to cover their purpose. Assuming this is the case, a total annual quantity would be 13.8 ac-ft/year (75,000 gal/day X 60 day/325,851 gal), or rounding up, 14.0 ac-ft/year.

Due to the cost associated with this supply of water, it is in the water user's best interest to ensure that their use of water is reasonably efficient. The actual quantity put to beneficial use will be determined at the "Proof of Appropriation" examination phase.

Public Interest Considerations

Analysis of whether this application meets the requirements of RCW 90.03.290, that the proposed use of water will not be detrimental to the public welfare, involves investigation of how the approval of the proposed use of water will affect the range of values that are encompassed by the public interest.

Several sections of statute list the legislative policies that guide the consideration of the public interest during the allocation of water, including sections of the 1971 Water Resources Act (Chapter 90.54 RCW) and Chapter 90.90 RCW titled "Columbia River Basin Water Supply".

An analysis of the public interest considerations for the Program is contained in the Report of Examination for Application Number S3-30556, the "secondary use" permit for the Lake Roosevelt releases.

The public interests associated with the Program's municipal, domestic and industrial permitting are specifically cited in several sections of Chapter 90.90 RCW.

> RCW 90.90.005(1) states "The legislature finds that a key priority of water resource management in the Columbia river basin is the development of new water supplies that includes storage and conservation in order to meet the economic and community development needs of people and the instream flow needs of fish".
>
> RCW 90.90.005(2) directs Ecology to "aggressively pursue the development of water supplies to benefit both instream and out-of-stream uses".
>
> RCW 90.90.020(3)(b) instructs Ecology to focus on "Sources of water supply for pending water right applications".
>
> RCW 90.90.020(3)(d) instructs Ecology to focus on "New municipal, domestic, industrial, and irrigation water needs within the Columbia river basin".
>
> RCW 90.90.060(3) states that Lake Roosevelt releases "will bolster the state economy and will meet the following critical needs" including "new water supplies for municipalities with pending water right applications".

The Program's municipal, domestic and industrial permitting achieves the statutorily mandated public interest requirements by allowing new state water rights to be issued while mitigating the impacts to fish.

If the subject application is approved, the public welfare may be affected in several ways:

- Economic activity is likely to result from the use of water for commercial/industrial purposes, as the associated construction and operation activities generate increased economic and social opportunities.

- The use of water for mining and industrial purposes is not expected to affect local cultural, recreational, or environmental resources.

- The adaptive management strategy for mitigation releases will ensure releases occur at times that are most beneficial for Endangered Species Act-listed salmon and steelhead species in the Columbia River, thus assuring effective mitigation for this appropriation of water.

Consideration of Protests and Comments

On September 22, 1997, The Center for Environmental Law & Policy (CELP) submitted written comment to Ecology requesting that Ecology "either deny or continue in hold status all applications for new water rights from the Columbia River, its tributaries and from any ground water source in continuity with them." Major concerns cited by CELP include impacts to Endangered Species Act listed fish stocks, water availability, and reduced revenue from hydropower facilities as a result of increased diversions. CELP asserted that issuance of new water rights would violate the four statutory criteria for issuance of a water right because water is not available, and issuance of new rights would lead to impairment of existing rights and would not be in the public interest.

The Office of Columbia River has addressed these concerns in the Final Supplemental Environmental Impact Statement for the Lake Roosevelt Incremental Storage Releases Program[2] (FSEIS) and the Addendum to the FSEIS[3] (Addendum). Under the Program, issuance of new water rights for pending applications is mitigated by existing water rights held by Reclamation for water releases from Grand Coulee Dam. Ecology has placed this water into the TWRP to supply water for out-of-stream and in-stream purposes as outlined in the FSEIS.

This Program will have a beneficial impact on ESA-listed fish by providing additional instream flow in the quantities of 37,500 acre-feet each year and an additional 17,000 acre-feet per year during drought years. Water will be released from Lake Roosevelt to maximize fish benefits on a schedule as agreed upon each year by the FFRAG (FSEIS 2.3.2.3 and FSEIS 2.3.3.2.). The timing of the releases would be constrained by the instantaneous flow limit of Reclamation's secondary water use permit as described in FSEIS section 2.3.

