GUID-1220 WATER RESOURCES PROGRAM GUIDANCE

GUIDANCE FOR PROCESSING AND MANAGING TRUST WATER RIGHTS

Resource Contact: Trust Water Right Coordinator

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References:	<u>RCW 90.03.380</u>	Chapter 90.14 RCW	
	<u>RCW 90.03.390</u>	Chapter 90.38 RCW	
	<u>RCW 90.44.100</u>	Chapter 90.42 RCW	
	POL-1020	<u>PRO-1000</u>	
	<u>PRO-1050</u>	POL-1120	
	<u>GUID-1210</u>	POL-1200	
	Washington Water Acquisition Program Strategy		
	Trust Water Right Program Guidelines		
	Rettkowski v. Dept. of Ecology		

Purpose: To provide guidance to the Water Resources Program staff processing trust water rights under Chapters 90.38 and 90.42 RCW and ensure statewide consistency and efficiency.

Application: This guidance should be followed when Water Resources Program staff:

- Provides advice to the public
- Processes trust water right applications
- Processes applications for change or transfer of a water right that includes a trust water right proposal.

This guidance supersedes any previous guidance for processing or managing trust water rights. The guidance may be supplemented periodically as the Water Resources Program gains experience in the acquisition, processing, and management of trust water rights, or when the one of the governing statutes is amended.

To use this guidance effectively, it is critical to properly identify the type of trust water transaction you are working with. Trust water transactions can be very complex, particularly when combined with other water right changes or transfers.

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Section 1 - Frequently Asked Questions

Q1. What is a trust water right? There are two types of trust water rights, distinguished by the controlling statutes. A trust water right, as defined in Chapter 90.42 RCW, is any water right acquired by the state for management in the State's Trust Water Right Program. This can include portions of water rights acquired by the state's funding of irrigation projects through programs such as the Irrigation Efficiencies Grants Program.

The definition in Chapter 90.38 RCW for the Yakima River basin is slightly different. There, a trust water right is the portion of a water right no longer required because of water conservation improvements to an existing system [RCW 90.42.020(3)]. It may also be any other water right acquired by Ecology for the Yakima River Basin Trust Water Right Program [RCW 90.38.010(3)]

- **Q2.** What statutes govern trust water rights? Primary authority is in Chapters 90.38 and 90.42 RCW. Related authorities are in <u>RCW 90.03.380</u> (Changes/Transfers), <u>RCW 90.3.390</u> (Temporary Changes), and <u>Chapter 90.66 RCW</u> (Family Farm Water Act).
- **Q3.** Are trust water rights only for instream purposes? No. Trust water rights can be for many purposes [RCW 90.38.040(3) and RCW 90.42.040(1)].
- Q4. If a water right is to be used for instream flow purposes, is Ecology required to change the purpose of use of the water right? Yes. However, the authority for performing the change of purpose varies. A change of purpose of use is reviewed under <u>RCW 90.03.380</u> and <u>RCW 90.03.390</u>; or under specific requirements of <u>RCW 90.380</u> and <u>RCW 90.03.390</u>; or under specific requirements of <u>RCW 90.380</u> and <u>RCW 90.42</u> RCW in either of the two following circumstances:
 - a) Temporary or permanent donations for instream flow purposes [<u>RCW</u> 90.42.080(5)].
 - b) Trust water rights acquired by the state through funding conservation projects [RCW 90.42.040(7)].
- **Q5.** Are there water rights that cannot be placed into the Trust Water Right Program? Some rights cannot be accepted into the Trust Water Right Program:
 - 1. Family Farm Water Act (Chapter 90.66 RCW) permits and certificates, unless ONE OR MORE of the following conditions are met:
 - a) It is acquired under a lease agreement.
 - b) The place of use is within the boundaries of an urban growth area designated under Chapter 36.70A RCW.
 - c) The place of use is within a city, town, or area designated for urban growth under Chapter 36.70 RCW if not planning under Chapter 36.70A RCW.
 - d) Water is made surplus through physical or operational water use efficiency improvements associated with water rights that existed on or before July 28, 1991.
 - e) The trust water right is retained and authorized for beneficial use within the same Water Resource Inventory Area (WRIA) or urban growth area.

Q6. What kinds of water rights may be held by the Trust Water Right Program, but Ecology would <u>normally</u> not acquire using public funds?

- 1. Water rights subject to interruption due to instream flow rule provisions will generally not be acquired through the expenditure of public funds or for mitigation purposes.
- **2.** Water rights with severe limitations or lack of seniority that, as a result, would not sufficiently benefit fisheries. Ecology will normally consult with Washington Department of Fish and Wildlife fisheries biologists to make this determination.
- **3.** Supplemental or stand-by rights, unless they are acquired in conjunction with the primary water right.
- **Q7.** Is a <u>Trust Water Right Application form required to accept a water right into the</u> **Trust Water Right Program?** Yes. However, the <u>Irrigation Efficiency Grants Program</u> (IEGP) uses a consolidated application form that replaces the trust water right application form.
- **Q8.** Are there additional forms or steps needed to place water in the Yakima River Basin Trust Water Right Program before the adjudication is complete? Yes. Until the Yakima River Adjudication ends, short-term leases in the Yakima River basin require that either the water right holder or Ecology petition the Superior Court to change the purpose of use of a Court Claim. If approved, the Court will issue an Order Pendente Lite. (Pre-Trial Orders #6 and #12 in Appendices I and J). If Ecology approves a permanent change of a Court Claim, a Pre-Trial Order #17 Notice (Appendix K) must be filed by Ecology giving notice to the Court and other parties. Also, Ecology must file a motion and then receive an Order Joining a Party (Appendices L and M are examples) from the Superior Court to acknowledge that Ecology is the owner of the trust water right.
- **Q9.** How does relinquishment apply to trust water rights? Trust water rights are exempt from relinquishment [RCW 90.38.040(6), RCW 90.42.040(6), and RCW 90.14.140(2)(h)].
- **Q10. What happens to the water right when the term of a temporary donation or lease ends?** When a temporary donation or lease ends or expires, the water right reverts to the donor or lessor in the same amount accepted into the Trust Water Right Program. For rights that will go through a subsequent change or transfer, Annual Consumptive Quantity (ACQ) is not affected. However, because an extent and validity review under <u>RCW 90.03.380</u> was not performed by Ecology when the water right was accepted into the Trust Water Right Program, the right that reverts to the donor may not reflect its actual validity or quantity [RCW 90.42.080(9) and RCW 90.38.020(7)].
- Q11. Does placing a water right into the Trust Water Right Program by lease or donation "reset" or "suspend" the five-year relinquishment clock? Under 90.42.040 (4)(c), trust water rights accepted into the trust program are considered to be exercised, so the water right's relinquishment clock is reset. This does not mean that relinquished rights have been revived.
- Q12. How is a trust water right exercised? Exercising a water right means putting the water to an actual beneficial use. For an out-of-stream use, exercising the right is obvious by the

physical diversion of water from a stream and applying it to a beneficial use, such as irrigation of a crop. For an instream or groundwater preservation use, the water is instead used for incremental enhancement of instream, groundwater resources and riparian habitat. Exercising an instream flow trust water right occurs when the first three actions (see the following list) have occurred. It is irrefutable when the fourth action occurs:

- 1. The state acquires the water right through donation, lease, or purchase.
- 2. The state makes public notice of the trust water right.
- 3. The historical use of the water right stops or is reduced.
- 4. The water master or stream patrolman curtails or regulates a junior diversion in favor of the senior instream flow trust water right.

Even if an acquired trust water right is not put to actual beneficial use, trust water rights are considered exercised when acquired into the trust water rights program.

Q13. How can the Trust Water Right Program be used to prevent relinquishment of a water right? Trust water right statutes allow a water right holder to donate all, or a portion, of a water right to the Trust Water Right Program for instream flow or groundwater preservation purposes. Ecology must accept a donation to the Trust Water Right Program for instream flow or groundwater preservation purposes unless the donor places unreasonable conditions on the donation. The donated trust water right, plus any portion of the right that would continue to be used by the donor, cannot exceed the amount of water used in the previous five years. [RCW 90.42.080(4)]

A donation for instream flow or groundwater preservation purposes is not subject to an extent and validity review. Therefore placement in the Trust Water Right Program is not evidence of the validity or quantity of the water right [RCW 90.42.080(1)(b), (4), (5), and (9), RCW 90.42.040(8), and RCW 90.38.020(1)(b), (4), and (7)].

Q14. How will Ecology decide whether to accept a donated water right into the Trust Water Right Program? Ecology will review the Trust Water Right Application form, available aerial photography, publicly available county assessor's information, and the supplemental materials the donor provides showing proof of the amount of water used during the previous five years.

In cases where water use has not occurred in the most recent five year period, and the applicant claims an exemption or sufficient cause for non-use under <u>RCW 90.14.140(1)</u>, Ecology will review materials provided by the applicant showing;

- 1. sufficient cause for non-use, OR
- 2. that an exemption from relinquishment applies.

If Ecology concurs with applicability of the claimed sufficient cause or exception, it will review water use information provided for the five year period preceding the exempted or excused period of non-use. The letter accepting the trust water donation will also explicitly state that acceptance of the water right into trust is not evidence of the validity or extent of the water right. (See Appendix F)

In cases where municipal and hydropower rights have not been used within the most recent five year period under RCW 90.14.140(2)(a) or (d), the amount of water eligible to be acquired shall be based on historical beneficial use.

Q15. How does Ecology quantify the amount of water that can be accepted into the trust program? Ecology determines the amount of water that can be accepted into trust by:

1) An extent and validity review (required if <u>RCW 90.03.380</u> applies), OR

2) The highest use within the previous five years before the acquisition, [<u>RCW</u> 90.42.080(4)], OR

3) For rights subject to non-use exceptions under 90.14.140(1), the amount of water eligible to put into trust will be calculated by looking at the highest use in the most recent 5 year period prior to the date when nonuse was excused, [RCW 90.42.080(10)], OR

4) For municipal and hydropower rights under RCW 90.14.140(2) (a) or (d), the amount of water eligible to be acquired shall be based on historical beneficial use. [RCW 90.42.080(11)]

In some instances, the legislature has identified more than one method for calculating the amount of water eligible for acceptance into the trust water rights program. In such instances, Ecology calculates the amount of water eligible for acceptance using each method and then uses the smaller of the values.

Q16. What is an "extent and validity review?" It is a review required by <u>RCW 90.03.380</u> to support a conclusion that the water use was lawfully originated and determine the amount of water applied to beneficial use. It involves assessing historical records, maps, aerial photography, and other available documents. The purpose and nature of the review was clarified by the Washington State Supreme Court in *Okanogan Wilderness League v Twisp* and *R.D Merrill v Pollution Control Hearings Board*. The review evaluates the water right (not only the portion proposed for change) to determine the maximum amounts of water used as described in the claim, permit, or certificate. The review also determines if there are any periods of non-use greater than five successive years. If so, Ecology may then consider whether an exemption or sufficient cause for non-use applied (avoiding relinquishment). The determinations required by <u>RCW 90.03.380</u> are not final; they are tentative and only a Superior Court can make a final determination of a water right's extent and validity.

Q17. How is the place of use of a trust water right described?

<u>Surface Water</u>. The place of use of a trust water right for instream flows is defined within a primary reach and, if applicable, a secondary reach. The <u>primary reach</u> is the portion of a water body that benefits from both the former consumptive use and return flow waters of a trust water right. It is the reach between the original diversion point and the point where the last return flows reenter the stream or river. The <u>secondary reach</u> is the portion of a water body that received return flow waters while the water right was exercised for its original out-of-stream purpose. The secondary reach, therefore, only benefits from the former consumptive portion of the trust water right. It is downstream from the point where return flows from the historic use under the water right reentered the stream or river. [RCW 90.42.020(2) and RCW 90.38.010(2)]

<u>Ground Water</u>. The place of use for groundwater preservation trust water rights is defined as the body of public groundwater from which the original right entitles water use. [RCW 90.42.040(2)]

Q18. How are the instantaneous and annual quantities of an instream flow trust water right protected? Ecology may enforce against junior water uses in the primary reach to protect the full instantaneous and annual quantities under the water right or portion of the water right placed in the Trust Water Right Program. In the secondary reach, only the consumptive quantities associated with the previous use of the water right may be protected against other water right holders. In the Yakima River basin, the Trust Water Right is to be exercised on the same schedule as the historic use, unless storage is used to reschedule delivery of the water. In other basins, we recommend resolving the schedule of historic use to avoid claims that exercising the trust water right would impair other water rights. You can determine the schedule by calculating the consumptive and non-consumptive fractions of the water right on a month-by-month basis [RCW 90.38.040(4)]. See Trust Water Program Guidelines, and GUID-1210, DETERMINING IRRIGATION EFFICIENCY AND CONSUMPTIVE USE.

See the <u>Trust Water Rights Program Guidelines</u> for an example calculation of the primary and secondary reach quantities associated with using an irrigation right in the Trust Water Right Program for instream flow purposes.

- **Q19.** How are the instantaneous and annual quantities of a groundwater right protected? Ecology may enforce against junior groundwater users within the same body of public groundwater to protect the full instantaneous and annual quantities under the water right or portion of the water right placed in the Trust Water Right Program. [WAC 173-150]
- Q20. Can a water right that has been in a water bank established under Chapter 90.92
 RCW be accepted into the state trust water right program?
 Yes. Ecology interprets the term "exercised" in RCW 90.42.080(4) and (8) to apply to rights that have been placed in a water bank established under Chapter 90.92 RCW. Accepting a water right into a water bank established under Chapter 90.92 RCW does not revive all or any portion of the water right that may have relinquished prior to acceptance into the water bank.

Section 2 - Managing a Trust Water Right

Ecology's ability to exercise and, if necessary, protect a trust water right is an important factor when using public funds to acquire a water right. Staff capability, agency priorities, available resources, and legal authority to regulate other water users determine our ability to protect a trust water right. These matters are of only limited concern when adequate water is available for all users.

The conditions and provisions of the Trust Water Right Report of Examination and any agreement with the owner or seller determine how we may exercise a trust water right. If public funding is used to acquire the water right, the trust water right will be used to satisfy a public purpose. Most often that public purpose is instream flow enhancement.

It is common for only a portion of a water right to be conveyed to the Trust Water Rights Program (TWRP). In those cases, the state holds the trust portion and the original water right holder retains any remaining portion of the water right. To ensure that the water right is not enlarged to the detriment or injury of other water rights competing for the same stream, added care should be taken when exercising the trust water right. The trust water agreement should clearly reflect the instantaneous and annual quantities of each portion of the water right, including any limitations on use of either portion during periods when use of both portions of the water right may conflict.

Managing one or more trust water rights typically comprises the following tasks:

- A. Post-acquisition Verification Inspections
 - 1. Ecology should confirm the acquisition or conservation project is complete prior to exercising the trust water right. For projects not under the Irrigation Efficiencies Grant Program (IEGP), Ecology staff should verify completion by inspecting the site. We should also confirm compliance with conditions of the funding agreement.
 - 2. A Conservation District technician or other staff will typically inspect and verify projects funded by the IEGP were constructed as designed prior to the Conservation Commission releasing final funding. Their verification confirms that the funding agreement specifications have been satisfied.
 - **3.** Ecology should conduct periodic compliance checks through the life of the trust water right acquisition. The Irrigation Efficiencies Grant Program and the Columbia Basin Water Transaction Program include post-implementation project assessments. Compliance checks are frequently performed by the Department of Fish and Wildlife in conjunction with post implementation habitat assessments. Regulation of Other Water Rights to Protect a Trust Water Right.
 - 4. <u>Public notice</u>: Ecology must give public notice of the trust water right before we may regulate junior diversionary water rights to protect a trust water right. Public notice at the time of acquisition that included the authorized beneficial use(s) of the trust water right is sufficient.
 - 5. <u>Regulating adjudicated or state-issued rights</u>: An Ecology water master or appointed stream patrolman can regulate junior water rights if the junior water rights and the water

right held in trust were confirmed in a Superior Court Adjudication of water rights <u>or</u> are state-issued permits and certificates. (<u>Rettkowski v. Department of Ecology</u>).

- 6. <u>Regulating un-adjudicated claims and federal reserved rights</u>: Ecology must seek an alternative means of relief where the trust water right and junior water rights have not been adjudicated and are not state-issued permits or certificates. We must file a petition or motion with the local Superior Court seeking relief from impairment of the trust water right by the junior water right claim.
- <u>Regulating illegal or wasteful uses</u>: Ecology may regulate where unauthorized water use or wasteful practices interfere with or impair the trust water right (<u>RCW 90.03.005</u> and <u>RCW 90.03.400</u>). Inform the regional section manager and program enforcement staff if you become aware of such a case. See <u>Enforcement Policy</u>.
- 8. <u>Protecting trust water rights in primary and secondary reaches</u>: Ecology may regulate a junior water user within the primary reach who impairs the instantaneous rate of a trust water right. In the secondary reach or upstream of it, Ecology may regulate a junior user who interferes with maintenance of the consumptive quantity outlined in the schedule in the trust water right.
- B. Claims of Impairment when Exercising a Trust Water Right.
 - 1. <u>Filing claims</u>: Other water right holders may file claims of impairment against a trust water right when exercised [<u>RCW 90.42.040(4)</u>, <u>RCW 90.42.080(4)</u>, and <u>RCW 90.42.080(8)</u>].
 - 2. <u>Investigating claims</u>: Ecology must investigate all claims that a trust water right is impairing other water rights.
 - **3.** <u>Eliminating impairment</u>: Ecology must modify or terminate the trust water right authorization if it is determined that use of a trust water right has impaired another water right that existed at the time of first exercising the trust right. [RCW 90.42.040(4)].
 - 4. <u>Modifying a trust water right</u>: Ecology will modify the trust water right, when necessary to resolve impairment of an existing water right, consistent with the procedure in Section 10.

Section 3 - Trust Water Agreements and Trust Water Right Applications

A trust water right is created when a water right is both conveyed to the state by purchase, lease, gift, donation, or means other than condemnation, and accepted into the Trust Water Right Program (TWRP). In some cases, a single process can meet both requirements. In other cases, two sequential steps occur: The water right is conveyed to the TWRP through an agreement and an associated trust water right application, followed by acceptance of the water right by the state.

A. The general steps associated with processing trust water right agreements and applications are as follows:

- 1. An agreement to convey a water right to the TWRP may be documented in a letter of instruction, contract, or other instrument.
- 2. A completed Trust Water Right Application signed and submitted by the water right holder.
- **3.** In the case of a donation or gift of a water right, a letter of acceptance indicates the state's acceptance of the water right into the TWRP, subject to the terms in the acceptance letter. The trust water application may serve as the letter of instruction if the only condition specified by the donor is the period of the donation. See Appendix F.
- 4. A Trust Water Right Report of Examination documents the change of the water right's purpose of use and the conditions placed upon the trust water right.
- 5. In the Yakima River basin, an Order Pendente Lite documents approval of the change of purpose of use and conditions of the short-term or temporary trust water right.

B. Prior to the close of negotiations with the right holder, the following should be identified and included in any required public notice:

- 1. The conditions of use, including the instantaneous quantities that may be exercised in trust.
- 2. A schedule for the use of the water right.
- 3. The potential for impairment of other rights.
- 4. Any other conditions that must be imposed upon the water right holder.

If acquired with public funds, rather than by donation, Ecology should give careful consideration to how to manage the trust water right to benefit the citizens of the state. Particular issues of concern relate to our legal and administrative ability to exercise the trust water right during periods of low flow that may require regulating junior users. See Section 2, Subsection B.

C. Trust water agreements should describe the intent and conditions under which a water right is available to the TWRP. Trust water agreements will generally take one of three forms:

1. The trust water right application can be used as a trust water right agreement if the right is donated for instream flow or groundwater preservation purposes and the conditions are limited to the period of the donation.

- **2.** The agreement may be in the form of a letter identifying reasonable conditions that the donor of the right may place upon the donation or gift.
- **3.** The agreement may be in the form of a contract, grant or loan agreement, or other instrument which describes all the terms and conditions of the conveyance of the water right from the owner of the water right to Ecology.

D. A completed trust water application should accompany an agreement:

- 1. The <u>Application to Enter a Water Right into the Trust Water Right Program</u> form is used for all trust water right acquisitions except for those funded through the state Irrigation Efficiencies Grants Program (IEGP).
- 2. The trust water right application form is to be completed <u>even if the acquisition is</u> <u>associated with an application to change the remaining portion of water right</u> that will continue to be exercised by the right holder.
- **3.** The completed trust water right application form is used for initial data entry of the trust water right acquisition into the Water Right Tracking System (WRTS) and the Trust Water Right database. See Section 11.

Appendix A contains specific instructions for reviewing an application for trust water right to ensure completeness.

Trust water right applications associated with leases and purchases are generally related to state and federal grants or loans that have associated deadlines. <u>Staff should consider processing trust</u> water applications as a matter of high priority for the Water Resources Program.

Section 4 - Acquisition Resulting from a Publicly Funded Water Conservation Project

A. General processing of a trust water right application for a publicly funded water conservation project is as follows:

- **1.** Application:
 - a) Within the Irrigation Efficiencies Grants Program (IEGP), local conservation districts prepare the Consolidated Application Form, with assistance from Ecology if requested, and then submit it to the appropriate Ecology regional office.
 - b) If the project is not funded through the IEGP, the <u>Application to Enter a Water</u> <u>Right into the Trust Water Right Program</u> is used.
- Trust water right acquisitions through publicly funded water conservation projects are not subject to <u>RCW 90.03.380</u> [see <u>RCW 90.42.040(7)</u> and <u>RCW 90.38.040(6)</u>]. Ecology processes the IEGP application under Chapter 90.38 RCW (in the Yakima River basin), or Chapter 90.42 RCW (statewide).
- **3.** Outside the Yakima River basin, only water rights existing prior to July 28, 1991 may be acquired into trust through water conservation projects [RCW 90.42.020(5)].
- **4.** Typically the net water savings created by the publicly-funded water conservation project is acquired into the Trust Water Rights Program (TWRP). The length of a trust water acquisition under IEGP is specified in the contract between Ecology and the water right holder.
- 5. Public notice is required at the time of acquisition:
 - a) Ecology publishes public notice for IEGP projects. The applicant is responsible for publishing the public notice for projects not funded through IEGP.
 - **b**) Ecology is responsible for sending notice to:
 - (1) Potentially affected local governments. Local governments are defined as a "city, town, public utility district, irrigation district, public port, county, sewer district, or water district."
 - (2) Appropriate state agencies.
 - (3) Federally recognized tribal governments within the area.
 - (4) Other interested parties.
 - c) If required, public notice of the SEPA threshold determination for the project should (when possible) be combined with public notice of the trust water right application.
- **6.** Affidavits of publication regarding trust water rights should be given the same priority for review as the trust water transaction.
- 7. Public notice should identify the quantity of water, expressed in acre-feet per year, but is not mandatory for trust water right transactions that may be:

- a) Initiated during the engineering phase of conservation or irrigation efficiency projects; or,
- b) Subject to continuing negotiations or investigation.

Consistent with funding and construction deadlines, timely action requires making public notice at the earliest possible date. Due to the potential complexities in parallel planning, design and funding processes, it is hard to know the precise quantity of water that may be ultimately placed into trust at the appropriate time for public notice. Although not mandatory, it is recommended that the public notice identifies the reasonable maximum rate and volume of water conservation based on the estimated net water savings.

- **8.** Use the Trust Water Right Report form (Appendix G) to document the evaluation of the water conservation project and the associated water right to be considered for acceptance into the TWRP.
- 9. Evaluation Considerations:
 - a) Extent and Validity: The state may require evidence of a valid water right [<u>RCW 90.42.030(2)</u>]. In practice, no conservation project should be funded if the use of water isn't legally authorized by a valid water right.
 - b) Quantifying the Right for Use in Trust: Use the <u>Trust Water Rights Program</u> <u>Guidelines</u> (Ecology Publication #92-88) developed under <u>RCW 90.42.050</u> and <u>GUID-1210, DETERMINING IRRIGATION EFFICIENCY AND</u> <u>CONSUMPTIVE USE</u> to determine the net water savings. The quantity of water accepted into trust must represent "net water savings" from the conservation project
 - c) Impairment: An impairment analysis is required prior to exercising the trust water right [RCW 90.42.040(4), RCW 90.38.040(5)(a)].
 - **d**) Public Interest Considerations: Acquisitions through water conservation projects shall not be detrimental to the public interest [RCW 90.42.040(4)].
- 10. Documenting Permanent Trust Water Rights
 - a) Record a Water Right Conveyance and Assignment (Quit Claim) or Statutory Warranty Deed at the appropriate County Auditor's Office. This serves as evidence of conveyance of the water right from the holder of the water right to the state. If the right is under the jurisdiction of the Court as part of the Yakima River Adjudication, a Motion to Join Ecology to the Court Claim is also required.
 - **b**) Issue a Superseding Certificate to document the permanent trust water right acquisition [RCW 90.42.040(2), RCW 90.38.040(1)].
 - c) Issue a superseding water right document to the right holder reflecting any portion of the water right not acquired by the state.
 - (1) For Certificates of Water Right: Issue Superseding Certificates.
 - (2) For rights documented by a Water Right Claim or Certificate of Change: Issue a Certificate of Trust Water Right Acquisition. (see Appendix H
 - (3) Template for Certificate of Trust Water Right Acquisition)

- d) The Certificate(s) are then recorded with the County Auditor in accordance with <u>RCW 90.03.330</u> and <u>PRO-1000, WATER RIGHTS ADMINISTRATION</u> PROCEDURE.
 - (1) The Trust Water Right Certificate is recorded at the state's expense.
 - (2) Any Certificate issued for a portion of a water right remaining with the private right holder is recorded at the right holder's expense.
- e) Certificate(s) should be:
 - (1) Recorded in the appropriate water right file.
 - (2) Used to update the Water Right Tracking System (WRTS) and Trust Water Right database.
- 11. Tax Liability for Permanent Acquisitions:

Permanent acquisition of water rights in exchange for some consideration, whether monetary or otherwise, should be processed in accordance with <u>PRO-1050</u>, <u>PROCEDURE FOR NOTIFICATION OF WATER RIGHT ACTIONS TO THE DEPARTMENT OF REVENUE</u>.