Program water will be released from storage in Lake Roosevelt in addition to water that is currently released. The Program is designed so no diminishment of water available to other appropriators throughout the Columbia River system will occur. Program water will only be used to supply water to surface water users or groundwater users who are capable of directly capturing water released from Lake Roosevelt or those groundwater users who can demonstrate that their withdrawals, if pumping ceased, would be fully attenuated within a single mitigation cycle (Addendum section II).

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[2] http://www.ecy.wa.gov/programs/wr/cwp/images/pdf/finalseis/seis_final.pdf
[3] http://www.ecy.wa.gov/programs/wr/cwp/images/pdf/lkroos_seis_adden.pdf

Under the Program, water is allocated to supply industrial and domestic/municipal development. As described in the public interest section, the project will generate new jobs, revenue and other economic benefits to individuals and communities throughout the Columbia River Basin, while providing mitigation for fisheries.

Conclusions

Beneficial Use

The proposed use of water for mining and industrial is considered to be a beneficial use. Therefore this application meets the first criterion of RCW 90.03.290 that the requested water be put to beneficial use.

Water Availability

The analysis provided above demonstrates that water is physically and legally available for the proposed use of water.

Impairment

The proposed beneficial use of water will not impair any existing water rights.

Public Interest

The proposed use of water would not be detrimental to the public welfare.

RECOMMENDATIONS

Based on the above investigation and conclusions, I recommend that this request for a water right be approved and a permit be issued in the amounts and within the limitations listed below and subject to the provisions listed above.

Purpose of Use and Authorized Quantities

The amount of water recommended is a maximum limit and the water user may only use that amount of water within the specified limit that is reasonable and beneficial:

500 gpm
14.0 acre-feet per year
for mining and industrial purposes

Point of Withdrawal
SW¼, NE¼, Section 9, Township 21 North, Range 22E.W.M.

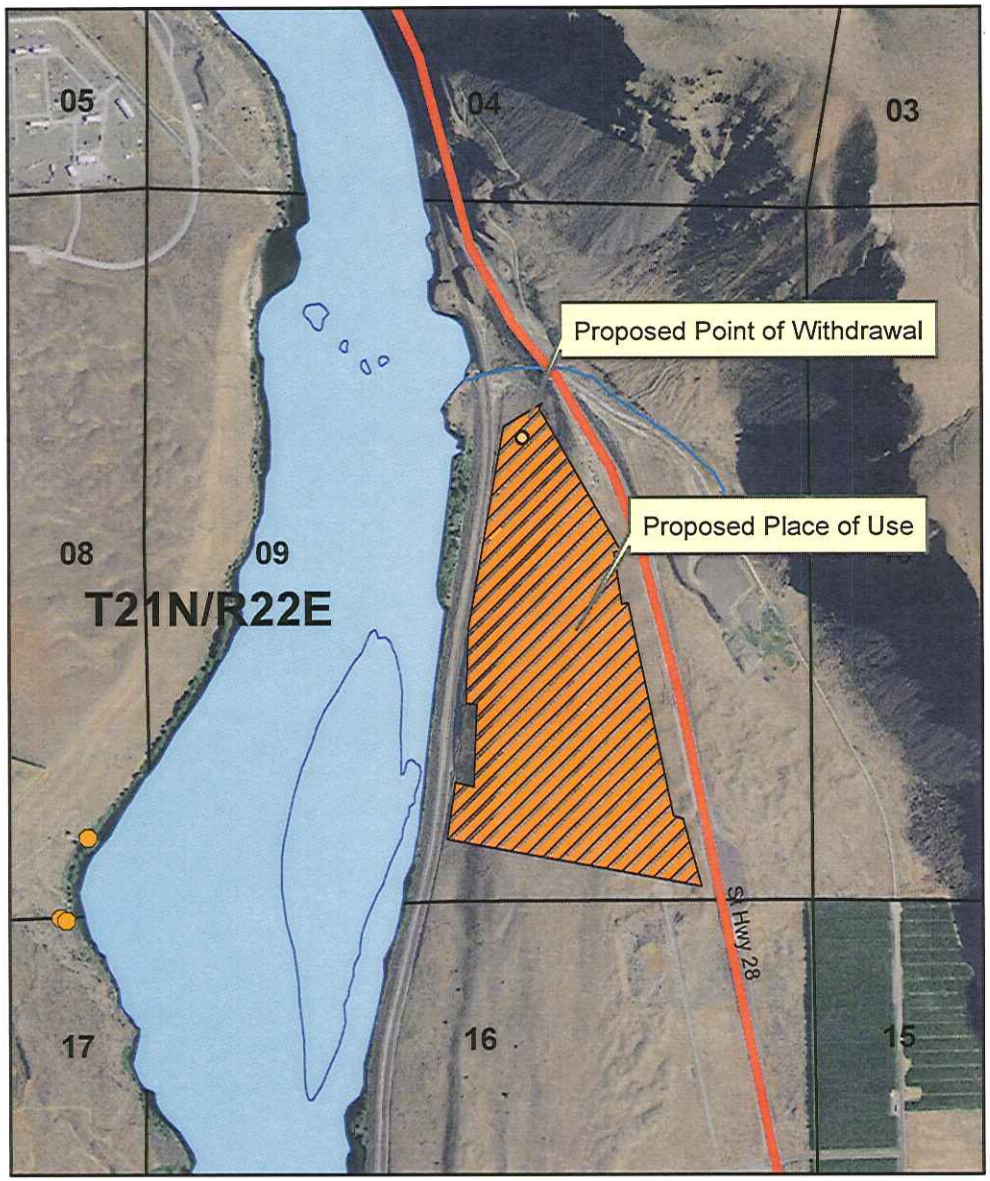
Place of Use
Parcels "A", "B", "C", "D"-all in the Town of Columbia River, Douglas County, WA, according to the plat thereof recorded in Volume A of Plats, page 271.