12. Documentation of a Temporary Trust Water Right:

- a) For water rights subject to the Yakima River Adjudication, file the Order Pendente Lite approving the trust water transfer and enter the relevant data into WRTS and the trust water database. This file should include the following:
 - (1) Information on the acquisition of the water right.
 - (2) Any authorized beneficial water use while the right is in trust.
 - (3) The date or conditions under which the trust period will expire.
- b) For rights not subject to the Yakima River Adjudication, an Order or other instrument may be issued to document the temporary trust water right acquisition [RCW 90.42.040(2)]:
 - (1) Issue a trust water right report (see Appendix G) and order including the following information:
 - Information on the acquisition of the water right.
 - Any authorized beneficial water use while the right is in trust.
 - The date or conditions under which the trust period will expire.
 - (2) The trust water right report and order are added to the existing record of the water right.
 - (3) The trust water right data are added to the trust water database and WRTS.

Section 5 - Acquisition by Short-Term Lease (five years or less)

For short-term leases of surface water within the Yakima River basin, the trust water acceptance/approval process must include an Order Pendente Lite pursuant to Pre-Trial Order # 12 of the Yakima Superior Court (Appendix I).

A. The general processing of a short-term lease trust water right acquisition is as follows:

- 1. A short-term trust water acquisition is proposed using the <u>Application to Enter a Water</u> <u>Right into the Trust Water Right Program</u>,
- 2. Water rights held exclusively under Chapter 90.38 RCW (Yakima River Basin Trust Water Right Program) are not subject to RCW 90.03.380 [RCW 90.38.040(6)].
- **3.** Water rights not held exclusively under Chapter 90.38 RCW and acquired by lease are subject to <u>RCW 90.03.380</u> and <u>RCW 90.03.390 [RCW 90.42.080(5)]</u>.
- 4. Public notice:
 - a) Public notice must be consistent with <u>RCW 90.03.280</u>.
 - **b**) For leases of duration of five years or less, notice may be made on Ecology's website instead of in a newspaper.[RCW 90.42.040(5)(c)]
 - c) If a SEPA public notice is required, combine public notice of the SEPA determination with public notice of the trust water right application whenever possible.
 - e) Ecology must send notice to:
 - (1) Potentially affected local governments. Local governments are defined as a "city, town, public utility district, irrigation district, public port, county, sewer district, or water district." [90.42.020 (2)]
 - (2) Appropriate state agencies.
 - (3) Federally recognized tribal governments within the area.
 - (4) Other interested parties.
 - f) For leases of duration of five years or less, governmental notice can be sent electronically. [90.42.040(5)(c)]
 - **g**) Affidavits of publication for the trust water rights should receive the same priority for review as the trust water transaction.
- 5. Evaluation Considerations:
 - a) Extent and Validity
 - Trust water right leases are subject to <u>RCW 90.03.380</u>.
 <u>POL-1200, EVALUATION OF CHANGES AND TRANSFERS TO WATER</u> <u>RIGHTS</u>, provides policy for changing the water right, UNLESS they are Yakima River basin trust water rights held exclusively under Chapter 90.38 RCW, which are not subject to <u>RCW 90.03.380</u>. [<u>RCW 90.38.040(6)</u>].

- (2) When leasing a portion of a right to help meet an instream flow set in rule, then an extent and validity evaluation is not performed on the portion of the right remaining with the water right holder [RCW 90.42.040(9)].
- (3) <u>POL-1120, WATER RESOURCES PROGRAM POLICY FOR</u> <u>CONDUCTING TENTATIVE DETERMINATIONS OF WATER</u> <u>RIGHTS</u>, provides guidance for conducting extent and validity evaluations.
- (4) <u>GUID-1210, DETERMINING IRRIGATION EFFICIENCY AND</u> <u>CONSUMPTIVE USE</u>, provides guidance and examples helpful for quantifying water rights in the secondary reach of the trust water right.
- b) Quantifying rights to accept into the trust program.

When leasing a water right for five years or less, Ecology places the full water quantity diverted or withdrawn into trust. The right is considered exercised while in the trust program, and is available for exercising. [RCW 90.42.080(9) and RCW 90.38.020(7)].

Ecology determines the amount of water that can be accepted into trust by:

- (1) An extent and validity review (required if <u>RCW 90.03.380</u> applies), OR
- (2) The highest use within the previous five years before the lease [RCW 90.42.080(4)], OR
- (3) If there has been nonuse of water in the last five years, and the applicant claims sufficient cause for non-use, Ecology will review information provided by the applicant, to determine if the right is eligible to be excused from relinquishment under <u>RCW 90.14.140(1)</u>. If the nonuse is excused under a qualifying exception, then the amount of water that can be accepted into trust is calculated by looking at the highest use in the most recent five year period preceding establishment of a qualifying relinquishment exception (if the exempt period is less than 5 years, look back from the date the qualifying exception was established) [RCW 90.42.080(10)]; OR
- (4) If there has been nonuse of water in the last five years, and the applicant claims a qualifying exemption, Ecology will review information provided by the applicant to determine if the right is eligible for a qualifying exemption from relinquishment under RCW 90.14.140(2) a or d. Ecology will calculate the amount of water eligible to be acquired into trust based on historical beneficial use [RCW 90.42.080(11)]
- (5) Water rights that have been in the bank established under RCW 90.92 are considered exercised to the extent that they were accepted into the bank. Quantities accepted into the bank may not correspond to the actual quantities associated with the extent and validity of the right. Accepting a water right into a water bank established under Chapter 90.92 RCW does not revive all or any portion of the water right that may have relinquished prior to acceptance into the water bank.
- c) Impairment
 - For short-term leases (five years or less) for instream flow purposes OUTSIDE the Yakima River basin, an impairment analysis is NOT REQUIRED, [<u>RCW</u> 90.42.040(8)].

- (2) Within the Yakima River basin, an impairment analysis IS ALWAYS REQUIRED. Further, no water rights may be "impaired as to their exercise" or "injured in any manner whatever" by the authorization, [RCW 90.38.040(5)(a)].
- d) Public Interest Considerations
 - Short-term leases for instream flow purposes are not subject to public interest considerations except where a ground water right benefits a stream. [RCW 90.42.040(8)].
 - (2) Ground water rights leased for the preservation of groundwater are subject to a public interest test.
- 6. Documentation
 - a) For water rights subject to the Yakima River Adjudication, file the Order Pendente Lite approving the trust water transfer and enter the relevant data into WRTS and the trust water database. The file should include the following:
 - (1) Information regarding the acquisition of the water right.
 - (2) Any authorized beneficial water use while the right is in trust, and
 - (3) The date or conditions under which the trust period will expire.
 - b) For rights not subject to the Yakima River Adjudication, an Order or other instrument may be issued to document the short-term trust water right acquisition, [RCW 90.42.040(2)].
 - (1) Issue an Order accompanied by a trust water right report (see Appendix G) describing:
 - Information regarding the acquisition of the water right.
 - Any authorized beneficial water use while the right is in trust.
 - The date or conditions under which the trust period will expire.
 - (2) Add the Trust Water Right Report and Order to the existing water right record.
 - (3) Add the trust water right data to the trust water database and WRTS.

Section 6 - Acquisition by Long-Term Lease (greater than five years)

A. To process a lease that is longer than five years:

- 1. The right holder completes the <u>Application to Enter a Water Right into the Trust Water</u> <u>Right Program</u>.
- Water rights acquired by leases of five years or greater duration are subject to <u>RCW 90.03.380</u> and <u>RCW 90.03.390 [RCW 90.42.080(5)]</u>, UNLESS they are Yakima Basin trust water rights held by Ecology exclusively under RCW Chapter 90.38 RCW, which are not subject to RCW 90.03.380 [RCW 90.38.040(6)].
- **3.** Public notice:
 - a) Must be consistent with <u>RCW 90.03.280</u>.
 - b) The applicant pays to publish notice under <u>RCW 90.03.280</u>.
 - c) Public notice is required prior to creating a trust water right [<u>RCW 90.42.040(5)</u>] unless the long-term lease is processed exclusively under Chapter 90.38 RCW. <u>RCW 90.38.040(5)(b)</u> requires public notice occur prior to exercise of the trust water right.
 - **d**) If SEPA is required, combine public notice of the SEPA determination with notice of the trust water right application, whenever possible.
 - e) In all instances when such notice is required, Ecology must send notice to:
 - (1) Potentially affected local governments. Local governments are defined as a "city, town, public utility district, irrigation district, public port, county, sewer district, or water district." [90.42.020 (2)]
 - (2) Appropriate state agencies.
 - (3) Federally recognized tribal governments within the area.
 - (4) Other interested parties.
 - f) Affidavits of publication regarding trust water rights should receive priority for review consistent with the priority given the trust water transaction.
- 4. Evaluation Considerations:
 - a) Extent and Validity
 - (1) Trust water right leases are subject to <u>RCW 90.03.380</u>, UNLESS they are Yakima Basin trust water rights held by Ecology exclusively under RCW 90.38, which are not subject to <u>RCW 90.03.380</u>. [<u>RCW 90.38.040(6)</u>]. <u>POL-1200, EVALUATION</u> <u>OF CHANGES AND TRANSFERS TO WATER RIGHTS</u>, provides policy for changes of water right.
 - (2) If a lease is to assist in achieving an <u>established</u> instream flow and is for a portion of a water right, then an extent and validity evaluation is not performed on the portion of the right remaining with the water right holder. [RCW 90.42.040(9)] An established instream flow is a minimum or base flow adopted by rule.

- (3) <u>POL-1120, WATER RESOURCES PROGRAM POLICY FOR</u> <u>CONDUCTING TENTATIVE DETERMINATIONS OF WATER RIGHTS</u>, provides guidance for conducting extent and validity evaluations.
- (4) <u>GUID-1210, DETERMINING IRRIGATION EFFICIENCY AND</u> <u>CONSUMPTIVE USE</u>, provides guidance and examples helpful for calculating the quantities of water associated with the secondary reach of the trust water right.
- b) Quantifying a right to accept into the trust program: When a water right is acquired on a temporary basis, Ecology places the full water quantity diverted or withdrawn into trust. The right is considered exercised while in the trust program, and is available for exercising. [RCW 90.42.080(9) and RCW 90.38.020(7)].

Ecology determines the amount of water that can be accepted into trust by:

- (1) An extent and validity review (required if <u>RCW 90.03.380</u> applies), AND
- (2) The highest use within the previous five years before the lease [RCW 90.42.080(4)], OR
- (3) If there has been nonuse of water in the last five years, and the applicant claims sufficient cause for non-use, Ecology will review information provided by the applicant, to determine if the right is eligible to be excused from relinquishment under <u>RCW 90.14.140(1)</u>. If the nonuse is excused under a qualifying exception, then the amount of water that can be accepted into trust is calculated by looking at the highest use in the most recent five year period preceding establishment of a qualifying relinquishment exception (if the exempt period is less than 5 years, look back from the date the qualifying exception was established) [RCW 90.42.080(10)]; OR
- (4) If there has been nonuse of water in the last five years, and the applicant claims a qualifying exemption, Ecology will review information provided by the applicant to determine if the right is eligible for a qualifying exemption from relinquishment under RCW 90.14.140(2) a or d. Ecology will calculate the amount of water eligible to be acquired into trust based on historical beneficial use [RCW 90.42.080(11)]
- (5) Water rights that have been in the bank established under RCW 90.92 are considered exercised to the extent that they were accepted into the bank. Quantities accepted into the bank may not correspond to the actual quantities associated with the extent and validity of the right. Accepting a water right into a water bank established under Chapter 90.92 RCW does not revive all or any portion of the water right that may have relinquished prior to acceptance into the water bank.

This amount cannot be greater than the amount beneficially used in the five years prior to the lease [$\underline{RCW} 90.42.080(8)$ and $\underline{RCW} 90.38.020(6)$]. Also, the amount cannot be greater than the extent and validity determination.

c) Impairment:

An impairment analysis IS REQUIRED for all long-term leases. In the Yakima River basin, no water rights may be "impaired as to their exercise" or "injured in

any manner whatever" by the authorization [RCW 90.38.040(5)(a)]. Within the rest of the state, no water right existing at the time the trust water right is created may be impaired [RCW 90.42.040(4)].

d) Public Interest Considerations:

Long-term leases exercised for any purpose are subject to public interest considerations [RCW 90.42.040(4)].

- 5. Documentation:
 - a) Issue an Order accompanied by a Trust Water Right Report of Examination (Appendix G) describing:
 - (1) Information regarding the acquisition of the water right.
 - (2) Any authorized beneficial water use while the right is in trust.
 - (3) The date or conditions under which the trust period will expire.
 - b) Add the Order and Trust Water Right Report to the existing record of the water right.
 - c) Add the trust water right data to the trust water database and WRTS.

Section 7 - Purchase by the State or with Other Public Funds

- 1. The application used for purchases is the <u>Application to Enter a Water Right into the Trust</u> <u>Water Right Program</u>.
- Purchases are subject to <u>RCW 90.03.380</u> UNLESS they are Yakima Basin trust water rights held by Ecology exclusively under RCW 90.38, which are not subject to <u>RCW 90.03.380</u>.
 [<u>RCW 90.38.040(6)</u>]. See Subsection 5 below for considerations and procedures specific to permanent Yakima Basin trust water rights not subject to <u>RCW 90.03.380</u>.
 - a) <u>POL-1200, EVALUATION OF CHANGES AND TRANSFERS TO WATER</u> <u>RIGHTS</u>, applies to trust water right acquisitions that are subject to <u>RCW 90.03.380</u>.
 - b) <u>POL-1120, WATER RESOURCES PROGRAM POLICY FOR CONDUCTING</u> <u>TENTATIVE DETERMINATIONS OF WATER RIGHTS</u>, applies to the investigation of the validity and extent of water rights.
 - c) <u>GUID-1210, DETERMINING IRRIGATION EFFICIENCY AND CONSUMPTIVE</u> USE applies to calculating the quantities for the secondary reach of the trust water right.
- 3. Public Notice:
 - a) Must be consistent with <u>RCW 90.03.280</u>.
 - b) Applicant pays for publishing notice under <u>RCW 90.03.280</u>.
 - c) In the Yakima River basin, <u>RCW 90.38.040(5)(b)</u> requires that public notice occur prior to <u>exercising</u> a trust water right processed exclusively under Chapter 90.38 RCW.
 - **d**) Public notice is required prior to <u>creating</u> a trust water right [<u>RCW 90.42.040(5)</u>] unless processed exclusively under Chapter 90.38 RCW.
 - e) When notice is required, Ecology must send notice to:
 - (1) Potentially affected local governments. Local governments are defined as a "city, town, public utility district, irrigation district, public port, county, sewer district, or water district." [90.42.020 (2)]
 - (2) Appropriate state agencies.
 - (3) Federally recognized tribal governments within the area.
 - (4) Other interested parties.
 - f) All proposed changes to adjudicated water rights in the Yakima River basin require public notice pursuant to Pre-Trial Order #12 of the Yakima County Superior Court (Appendix J).
- **4.** Affidavits of publication for trust water rights should receive the same priority for review as the trust water transaction.
- 5. Trust water rights within the Yakima River basin processed exclusively under Chapter 90.38 RCW:
 - a) Extent and Validity:

No water right acquisition should be funded if the use of water is not legally authorized by a valid water right [<u>RCW 90.38.030(2)</u>]. <u>POL-1120, WATER</u>

<u>RESOURCES PROGRAM POLICY FOR CONDUCTING TENTATIVE</u> <u>DETERMINATIONS OF WATER RIGHTS</u>, provides guidance for conducting extent and validity evaluations.

b) Quantifying the Right for Use in Trust:

Use the <u>Trust Water Rights Program Guidelines</u> (Ecology Publication #92-88) and <u>GUID-1210, DETERMINING IRRIGATION EFFICIENCY AND CONSUMPTIVE</u> <u>USE</u> to determine the non-consumptive and consumptive quantities in the primary and secondary reaches, respectively.

c) Impairment:

An impairment analysis is required. In the Yakima River basin, no water rights may be "impaired as to their exercise" or "injured in any manner whatever" by the authorization [RCW 90.38.040(5)(a)].

- 6. Documentation.
 - a) Use the Trust Water Right Report of Examination form (Appendix G) to document the trust water right acquisition.
 - b) Record a Water Right Conveyance and Assignment (Quit Claim) or Statutory Warranty Deed at the appropriate County Auditor's Office as proof of conveyance of the water right from the seller to the state. If the right is under the jurisdiction of the Yakima River Adjudication, Ecology must file a Motion to Join Ecology to the Court Claim.
 - c) Issue a Superseding Certificate to document the permanent trust water right acquisition [RCW 90.42.040(2), RCW 90.38.040(1)].
 - **d**) Issue a superseding water right document to the right holder reflecting any portion of the water right not acquired by the state.
 - (1) For certificated water rights: Issue a Superseding Certificate.
 - (2) For rights documented by a water right claim or certificate of change: Issue a Certificate of Trust Water Right Acquisition. (Appendix H)
 - e) Certificate(s) are recorded with the County Auditor in accordance with <u>RCW 90.03.330</u> and <u>PRO-1000, WATER RIGHTS ADMINISTRATION</u> <u>PROCEDURE</u>.
 - (1) The Trust Water Right Certificate is recorded at state expense;
 - (2) The water right holder pays to record any certificate issued to document the portion of a water right retained.
 - f) File the Certificate in the appropriate water right file.
 - g) Update the Water Right Tracking System (WRTS) and Trust Water Right database.
- 7. Tax Liability for Permanent Acquisitions:
 - a) Permanent acquisition of water rights in exchange for some consideration, whether monetary or otherwise, should be processed in accordance with <u>PRO-1050</u>, <u>PROCEDURE FOR NOTIFICATION OF WATER RIGHT ACTIONS TO THE</u> <u>DEPARTMENT OF REVENUE</u>.

Section 7A – Transfer of Water Rights Accepted by the Walla Walla Watershed Management Partnership Bank on a Permanent Basis to the State Trust Water Program

A. The process for transfer of rights from the Walla Walla Watershed Management Partnership Bank to the state's Trust Water Right Program

The Walla Walla Watershed Management Partnership (WWWMP) is authorized under RCW 90.92.070 to accept water rights into its water bank. Under RCW 90.92.070(3)(b), water rights accepted into the WWWMP bank on a permanent basis must be transferred to the state water rights trust program "consistent with RCW 90.42.080." Water rights banked on a permanent basis under Chapter 90.92 RCW must be transferred to Ecology by deed, which must be recorded against every parcel within the water right's place of use.

Ecology retains its discretion under RCW 90.42.080 to negotiate terms under which water rights will be accepted into trust.

Section 8 - Donation of a Water Right

The proposed use of the prospective trust water right determines how we processing a donated water right.

- 1. If the donation is for instream flow purposes, proceed to Subsection 8.A, <u>Procedures</u> for <u>Donations for Instream Flow Purposes</u>.
- 2. If the donation is for a purpose other than instream flow, proceed to Subsection 8.B, <u>Procedures for Donation of Water Rights for Purposes Other than Instream Flow</u>.
- A. Procedures for Donations for Instream Flow Purposes.
 - **1.** Applications:
 - a) Donors must complete the <u>Application to Enter a Water Right into the Trust</u> <u>Water Right Program</u>. Applicants for donations under <u>RCW 90.42.080(1)(b)</u> or <u>RCW 90.38.020(1)(b)</u> must also provide information documenting their water use for the most recent five-year period.
 - b) No application fee is required for donations of trust water rights [RCW 90.03.470(3)(c)(i)].
 - 2. Public Notice:
 - a) Public notice is required for all donations when they are created except for those that are managed exclusively under Chapter 90.38. RCW. [RCW 90.38.040(5)(b) and (c) and RCW 90.42.040(5) and (8)].
 - **b**) Ecology must send notice to [RCW 90.42.040(5)(b)]:

(1) Potentially affected local governments. Local governments are defined as a "city, town, public utility district, irrigation district, public port, county, sewer district, or water district." [90.42.020(2)]

- (2) Appropriate state agencies.
- (3) Federally recognized tribal governments within the area.
- (4) Other interested parties.
- c) For donations, governmental notice may be made by email.
- 3. Processing Donations for Instream Flow Purposes:
 - a) Ecology processes donations under one or more of the following:

<u>RCW 90.38.020(1)(b)</u>, (3), (4), (5), or (7), or <u>RCW 90.38.040(5)(a)</u>, (b),

(c), <u>RCW 90.42.040</u>, <u>RCW 90.42.080(1)(b)</u>, (3), (4), (5), and (9).

- **b**) Extent and Validity:
 - (1) The provisions of <u>RCW 90.03.380</u> and <u>RCW 90.03.390</u> do not apply to donations for instream flow purposes, or to preserve surface or groundwater resources [<u>RCW 90.38.040(6)</u> and <u>RCW 90.42.080(5)</u>].
 - (2) If a portion of a water right is donated and it will help achieve an <u>adopted</u> instream flow, then an extent and validity evaluation IS NOT performed on the portion retained by the water right holder [RCW 90.42.040(9)].
- c) When quantifying a water right to accept into the trust program, donations for instream flows are limited to the highest use within the previous five years, less any quantity of water that will be used by the donor for any other purpose [<u>RCW</u> <u>90.42.080(4)</u>, <u>RCW</u> <u>90.38.020(4)</u>].

Ecology determines the amount of water that can be accepted into trust by:

(1) The highest use within the previous five years before the donation [RCW 90.42.080(4)], OR

(2) If there has been nonuse of water in the last five years, and the applicant claims sufficient cause for non-use, Ecology will review information provided by the applicant, to determine if the right is eligible to be excused from relinquishment under RCW 90.14.140(1). If the nonuse is excused under a qualifying exception, then the amount of water that can be accepted into trust is calculated by looking at the highest use in the most recent five year period preceding establishment of a qualifying relinquishment exception (if the exempt period is less than 5 years, look- back from the date the qualifying exception was established) [RCW 90.42.080(10)]; OR (3) If there has been nonuse of water in the last five years, and the applicant claims a qualifying exemption, Ecology will review information provided by the applicant to determine if the right is Eligible for a qualifying exemption from relinquishment under RCW 90.14.140(2) a or d. Ecology will calculate the amount of water eligible to be acquired into trust based on historical beneficial use [RCW 90.42.080(11)]

(Exercise of the trust water right for instream flow purposes is not required to prevent relinquishment of the donated water right accepted into the TWRP [RCW 90.42.040(6)].)

(4) The following materials should be reviewed to verify the amount of water use in the five years prior to the donation:

- The application form.
- The supplemental information showing water diversion, or beneficial use rates and quantities.

• Any readily available aerial photography (Ecology records, Google, or Microsoft)

• Readily available public records, such as county assessor's records.

d) Impairment:

(1) An impairment analysis is not required prior to<u>accepting</u> a donation [RCW 90.38.020(1)(b) and RCW 90.42.080(1)(b)]

(2) Within the Yakima River basin, trust water rights managed exclusively under Chapter 90.38 RCW, an impairment review is performed prior to their exercise. [RCW 90.38.040(5)(a) and RCW 90.38.902]. No water rights may be "impaired as to their exercise" or "injured in any manner whatever" by the authorization [RCW 90.38.040(5)(a)].

(3) Notwithstanding Subsections (1) and (2) above, claims of impairment require Ecology to perform impairment evaluations:

- Claims of impairment against a trust water right may be made by other water right holders when the trust water right is exercised [RCW 90.38.020(4) and RCW 90.42.080(4)].
- If Ecology finds that use of a trust water right has impaired a preestablished water right, the trust water right must be modified or terminated to eliminate the impairment [RCW 90.42.040(4)].
- If necessary to resolve impairment to an existing water right, Ecology will modify the trust water right consistent with Section 10.
- e) Public Interest Considerations:

(1) Temporary and permanent donations for instream flow purposes in accordance with $\frac{\text{RCW } 90.42.080(1)(b)}{\text{RCW } 90.42.040(8)}$ are NOT subject to public interest considerations. [RCW 90.42.040(8)]

(2) Donations for instream flow purposes held exclusively under Chapter 90.38 RCW within the Yakima River basin are NOT subject to public interest considerations. HOWEVER, where an approved Chapter 90.82 RCW watershed plan (currently WRIA 37 and 38) calls for acquiring trust water rights in an area, the acquisition shall be consistent with that plan to the extent practicable and subject to legislative appropriation [RCW 90.38.040(3)].

- 2. Documentation
 - a) Temporary donations are acknowledged in letter form similar in content to the attached template (Appendix "F"), through an Order, or other instrument. The letter must contain an explicit statement of Ecology's acceptance of the water right into the trust program. This letter is not proof of the validity or quantity of the water right.
 - b) Permanent donations:
 - (1) Record a Water Right Conveyance and Assignment (Quit Claim) or Statutory Warranty Deed at the appropriate County Auditor's Office. This serves as evidence of conveyance of the water right from the donor to the state. If the right is under the jurisdiction of the Yakima River Adjudication, a Motion to Join Ecology to the Court Claim is required.
 - (2) Issue a Superseding Certificate of Water Right if the trust water right originates from a Certificate of Water Right; or,
 - (3) Issue a Certificate of Trust Water Right Acquisition (Appendix H --Template) if the right is documented by a Water Right Claim or Certificate of Change consistent with <u>PRO-1000, WATER RIGHTS</u> <u>ADMINISTRATION PROCEDURE</u>. The Certificate of Trust Water Right should be filed and recorded against the parcel number with the original point of diversion.
- 3. A donated water right does not need to be exercised while it is in the TWRP.
- **4.** Instream flow trust water donations may be eligible for a federal income tax deduction [RCW 90.38.020(5) and RCW 90.42.080(7)].

Advise the water right donor that the permanent donation of a water right for instream flow purposes may be tax deductible. [RCW 90.42.080(7)].