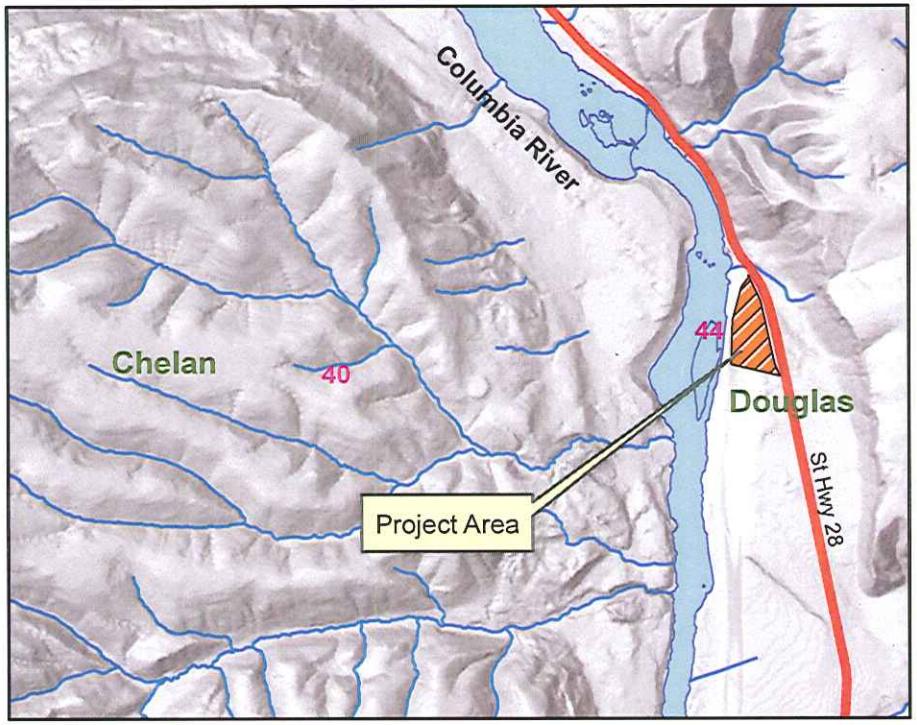
Farida Leek — 04.22.2014 Date

If you need this document in a format for the visually impaired, call the Water Resources Program at (509) 575-2490. Persons with hearing loss can call 711 for Washington Relay Service. Persons with a speech disability can call (877)-833-6341.

GBI Holding Co. Water Right Application No. G4-32225
Section 09 of T. 21N., R. 22E. W. M., WRIA 44, Douglas County

DEPARTMENT OF ECOLOGY
State of Washington





Legend

- Major Roads
- 44 — WRIA Number
- 16 — Section Number
- Streams
- Wells