B. Procedures for Donation of Water Rights for Purposes Other than Instream Flow.

- 1. The application used for donations or gifts is the <u>Application to Enter a Water Right into the</u> <u>Trust Water Right Program</u>.
- 2. No application fee is required for donations of trust water rights [$\underline{RCW 90.03.470(3)(c)(i)}$].
- 3. Public Notice:
 - a) Public notice must be made when the trust water right is created [RCW 90.42.040(5)]. Public notice is required to comply with <u>RCW 90.03.280</u>, however for donations it may be posted on Ecology's website rather than in a newspaper. The notice should clearly state that the purpose is to establish a trust water right and include the purpose of use, place of use, point of diversion, and other relevant information.
 - b) If the donation is made under <u>RCW 90.38.020(1)(a)</u>, and the water right within the Yakima River basin is managed exclusively under Chapter 90.38 RCW, public notice is not required prior to creation but must be made prior to exercise of the trust water right.
- 4. Extent and Validity
 - a) Trust water rights donated for purposes other than instream flows are subject to <u>RCW 90.03.380</u>, UNLESS held by Ecology exclusively under Chapter 90.38 RCW [<u>RCW 90.38.040(6)</u>]. <u>POL-1200, EVALUATION OF CHANGES AND</u> <u>TRANSFERS TO WATER RIGHTS</u>, provides policy for changes of water right.
 - b) <u>POL-1120, WATER RESOURCES PROGRAM POLICY FOR CONDUCTING</u> <u>TENTATIVE DETERMINATIONS OF WATER RIGHTS</u>, provides guidance for conducting extent and validity evaluations.
 - c) <u>GUID-1210, DETERMINING IRRIGATION EFFICIENCY AND CONSUMPTIVE</u> <u>USE</u>, provides guidance and examples helpful for quantifying the water consumptively used and the associated conveyance and application losses.
- 5. Quantifying the water right to accept into the trust program:
 - a) The temporary trust water right may be exercised up to the full extent of the right [<u>RCW 90.42.080(9)</u> and <u>RCW 90.38.020(7)</u>]. For permanent trust water right donations, the determination of extent and validity of the donated water right, using the guidance in Subsection 4 above, determines quantities.
- 6. Impairment:
 - a) An impairment analysis is required [<u>RCW 90.03.380</u>], UNLESS the donation is held by Ecology exclusively under Chapter 90.38 RCW.
 - **b**) If another water right holder files a claim of impairment after the trust water right is exercised:
 - (1) Ecology will investigate the allegation.
 - (2) Use of the trust water right may cease or be modified to avoid the impairment [RCW 90.42.040(4), RCW 90.38.020(4)].
 - (3) Ecology's decision regarding the allegation of impairment is an appealable decision.
- 7. Public interest

Public interest is a consideration for all water right donations for purposes other than for instream flow purposes [RCW 90.42.040(4)], UNLESS held by Ecology exclusively under Chapter 90.38 RCW. Yakima River basin trust rights under Chapter 90.38 RCW do not require consideration of public interest prior to creating or exercising the trust water right.

- 8. Documentation:
 - a) Temporary donations are acknowledged by a letter similar in content to the attached template (Appendix "F"), through an Order, or other instrument. The letter must contain an explicit statement of Ecology's acceptance of the water right into the trust water rights program. Acceptance of the donation is not evidence of the validity or quantity of the water right.
 - b) Permanent donations:
 - (1) Record a Water Right Conveyance and Assignment (Quit Claim) or Statutory Warranty Deed at the appropriate County Auditor's Office. This serves as evidence of conveyance of the water right from the donor to the state. If the right is under the jurisdiction of the Yakima River Adjudication, a Motion to Join Ecology to the Court Claim is required.
 - (2) Issue a Superseding Certificate of Water right if the trust water right originates from a Certificate of Water Right.
 - (3) Issue a Certificate of Trust Water Right Acquisition (Appendix H -- Template) if the right is documented by a Water Right Claim or Certificate of Change. The certificate describes the trust water right and should be issued consistent with <u>PRO-1000, WATER RIGHTS ADMINISTRATION PROCEDURE</u>. The Certificate of Trust Water Right should be filed and recorded against the parcel number containing the original point of diversion.

Section 9 - Water Right Acquisitions through Water Savings Identified when Processing an Application for Change

- 1. Ecology may identify incidental water savings when it processes an application for change under <u>RCW 90.03.380</u>, <u>RCW 90.03.390</u>, or <u>RCW 90.44.100</u>. The applicant may place the identified savings into the Trust Water Right Program.
- 2. If interest is shown, the applicant should then be advised to file an <u>Application to Enter a</u> <u>Water Right into the Trust Water Right Program</u>.
- **3.** If offered, the water right can be placed into the trust program through the procedures in Sections 4 through 8, depending on the type and nature of the acquisition.

Section 10 - Modification or Extension of an Existing Trust Water Right:

A. <u>Modification</u>:

Trust water rights are created as a result of agreements that convey water right to Ecology on a temporary or permanent basis. Even when permanent, the agreements may not be unconditional. If conditions change or if Ecology or the original water right holder invokes a condition of the agreement, modification of the trust water right may be appropriate. In some cases, such as where exercising a trust water right impairs another water right, Ecology is directed to resolve impairment from exercising a trust water right by modifying the trust water right.

<u>RCW 90.42.040(4)</u> and <u>RCW 90.38.020(4) and (6)</u> provide authority to modify trust water rights. The procedures used for modifying a trust water right are the same procedures used to create the trust water right (see Sections 4 through 8). Determine what type of process was used to create the trust water right, and follow the same procedures for public notice and changing the water rights, as appropriate.

B. Extension:

- 1. Requests to extend short-term leases (Section 5), long-term leases (Section 6), or temporary donations (Section 8) must be processed prior to expiration of the previous lease or temporary donation.
- 2. If the lease or temporary donation agreement has not lapsed, a new trust water right application is not required.
- **3.** If a lease agreement is renegotiated and extended in accordance with the funding program's rules, then public notice should be completed in accordance with Subsection 5.3 or Subsection 6.3.
- **4.** If extending a temporary donation is requested by letter, a new trust water right application is not required. Review of the request should be completed per Section 8, including public notice if the trust water right is to be exercised. Public notice should be completed in accordance with the procedures in Subsection 8.A.3 or Subsection 8.B.3.
- **5.** After public notice Ecology may decide whether to extend the lease or donation. Include the decision in a letter sent to the party requesting the extension and to anyone who commented in response to the public notice. The letter is in the form of an Order and should include appropriate appeal language.

Section 11 - Trust Water Right Data

- A. Record all water right applications, transactions, and stages of progress in the WRTS database.
 - 1. The WRTS tracker will give a unique identification number to each trust water form or Application to Transfer Water into the Trust Water Right Program, and enter it into the WRTS database.
 - 2. Stages and progress (such as publication of the public notice) will be tracked in the WRTS database.
- B. Trust Water Right Acquisition Data
 - 1. The Trust Water Right Coordinator (or other delegated party) creates a new record in the Trust Water Right database (or, the Interim Trust Database) once Ecology issues the letter acknowledging a donation or the Report of Examination for the transfer. When applicable, this record identifies the intended final recipient of public money, such as Water Right Owner or Former Water Right Owner. Organizations such as the Washington Water Trust, Washington Rivers Conservancy, or the Walla Walla Water Alliance may be entered as Trustee for the water right owner/payee.
 - 2. The Trust Water Right Coordinator enters other details and data pertaining to the trust water right into the database.
 - 3. The Database Funds Administrator enters funding information related to trust water right acquisitions into the database. Through coordination with the regional trust water right coordinator, the database funds administrator will enter the amount and source of funding for the trust water right.

Tom Loranger, Program Manage Water Resources Program

Appendix A

Checklist for Trust Water Right Application Review

Use this checklist to determine completeness of Trust Water Right Application

APPLICATION TO ENTER A WATER RIGHT INTO THE TRUST WATER RIGHT PROGRAM

A. Process to review a trust water application upon filing:

Instructions provided with the form are to aid applicants. Additional information for staff advice to right holders and for internal review of the form is as follows:

- **1** Applicant Information (Section 1)
 - a) The water right holder or the person that is to ultimately receive public moneys should be identified as the applicant.
 - **b**) If the application is being submitted by a third party, such as the Washington Water Trust, on behalf of the water right holder or the person that is to ultimately receive public moneys, that entity should be identified as the contact for the application.
- 2 Water Right Information (Section 2)
 - a) The water right document number (i.e., Certificate, Claim, etc.) that has been identified may be either the number contained within the water right document (as requested within the forms instructions or a data related control number). For clarity to the public, the number that is contained within the water right document should be used for processing the water right through public notice and contained in other documentation.
 - b) Within the "check" boxes located throughout the form
 - (1) Confirm that the applicant has affirmed ownership of the water right or that owner signatures have been obtained.
 - (2) Confirm that the water right is not associated with an irrigation district that requires their permission to proceed.
 - (3) If the water right has not been exercised during the past five-years; For donations that assist in providing instream flows, the extent of the water right quantified within trust cannot exceed the extent to which the water right was exercised during the five-years prior to the donation [RCW 90.42.080(4)], except for rights subject to certain non-use exceptions, the amount of water eligible to put into trust will be calculated by looking at the highest use in the most recent 5 year period prior to the date when nonuse was excused, and for municipal and hydropower rights the amount of water eligible to be acquired shall be based on historical beneficial use. [RCW 90.42.080(10) and (11)]
 - For leases, the extent of the water right quantified within trust cannot exceed the extent to which the water right was exercised during the five-years prior to the lease [RCW 90.42.080(8)], except for rights subject to certain non-use exceptions, the amount of water eligible to put into trust will be calculated by looking at the highest use in the most recent 5 year period prior to the

date when nonuse was excused, and for municipal and hydropower rights the amount of water eligible to be acquired shall be based on historical beneficial use. [RCW 90.42.080(10) and (11)].

- (4) Evidence as to the extent to which the water right has been exercised should be submitted at the time the Trust Water Right Application is filed. Potential evidence includes:
 - Water measuring records.
 - Pump electrical consumption records
 - Direct Observatiaon.
 - See <u>POL-1120</u> for additional guidance
- **3** How is water to be made available for trust? (Section 3)
 - a) This section is intended to provide additional detail related to the type of acquisition indicated within the check boxes.
 - **b**) This section is to explain the actions that will be taken to make water right available for trust.
 - c) This section becomes the basis for the quantification of the trustable water right.
- 4 *Purpose* of Use: (Section 5, Part B)
 - a) The processing requirements of the trust water right transaction can vary according to the nature of the purpose while the water right is in trust.
 - **b**) The water quantities to be placed into trust may be tentative pending additional evaluation and project planning to be accomplished
- 5 *Place* of Use: Proposed (Section 6, Part B)
 - a) A water body or other place that is expected to benefit while the water right is in trust should be identified.
 - **b**) Whenever possible, a surface water body that is to benefit from placing a water right into trust should be identified.
- 6 Signatures: (Section 8) Make sure that all required signatures are present.
- 7 Office use only boxes: These boxes are provided for processing purposes
 - a) Upper box, page one
 - (1) Each trust water right application must be assigned a unique number and recorded within this box.
 - (2) Fees
 - No fee is required for any trust water right transaction under the following circumstances:
 - ♦ An application to process a change relating to donation of a trust water right to the state [RCW 90.03.470(3)(c)(i)].

- ◊ An application to process a change when the Department otherwise acquires a trust water right for purposes of improving instream flows or for other public purposes [RCW 90.03.470(3)(c)(ii)].
- A \$50.00 fee is required if the trust water acquisition does not meet the circumstances of <u>RCW 90.03.470(3)(c)</u> and the transaction is subject to <u>RCW 90.03.380</u>.
- (3) Trust water right acquisitions can be subject to the State Environmental Policy Act (SEPA). Acquisitions are not exempt from SEPA if they are of water quantities exceeding:
 - One cubic foot per second of surface water.
 - 2,250 gallons per minute of ground water.
 - Water quantities for SEPA are determined by adding together all water rights subject to acquisition through any project that makes the water available for trust.
 - If the application is not exempt:
 - ◊ The applicant should submit a checklist.
 - ◊ The region supervisor must make a determination regarding SEPA
 - * Determination of Non-significance
 - * Mitigated Determination of Non-significance
 - * Environmental Impact Statement
- **b**) Lower box, page one
 - (1) The number of the water right from which the trust water is derived is entered.
 - (2) The file number of the trust water right application is entered. Alternatively, this box may be used to identify a contract number under which payment of state funds may be made.
- c) Lower box, page three: This box is used if it is necessary to return the application for completion.
- **B.** Process to certify a trust water right. Use

Appendix H

Template for Certificate <u>of Trust Water Right Acquisition</u>, to document the permanent acquisition of any water right that is based upon a registered Water Right Claim or a previously issued Certificate of Change.

C. File Archiving.

Trust water right files are archived through the same process as are other water right files

Appendix B

Summary¹

Matrix of Trust Water Transaction Types, Processes, and Considerations

1 This matrix contains only summary information to help distinguish among each transaction type. Refer to Sections 4 through 8 for specific guidance, processes, and considerations that apply to each transaction type. The summary information for the Yakima Basin trust water rights applies to transaction that are acquired and managed *exclusively* under RCW 90.38.

	Purchase (permanent acquisition) and federal contracts	Short-Term lease (does not exceed five-years in duration)	Long-Term Lease (a period that exceeds five-years)	Donation	Water Conservation Project
Source of Trust Water Right	Permanent acquisition of all or part of a water right. [RCW 90.42.080(1)(a); RCW 90.38.020(1)(a)]	Short-Term lease of all or part of a water right. [RCW 90.42.080(1)(a); RCW 90.38.020(1)(a)]	Long-Term lease of all or part of a water right. [RCW 90.42.080(1)(a); RCW 90.38.020(1)(a)]	Water Right holder donates all or part of a water right. [RCW 90.42.080(1)(b); RCW 90.38.020(1)(b)]	Statewide: Conveyance of all or a portion of net water savings of water rights existing as of July 28, 1991. T WR results from operational or system improvements. [RCW 90.42.080(1)(a)]; Yakima Basin: In exchange for financial assistance, water users shall convey to Ecology trust water rights resulting from the assistance. [RCW 90.38.030(1)]
Application	Application to Enter a Water Right into the Trust Water Right Program	Application to Enter a Water Right into the Trust Water Right Program	Application to Enter a Water Right into the Trust Water Right Program	Application to Enter a Water Right into the Trust Water Right Program	Consolidated Application for Irrigation Efficiencies Grants Program/Trust water Rights Program
Notice – Public and Agencies	Statewide: Consistent with 90.03.280 and prior to creation of the TWR. [RCW 90.42.040(5)] <u>Yakima Basin</u> : Notice is not required until the TWR is exercised. [RCW 90.38.040(5)(b)]	Statewide: Notice is required prior to creation of the TWR. [RCW 90.42.040(8)] Instead of using a newspaper, the notice may be posted on Ecology's website, and local governments may be notified by email. [RCW 90.42.040(5)(c)] <u>Yakima Basin</u> : Notice is NOT required until the TWR is exercised. [RCW 90.38.040(5)(c)]	Statewide: Notice is required consistent with 90.03.280 and prior to creation of the TWR. [RCW 90.42.040(5)] <u>Yakima Basin</u> : Notice is not required until the TWR is exercised. [RCW 90.38.040(5)(b)]	Statewide: Notice is required prior to creation of the TWR. [RCW 90.42.040(5) and (8)] Instead of using a newspaper, the notice may be posted on Ecology's website, and local governments may be notified by email. [RCW 90.42.040(5)(c)] Yakima Basin: Notice is not required until the TWR is exercised. [RCW 90.38.040(5)(b) and (c)]	<u>Statewide</u> : Consistent with 90.03.280 and prior to creation of the T WR. [RCW 90.42.040(5)] <u>Yakima Basin</u> : Notice is not required until the TWR is exercised [RCW 90.38.040(5)(b) and (c)]

	Purchase (permanent acquisition) and federal contracts	Short-Term lease (does not exceed five-years in duration)	Long-Term Lease (a period that exceeds five-years)	Donation	Water Conservation Project
Extent and Validity of Water Right	Statewide: Extent and validity based on RCW 90.03.380. Yakima Basin: Extent and Validity not required, but must be a valid right. [RCW 90.38.030(2), and 90.38.040(6)]	Statewide: Not more than the lesser of : 1) Extent and validity based on RCW 90.03.380,OR 2) the highest use within the previous five years before the lease [RCW 90.42.080 (5) and (8)],OR 3) for rights subject to certain non-use exceptions, the amount of water eligible to put into trust will be calculated by looking at the highest use in the most recent 5 year period prior to the date when nonuse was excused, [RCW 90.42.080 (10)], OR 4) for municipal and hydropower rights the amount of water eligible to be acquired shall be based on historical beneficial use. [RCW 90.42.080 (11)] <u>Yakima Basin</u> : Must be a valid right. [RCW 90.38.030(2)]	Statewide: Not more than the lesser of :1) Extent and validity based on RCW 90.03.380, OR 2) the highest use within the previous five years before the lease, [RCW 90.42.080(5) and (8)],OR 3) for rights subject to certain non-use exceptions, the amount of water eligible to put into trust will be calculated by looking at the highest use in the most recent 5 year period prior to the date when nonuse was excused. [RCW 90.42.080 (11)], OR 4) for municipal and hydropower rights the amount of water eligible to be acquired shall be based on historical beneficial use. [RCW 90.42.080(11)] Yakima Basin: Must be a valid right. [RCW 90.38.030(2)]	Statewide and Yakima Basin for Instream Flow: RCW 90.03.380 DOESNOT apply; therefore, a determination of extent and validity is not applicable. [RCW 90.42.080 (4) and (5), and RCW 90.38.040(6)] However, quantification of the donation is based upon, 1) the highest use within the previous five years before the lease, 2) for rights subject to certain non-use exceptions, the amount of water eligible to put into trust will be calculated by looking at the highest use in the most recent 5 year period prior to the date when nonuse was excused, [RCW 90.42.080 (10)], OR 3) for municipal and hydropower rights the amount of water eligible to be acquired shall be based on historical beneficial use. [RCW 90.42.080(11)] <u>Statewide</u> : For all other purposes, extent and validity is based on 1) RCW 90.03.380. [RCW 90.42.080(5)], OR, 2) for rights subject to certain non-use exceptions, the amount of water eligible to put into trust will be calculated by looking at the highest use in the most recent 5 year period prior to the date when nonuse was excused, [RCW 90.42.080 (10)], OR, 3) for municipal and hydropower rights the amount of water eligible to be acquired shall be based on historical beneficial use. [RCW 90.42.080 (11)] Yakima Basin: RCW 90.03.380 DOESNOT apply; therefore, a determination of extent and validity is not applicable. [RCW 90.38.040(6)]	Statewide: May require evidence of a valid water right. [RCW 90.42.030(2)] Yakima Basin: Must be a valid water right. [RCW 90.38.030(2)]
	Purchase (permanent acquisition) and federal contracts	Short-Term lease (does not exceed five-years in duration)	Long-Term Lease (a period that exceeds five-years)	Donation	Water Conservation Project
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Impairment Analysis	<u>Statewide</u> : Priorto authorizing change of purpose. [RCW 90.03.380] and exercising the TWR. [RCW 90.42.040(4)] <u>Yakima Basin</u> : Priorto exercising the TWR. [RCW 90.38.040(5)(a)]	<u>Statewide</u> : When requested RCW 90.42.080(8)] ** <u>Yakima</u> <u>Basin</u> : NOT required prior to creation or exercise. [RCW 90.38.040(5)(c)]	<u>Statewide</u> : Prior to authorizing change of purpose. [RCW 90.03.380] and exercising the TWR. [RCW 90.42.040(4)] <u>Yakima Basin</u> : Prior to exercising the TWR. [RCW 90.38.040(5)(a)]	Statewide: Prior to exercising the TWR. [RCW 90.42.040(8)] Yakima Basin: Prior to exercising the TWR. [RCW 90.38.040(5)(a)]	<u>Statewide</u> : Prior to exercising the TWR. [RCW 90.42.040(4)] <u>Yakima Basin</u> : Prior to exercising the TWR. [RCW 90.38.040(5)(a)]
Quantification of Water Placed in T rust	<u>Statewide</u> : Quantify using extent of validity. [RCW 90.03.380] <u>Yakima Basin</u> : Quantify using extent of validity. [RCW 90.03.380] ? Schedule of net water savings. [RCW 90.38.040(4)]	Statewide: Not more than the lesser of: 1) Not more than the greatest water use within the five-years prior to the trust water lease, less any water used by the right holder. [RCW 90.42.080(8)], AND 2) for rights subject to certain non-use exceptions, the amount of water eligible to put into trust will be calculated by looking at the highest use in the most recent 5 year period prior to the date when nonuse was excused, [RCW 90.42.080 (10)], OR 3) for municipal and hydropower rights the amount of water eligible to be acquired shall be based on historical beneficial use. [RCW 90.42.080 (11)] <u>Yakima Basin</u> : Not more than the greatest water use within the five-years prior to the trust water lease, less any water used by the right holder. [RCW 90.38.020(6)]	Statewide:Not more than the lesser of: 1) the quantities from the extent and validity determination AND2) the greatest water use within the five-years prior to the lease, less any water used by the right holder. [RCW 90.03.380 and RCW 90.42.080(8)] OR, 3) for rights subject to certain non- use exceptions, the amount of water eligible to put into trust will be calculated by looking at the highest use in the most recent 5 year period prior to the date when nonuse was excused, [RCW 90.42.080 (10)], OR, 4) for municipal and hydropower rights the amount of water eligible to be acquired shall be based on historical beneficial use. [RCW 90.42.080 (11)]Yakima Basin: No more than the greatest water use within the five-years prior to the trust water lease, less any water used by the right holder. [RCW 90.38.020(6)]	Statewide and YakimaBasin Instream: 1) Permanent and temporary donations for instream flows are limited to the greatest water use within the five-years prior to the donation, less any water retained by the donor. [RCW 90.42.080(4), RCW 90.38.020(4) and (7)], OR, 2)for rights subject to certain non- use exceptions, the amount of water eligible to put into trust will be calculated by looking at the highest use in the most recent 5 year period prior to the date when nonuse was excused, [RCW 90.42.080 (10)], OR 3) for municipal and hydropower rights the amount of water eligible to be acquired shall be based on historical beneficial use. [RCW 90.42.080 (11)] Statewide: For all other purposes, quantification is based on extent and validity. [RCW 90.42.080(5)], Add 2) and 3) Yakima Basin: For all other purposes, full extent of the right. [RCW 90.38.020(7)]	Statewide: Net water savings created by the water conservation project as determined by the state and the right holder prior to funding. [RCW 90.42.030(2)] <u>Yakima Basin</u> : In exchange for financial assistance, water users shall convey to Ecology trust water rights resulting from the assistance. [RCW 90.38.030(1)] Schedule of net water savings. [RCW 90.38.040(4)]

	Purchase (permanent acquisition) and federal contracts	Short-Term lease (does not exceed five-years in duration)	Long-Term Lease (a period that exceeds five-years)	Donation	Water Conservation Project
Public Interest Evaluation	Statewide: Must not impair the public interest. [RCW 90.42.040(4)] Yakima Basin: Consistent with adopted watershed plan, if practicable. [RCW 90.38.040(3)]	<u>Statewide</u> : Not a consideration. [RCW 90.42.040(8)] <u>Yakima Basin</u> : Consistent with adopted watershed plan, if practicable. [RCW 90.38.040(3)]	Statewide: Must not impair the public interest. [RCW 90.42.040(4)] Yakima Basin: Consistent with adopted watershed plan, if practicable. [RCW 90.38.040(3)]	Statewide: For instream flow, not a consideration. [RCW 90.42.040(8)] For donations for other than instream flows, public interest evaluation is required prior to creation. 90.42.040 (4) (a) &(c) <u>Yakima Basin</u> : Consistent with adopted watershed plan, if practicable. [RCW 90.38.040(3)]	<u>Statewide:</u> Must not impair the public interest. [RCW 90.42.040(4)] State shall obtain public benefits [RCW 90.42.030(1)] <u>Yakima Basin</u> : Consistent with adopted watershed plan, if practicable. [RCW 90.38.040(3)]
Quantification of Water Right Remaining with Right Holder	<u>Statewide</u> : Must not exceed historic water right less water placed into Trust [RCW 90.03.380(1)] <u>Yakima Basin</u> : Same as statewide.	<u>Statewide</u> : Must not exceed historic water right less water placed into Trust RCW 90.42.080(8) <u>Yakima Basin</u> : Must not exceed most recent 5-yr use, less water placed into Trust. [RCW 90.38.020(6) and (7)]	<u>Statewide</u> Must not exceed historic water right less water placed into Trust RCW 90.42.080(8) <u>Yakima Basin</u> : Must not exceed most recent 5-yr use, less water placed into Trust. [RCW 90.38.020(6) and (7)]	<u>Statewide</u> Must not exceed historic water right less water placed into Trust RCW 90.42.080(8) <u>Yakima Basin</u> : Must not exceed most recent 5-yruse, less water placed into Trust. [RCW 90.38.020(4) and (7)]	<u>Statewide:</u> Must not exceed historic water right less water placed into Trust RCW 90.42.030(2) <u>Yakima Basin</u> : If leased, must not exceed most recent 5-yr use, less water placed into Trust. [RCW 90.38.020(6) and (7)]
Decision Document	<u>Statewide</u> : Trust Water Right Report with Order ROE. [RCW 90.03.380 (1)] <u>Yakima Basin</u> : Trust Water Right Report with Order. ROE[RCW 43.27A.190(6)]	<u>Statewide</u> : Trust Water Right Report with an Order ROE [RCW 90.03.380 (1)] <u>Yakima Basin</u> : Trust Water Right Report with Order.ROE [RCW 43.27A.190(6)]	<u>Statewide</u> : Trust Water Right Report with an Order ROE [RCW 90.03.380 (1)] <u>Yakima Basin</u> : Trust Water Right Report with Order.ROE [RCW 43.27 A.190(6)]	Acknowledge by letter. If the TWR is to be authorized for a new purpose of use a Trust Water Right Report is issued [RCW 90.42.040(2)] Yakima Basin: Acknowledge by letter.	<u>Statewide</u> : Trust Water Right Report with and Order.ROE [RCW 90.42.040(2)] <u>Yakima Basin</u> : Trust Water Right Report with Order.ROE [RCW 43.27A.190(6)]
Final Document to the Trust Water Right Program and to the Right Holder	<u>Statewide</u> : Trust Water Certificate. Superseding Certificate or Certificate of Change to right holder for any remainder of the water right. RCW 90.42.040(2) Update the deed. <u>Yakima Basin</u> : Same as above. [RCW 90.38.040(2)]	Statewide: Trust Water Certificate. Contract Agreement signed by the water right holder and the Water Resources Program. [RCW 90.42.040(2)] Yakima Basin: Follow Acquavella PTO #6 and 12.	Statewide: Trust Water Certificate. Contract Agreement signed by the water right holder and the Water Resources Program. [RCW 90.42.040(2)] Yakima Basin: Same as statewide unless Acquavella procedures supersede. [RCW 90.38.020(2)]	Statewide: For permanent donations, a Trust Water Certificate is issued to the State of Washington and a Superseding Certificate or Certificate of Change is issued to the donor for any remainder of the water right. For temporary donations, the acknowledgement letter. [RCW 90.42.040(2)] <u>Yakima Basin</u> : For permanent, same as statewide unless Acquavella procedures supersede. For temporary, follow Acquavella PTO #6 and 12.	Statewide: For permanent acquisitions, a Trust Water Certificate is issued to the State of Washington and a Superseding Certificate or Certificate of Change is issued to the water right holder for any remainder of the water right. For temporary donations, the acknowledgement letter. [RCW 90.42.040(2)] <u>Yakima Basin</u> : For permanent, same as statewide unless Acquavella procedures supersede. For temporary, follow Acquavella PTO #6 and 12.

	Purchase (permanent acquisition) and federal contracts	Short-Term lease (does not exceed five-years in duration)	Long-Term Lease (a period that exceeds five-years)	Donation	Water Conservation Project
Exercise of Trust Water Right	Statewide: A right acquired for instream flow purposes must be exercised accordingly. [RCW 90.42.080(1)(a)] & (2)] The right will be considered to be exercised when created RCW 90.42.040 (4) (c) <u>Yakima Basin</u> : Ecology may make arrangements to exercise to the fullest extent possible [RCW 90.38.020(2)]	Statewide: A right acquired for instream flow purposes must be exercised accordingly. [RCW 90.42.080(1)(a)] The right will be considered to be exercised when created. RCW 90.42.040 (4) (c) <u>Yakima Basin</u> : Ecology may make arrangements to exercise to the fullest extent possible [RCW 90.38.020(2)]	Statewide: A right acquired for instream flow purposes must be exercised accordingly. [RCW 90.42.080(1)(a)] The right will be considered to be exercised when created. RCW 90.42.040 (4) (c) <u>Yakima Basin</u> : Ecology may make arrangements to exercise to the fullest extent possible [RCW 90.38.020(2)]	Statewide: Shall be held or authorized for beneficial public use. [RCW 90.42.040(1)] The right will be considered to be exercised when created. RCW 90.42.040(4) (c) <u>Yakima Basin</u> : Ecology may make arrangements to exercise to the fullest extent possible [RCW 90.38.020(2)]	<u>Statewide</u> : Public benefits to be obtained to be at least comparable to public moneys expended. [90.42.030(1) RCW] <u>Yakima Basin</u> : Exercised to the full extent possible [90.38.020(2) RCW]
Modification of a trust waterright	<u>Statewide</u> : Consistent with the purposes associated with public funding. To obtain the maximum net benefits [RCW 90.54.020(2)] If impairment is found while exercising the TWR.[RCW 90.42.040(4)]	<u>Statewide</u> : Consistent with the purposes associated with public funding. To obtain the maximum net benefits. [RCW (90.54.020(2)] If impairment is found while exercising the TWR. [RCW 90.42.080(8)]	<u>Statewide</u> : Consistent with the purposes associated with public funding. To obtain the maximum net benefits [RCW 90.54.020(2)] If impairment is found while exercising the TWR. [RCW 90.42.040(4)]	Statewide: To obtain the maximum net benefits [RCW 90.54.020(2)] If not donated for instream flows and impairment is found while exercising the TWR. [RCW 90.42.040(4)] If donated for instream flow purposes, use may be modified to avoid impairment [RCW 90.42.080(4)]	<u>Statewide</u> : Consistent with the purposes associated with public funding. If impairment is found while exercising the TWR. [RCW 90.42.040(4)] To obtain the maximum net benefits. [RCW 90.54.020(2)]
11/20010					

Appendix C Definitions

"Alternate" has often been used to mean a second water source or point through which a previously existing water right may be exercised, often at the discretion of the water right holder. Normally, alternate water rights are not additive to the previously existing water right.

"Determination of extent and validity" means Ecology's conclusion about the lawful origination of, and amounts of water associated with, an historical beneficial use of water. This determination is required by <u>RCW 90.03.380</u> when a water right is proposed for changed or transfer.

"Exercise the trust water right" means to use the trust water right for the purpose(s) authorized when it was placed into the trust water program. Trust water rights for instream flow purposes may, in times of short supply, require protection from junior water rights. That protection, through regulation by a water master or other Ecology regulatory order, is evidence of the exercise of the trust water right.

"Net water savings" means the amount of water that is determined to be conserved and usable within a specified stream reach or reaches for other purposes without impairment or detriment to water rights existing at the time that a water conservation project is undertaken, reducing the ability to deliver water, or reducing the supply of water that otherwise would have been available to other existing water uses.¹

"**Primary reach**" means that portion of a water body that benefits from both the former consumptive use and return flow waters of a trust water right.

"Public notice" means, at a minimum, a notice published in a newspaper of general circulation published in the county or counties in which the storage, diversion, and use are to be made, and in other newspapers as the department determines is necessary, once a week for two consecutive weeks. For donations and leases of 5 years or less for instream flows, the notice can be posted on Ecology's website rather than published in a newspaper.

At the same time the department shall send a notice containing pertinent information to all appropriate state agencies, potentially affected local governments and federally recognized tribal governments, and other interested parties.² Local governments are defined as a "city, town, public utility district, irrigation district, public port, county, sewer district, or water district." For donations and leases of 5 years or less, this notice can be sent by email.

Alternatively, "public notice" means the notice required by <u>RCW 90.03.280</u> when the trust water right is subject to <u>RCW 90.03.380</u>.

¹ <u>RCW 90.42.020(2)</u>

² <u>RCW 90.42.040(5)</u>

"Secondary reach" means that portion of a water body that benefits only from the former consumptive portion of a trust water right because it had received return flow waters while the water right was exercised.

"Supplemental" water rights have been used with a variety of meanings, including: to increase the instantaneous rate of withdrawal/diversion for a beneficial use associated with a previous water right; to increase the annual water quantity (acre-feet) for beneficial use associated with a previous water right to be appropriated at a rate not exceeding the rate of the previous water right; to increase <u>both</u> the instantaneous and annual quantities associated with an existing beneficial use of an existing water right. Additionally, the term supplemental has been used to recognize that a water right claim has been registered in the claim registry but the potential validity of the water right claim was not determined. This use of the term primarily occurred during the 1970's.

"Trust water right agreement" means a document, agreement, or the trust water form that conveys the water right to the department for management as a trust water right. The document specifies the terms, the conditions related to acquisition and use of the water right while in trust, and the circumstances under which the water right might revert to the water right holder.

"**Trust water right**" means any water right acquired by the state under Chapters 90.38 or 90.42 RCW for management in the state trust water rights program.³

"Water conservation project" means any project or program that achieves physical or operational improvements that provide for increased water use efficiency in existing systems of diversion, conveyance, application, or use of water under water rights existing on July 28, 1991. Water conservation projects may include changes in point of diversion/withdrawal or place of use to accommodate new conveyances and distribution systems.⁵

³ <u>RCW 90.38.010(3);</u> <u>RCW 90.42.020(3)</u>

⁴ <u>RCW 90.42.020(5)</u>

⁵ <u>RCW 90.42.030(2)</u>

Appendix D

	Progress Sheet for Trust V	Vater Rights Applications				
PROGRESS S	HEET – APPLICATION E	NTER A WATER RIGHT INTO TRUST				
Type of Trust Proposal:						
Donation Water Conservation Purchase Lease <5 yrs Lease >5 yrs Other						
SUBJECT TO REAL ESTATE EXCISE TAX? YES NO						
NAME: «F Name «Co» «Add1» «Add2» «City», « «Phone»	» «L name» State» «Zip»	Copies scanned & e-mailed to Department of Revenue: Date:				
COUNTY «CNTY»	» WRIA « V	RIA» WRTS No. «WRATS No»				
Date Application rec Date mailed to inte	-	County DOH				
		Date Affidavit received: Checked by:				
Protests:	_Date:	Fee rcvd.				
FIELD EXAMINAT Examination ma		By:				
Date Trust Water Re	eport issued or Date Donation	Acknowledged:				

PROJECT COMPLETION FIELD EXAMINATION Y:_____

Page D-1

Appendix E

Public Notices

- a) Contents of the public notice for a trust water right should include⁶:
 - (1) The water right holder's name;
 - (2) The water right number and priority date of the water right;
 - (3) A brief description of the water right;
 - (4) The water source;
 - (5) The existing point of diversion/withdrawal;
 - (6) The existing purpose of use;
 - (7) The water quantities to be acquired;
 - (8) The proposed purpose of use as a trust water right;
 - (9) The water body in which the trust water right will be exercised, if for instream flows;
 - (10) Any other information that might be necessary for the general understanding of the trust water right proposal;
 - (11) Protest and comments boilerplate: Protests or objections to approval of this application must include a detailed statement of the basis for objections; protests must be accompanied by a fifty dollar (\$50.00) recording fee and filed with the Department of Ecology, at the address shown below, within thirty (30) days from

(Last date of publication to be entered above by publisher)

State of Washington Department of Ecology Water Resources Program

Address

<u>NOTE</u>: If the trust water right is not to be immediately exercised within the trust water right program, then a second public notice is required prior to first exercising the trust water right.

<u>NOTE</u>: A new public notice is required if the authorized purpose or other substantive information related to the exercising of the trust water right changes.

 $^{^{6}}$ Due to the variety of potential trust water transactions, the contents and requirements to provide public notice will vary.

Appendix F

Model letter for Acceptance of a Trust Water Right Donation

July 18, 2011

Name Address City, ST xxxx-xxxx

Dear Name,

The purpose of this letter is to acknowledge Ecology's acceptance of your donation to the Washington State Trust Water Right Program. The trust water right has been assigned the control number . Please refer to that number when corresponding with us about this trust water right.

The Department of Ecology, pursuant to RCW 90.42.080(1)(b), acknowledges your donation in the amount of gallons per minute and acre-feet per year. The purpose of the donation is to benefit instream flow in the XXXXX River] from Date to Date.

[Use if the donation is for a portion of the water right.] The parent water right,, authorizedthe withdrawal ofgallons per minute, up toacre-feet per year for the irrigation ofacres during the irrigation season and up toacre-feet per year for continuousdomestic use. The recorded place of use is located withinof Section, T.R.E.W.M.

RCW 90.42.080 provides in part that the total of any portion of the water right remaining with the donor plus the donated portion of the water right may not exceed the extent to which the water right was exercised during the five years before the donation.

In accordance with RCW 90.42.040(6), RCW 90.14.140(h), and RCW 90.14.215, a water right is not subject to relinquishment while it is managed within the Trust Water Right Program.

Ecology's acceptance of the donated water right into the trust water right program is not evidence of the validity or quantity of the right. When the period of trust ends, the water right will revert back to the water right holder or landowner in the full quantity accepted into the trust water program and for the original purposes.

If, prior to expiration of this temporary donation, you would like to extend the temporary donation, please send us a written request. Also, if you wish to modify any terms of your donation, your letter must include the new terms. Ecology will review your request and any new or modified terms and conditions and will notify you whether the donation can be extended.

If you have questions or concerns, please call the [trust water coordinator] at [phone number]_____.

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.

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

Please send a copy of your appeal to:

_____, Section Manager

You have a right to appeal this decision. To appeal this you must:

- File your appeal with the Pollution Control Hearings Board within 30 days of the "date of receipt" of this document. Filing means actual receipt by the Board during regular office hours
- Serve your appeal on the Department of Ecology within 30 days of the "date of receipt" of this document. Service may be accomplished by any of the procedures identified in WAC 371-08-305(10). "Date of receipt" is defined at RCW 43.21B.001(2).

Be sure to do the following:

- Include a copy of this document that you are appealing with your Notice of Appeal.
- Serve and file your appeal in paper form; electronic copies are not accepted

For additional information visit the Environmental Hearings Office Website: http://www.eho.wa.gov

Sincerely,

Signature Block

Water Resources Program

cc:

Appendix G



Trust water right report form

STATE OF WASHINGTON **DEPARTMENT OF ECOLOGY**

TRUST WATER RIGHT REPORT OF EXAMINATION Change of Purpose and Place of Use WRTS File #:

PRIORITY DATE	CLAIM NO.		PERMITNO.		CERTIFICATE NO.	
NAME OF PARTY CONVEYING RIGHT TO	O TRUST WATER DIGUTS	PPOGPAM				
	o ikesi walekkionis	I KOOKAW				
ADDRESS/STREET	CITY	/STATE		ZIP C	CODE	
	(T)D			TEC		
SOURCE	1 K	UST WATER RIC	HI AIIKIBU	IES		
Sector						
TRIBUTARY OF (IF SURFACE WATERS)						
MAXIMUM CUBIC FEET PER SECOND	MAXIA	IUM GALLONS PER M	INUTE	MAXIMUM A	CRE FEET PER YEA	D
MAXIMUM CODICILETTER SECOND	W/ YAN			WAANOW A	CRETEETTER TER	ĸ
QUANTITY, TYPE OF USE, PERIOD OF U	USE					
		AFFECTED	DEACHES			
APPROXIMATE LOCATION OFHISTORIO	C DIVERSION / WITHDRAV		KEACHES			
feet and feet	from the	of Section	, T.	N., R. E.W.M	i.	
LOCATED WITHIN (SMALLEST LEGALS	UBDIVISION)	SECTION	TOWNSHIP	RANGE [E. or W.] W.M.	WRIA	COUNTY
			N.	E.		
PARCELNUMBER		LATITUDE		LONGITUDE		DATUM
		DES CRIPTION O				
	[See Attach]	ment 1 for map of t	the trust water	right location]		
		PROJECT S	SUMMARY			
		TRUST WATER	RIGHT TERM	I		
BEGIN DATE			END DATE			

PORTION OF WATER RIGHT NOT PLACED INTO TRUST WRTS File #:

PRIORITY DATE		CLAIM NO.		1	PERMITNO. CE		CERT	CERTIFICATE NO.		
NAME										
ADDRESS/STREET				CITY/S	STATE				ZIP CO	DE
				WATER RIGHT	ATTRIBU	JTES				
SOURCE										
TRIBUTARY OF (IF	SURFACE WATERS)								
MAXIMUM CUBIC	FEET PER SECOND		MAXIM	UM GALLONS PER M	INUTE		MAXIMU	M ACRE F	EETPER YEAR	
OU AND THE TRUE	OF LUE DEDIOD OF	HOP								
QUANIITY, TYPE	OF USE, PERIOD OF	USE								
			LOCA				XX7A T			
APPROXIMATELC	OCATION OF DIVERS	IONWITHDRA		TION OF DIVERS	510IN/WI	прка	WAL			
feet	and fe	et fro	om the	of Section	, T.]	N., R. I	E.W.M.		
LOCATED WITHIN	(SMALLEST LEGAL	SUBDIVISION)		SECTION	TOWNSH	IIP	RANGE [E. or W.] W.M.	WRIA	COUNTY
					N.		E.			
PARCEL NUMBER				LATITUDE	ATITUDE		LONGITUDE		DATUM	
			D			DED/DX	7			
LOT			BLOCK	ECORDED PLAT	TED PROPERTY OF (GIVE NAME OF PLATOR ADDITION)					
		LEGAL DE	SCRIPT	ION OF PROPER	TY ON V	VHICH	WATER IS U	SED		
	[See	Attachment	2 for a m	ap of the place of 1	use and po	oint(s) o	of diversion or	withdray	wall	
							-			
			DE	SCRIPTION OF	WATER S	SYSTE	M			
				DEVELOPMENT	C SCHED	ULE				
BEGIN PROJECT B	Y THIS DATE		COMPLET	E PROJECT BY THIS D			WATER PUT	TO FULL U	JSE BY THIS DA	ATE

PROVISIONS

Provisions related to the Trust Water Right:

Provisions related to the portion of the water right not placed into trust:

[Delete headings if there are no applicable provisions.]

FINDINGS OF FACT AND ORDER

Upon reviewing the investigator's report, I find all facts relevant and material to the subject application have been thoroughly investigated. Furthermore, I find the change of water right as recommended will not be detrimental to existing rights or detrimental to the public interest.

Therefore, IORDER the requested change of place and purpose of use under Trust Water Right Application No. , be approved/denied subject to existing rights and the provisions specified above. [The following is optional and is only used where a physical change is part of a publicly-funded conservation project] I further ORDER that the requested change of point of diversion/change of place of use under Water Right Change Application No. _____, be approved/denied subject to existing rights and the provisions specified above.

You have the right to appeal this order to the Pollution Control Hearings Board. Pursuant to RCW 43.21B, your appeal must be filed with the Pollution Control Hearings Board, and served on the Department of Ecology, within thirty days of the date of your receipt of this document.

To appeal this order, your notice of appeal must contain a copy of the Ecology order you are appealing.

Your appeal must be mailed to:	OR	Hand Deliver your appeal to:
The Pollution Control Hearings Board		The Pollution Control Hearings Board
PO Box 40903		4224 – 6th Ave SE Rowe Six, Bldg. 2
LaceyWA 98504-0903		LaceyWA 98503
	AND	
Your appeal must also be served on:		In addition, send a copy to:
The Department of Ecology		, Section Manager
Appeals Coordinator		Water Resources Program
PO Box 47608		Department of Ecology
Olympia WA 98504-7608		

Signed at , Washington, this day of 200 .

, Section Manager Water Resources Program Region Office

INVESTIGATOR'S REPORT

BACKGROUND

Description and Purpose of Proposed Change

This application qualifies for expedited processing under WAC 173-152-050(3)(a) whereby water right change applications may be processed prior to applications submitted at an earlier date when the proposed water use, if approved, would substantially enhance or protect the quality of the natural environment.

Attributes of the Certificate and Proposed Change

 Table 1
 Summary of Existing Attributes and Proposed Changes to Water Right No.

Attributes	Documented	Proposed
Name		
Priority Date Date of Application for Change		
InstantaneousQuantity		
Annual Quantity		
Source		
Point of Diversion/Withdrawal		
Purpose of Use		
Period of Use		
Place of Use		

Legal Requirements for Proposed Change

The following is a list of requirements that must be met prior to authorizing the proposed change in

- Public Notice
- State Environmental Policy Act (SEPA)
- Water Resources Statutes and Case Law

INVESTIGATION History of Water Use

Proposed Use

Other Rights Appurtenant to the Place of Use

Hydrologic/Hydrogeologic Evaluation

Trust Water Right Calculations

Trust Water Place of Use

Trust Water Management

Impairment Considerations

Public Interest Considerations

Consideration of Protests and Comments

CONCLUSIONS

RECOMMENDATIONS (chose one)

Approval without provisions

Based on the above investigation and conclusions, I recommend that the request for change to be approved in the amounts and within the limitations listed below.

Approval with provisions

Based on the above investigation and conclusions, I recommend that the request for change to be approved in the amounts and within the limitations listed below and subject to the provisions listed in the Report of Examination.

Denial

Based on the above investigation and conclusions, I recommend that the request for change to be denied.

Trust Water Right Attributes:

_____cfs,____acre-ft/yr from_____to____for instream flow purposes in the primary reach.

The primary reach begins.....

_____cfs, ____acre-ft/yr from _____to ____for instream flow purposes in the secondary reach as follows:

table

The secondary reach begins.....

If a portion of water right not placed into trust involves a POD or POU change:

Approval with provisions

Based on the above investigation and conclusions, I recommend that the request for change to be approved in the amounts and within the limitations listed below and subject to the provisions listed in the Report of Examination.

Denial

Based on the above investigation and conclusions, I recommend that the request for change to be denied.

	gallons per minute,		acre-feet peryear	for	from	to	
Point o	of With	ndrawal:					
1	/4,	¹ / ₄ , Section	, Township	North, Range	EastW.M.		
Place	ofUse	2					
Report	by:						
	,	Water Resources	Program		Date		

Appendix H

Template for Certificate of Trust Water Right Acquisition

Certificate of Acquisition of Water Right

Certificate Number

In accordance with the provisions of Chapter 90.38 and or 90.42 RCW, this certificate is issued to document the permanent acquisition into the State Trust Water Right Program of (water quantity) from (water right document type) number (number), priority date (priority date).

The original water use was for (purpose of use) during the period from season start to season end each year located within (place of use).

The authorized Trust Water Right Program purpose of use is (trust water right purpose) from season start to season end each year. The purpose of use is located (trust water purpose location).

Appendix I

Pre-trial Order #6

	1	HSAMEDUED
•	а — Ш	
1		
2		
3		
4		
5	IN THE SUPERIOR COURT OF 3	THE STATE OF WASHINGTON
6	FOR THE COUNTY	Y OF YAKIMA
7	IN THE MATTER OF THE DETERMINATION	
8	OF THE RIGHTS TO THE USE OF THE SURFACE WATERS OF THE YAKIMA RIVER	
9	DRAINAGE BASIN, IN ACCORDANCE WITH THE PROVISIONS OF CHAPTER 90.03,	
10	REVISED CODE OF WASHINGTON,	No. 77-2-01484-5
11	THE STATE OF WASHINGTON, DEPARTMENT OF ECOLOGY,	
12	Plaintiff,	PRETRIAL ORDER NO. 6 Re: Procedures Relating
13	v.	to Order Pendente Lite
14	JAMES J. ACQUAVELLA, et al.,	
15	Defendants.))
16		
17	1	Γ.
18	BACKGF	ROUND
19	A. Fir	ndings
20		general adjudication case there
21	may arise a need, from time to time,	
22	orders relating to the use of water b	1
23	These interim orders pendente lite ma	
24	others, regulatory action initiated b	the second s
25	disputes over the rights to water use	· · · · · · · · · · · · · · · · · · ·
26	2. The Court is also aware that	
27	conditions which might require a comp	
28	administration of the waters of the Y	
29		
30	PRETRIAL ORDER NO. 6 3264 -1	-
	5401	1

1 2 3 4 periods of time. This Court recognizes that there is a general policy 5 of deference, based on both Federal and Washington law, to the state 6 courts in the administration, as well as the confirmation, of water 7 rights in general adjudication cases in the posture of this case. See 8 43 U.S.C.A. §666 and Arizona v. San Carlos Apache Tribe, 463 U.S. 545 a (1983). 10

3. Pursuant to the remand of this case to this Court by the United 11 States District Court for the Eastern District of Washington, by Order 12 dated January 12, 1979, and it being the overriding policy of this 13 Court to conduct this proceeding in a harmonious relationship with the • 4 Federal Courts, this Court is willing, if it is deemed appropriate, to 15 assume the lead role in determining all of the various interim regula-16 tory and administrative issues pertaining to surface water and its use 17 in the Yakima River Basin by the parties hereto which may arise during 18 the pendency of this case. 19

4. The lead role, described above, could not only provide an
orderly, unitary approach to resolving disputes among the parties,
thereby alleviating confusion between court systems, but could also
promote a policy of uniformity and continuity in interim water use
regulation and administration, as well as the efficient use of judicial
resources in both the state and federal court systems and of the
resources of the various parties.

27 28 29 30 PRETRIAL ORDER NO. 6

-2-

I	
1	
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5	B. Purpose
6	The purpose of this order is to establish the procedures which
7	will be followed in relation to interim water allocations among parties.
8	including the entry by this Court of any orders pendente lite.
9	
10	II.
11	PROCEDURES - ORDERS PENDENTE LITE
12	Based on the foregoing, the following procedures relating to the
13	issuance of orders pendente lite by this Court are established.
14	A. Procedures Relating to Non-Emergency Conditions.
15	The procedures set forth in II.A. relate only to conditions of a
16	non-emergency nature. (See Section II.B. for procedures relating to
17	emergency conditions.)
18	1. Any party, including the plaintiff, may request the Court to
19	issue an order pendente lite by filing a petition, accompanied by a
20	written certification, with the Clerk of this Court. The petition
21	shall contain the following:
22	a. Name of party;
23	b. The subbasin or subbasins involved;
24	c. Relief requested;
25	d. A statement of reasons supporting the relief requested;
26	e. The name(s) of the party or parties who are directly
27	affected by relief requested.
28	
29	
30	PRETRIAL ORDER NO. 6 -3-

1	
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5	The written certification shall contain a statement of the petitioner
6	that a copy of the petition and notice of the time and place of the
7	hearing by the Court on said petition have been transmitted through
8	the United States Postal Service by registered mail or by certified
9	mail, return receipt requested, postage prepaid to each party named in
10	Section II.A.l.e. above, and to the plaintiff. (See Section II.A.3. and
11	4. relating to hearings of petitions by this Court.)
12	2. Petitions filed under Section II.A. shall be heard on the
13	following dates:
14	a. If the petition is filed on or before the 15th day of
15	a month, the date of the hearing on the petition shall
16	be the second Friday of the next following month at
17	9:30 a.m.
18	b. If the petition is filed after the 15th day of a month,
19	the date of the hearing on the petition shall be the
20	second Friday of the second following month at 9:30 a.m.
21	3. The petitioner shall at the time of hearing be prepared to
22	submit evidence, written or oral or both, and present arguments in
23	support of its petition. Any party may, at said hearing, respond with
24	evidence and argument relevant to the petition.
25	4. The plaintiff is directed:
26	a. To include notice of all petitions filed under this
27	procedure in the monthly notice transmitted by the
28	plaintiff to all parties and attorneys of record
29	
30	PRETRIAL ORDER NO. 6 -4-

1	
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5	pursuant to Pretrial Order No. 3, filed April 19, 1985;
6	and
7	b. To be prepared to provide a response, including any
8	recommendations it may have, at any hearing held as
9	provided in 2, next above.
10	5. The Court shall, as to any petition, take such action as it
11	deems appropriate, including the denial of the petition, or the
12	granting of the petition with or without conditions.
13	B. Procedures Relating to Emergency Conditions.
14	1. Any party may request the Court to issue an order pendente lite
15	relating to an emergency condition by filing a petition with the Clerk
16	of this Court. The petition shall include the information set forth
17	in Section II.A.l.ae and, in addition, shall set forth the facts
18	constituting the emergency condition requiring the issuance of an order
19	on an expedited basis. For purposes hereof, an emergency condition is
20	a condition of facts that requires consideration and action by this
21	Court in an earlier time frame than is provided by Section II.A.2.
22	2. Dates for hearings on petitions relating to an emergency
23	condition shall be as follows:
24	a. The petitioner shall file a motion for setting for a date
25	for hearing with the Court. Prior to the filing thereof, the petitioner
26	shall take all reasonable steps to notify the parties directly affected
27	and the attorney for the plaintiff, either orally or by written
28	communication, of the intent to file the motion.
29	
30	PRETRIAL ORDER NO. 6 -5-
1	

1 2 3 4 The Court shall, upon request of the petitioner and ь. 5 ex parte, issue such order, as it deems appropriate under the circum-6 stances, setting a date for hearing on the motion and establishing the 7 method and content of any notice of hearing to be provided to the 8 parties. ۹ c. If a petition is filed which is accompanied by supporting 10 affidavits, that in the opinion of the Court demands extraordinary 11 relief to be granted prior to a hearing as provided in Section II.B.2.b. 12 the Court shall issue orders as appropriate, for a limited term of 13 time, to take effect prior to the hearing on the petition. 14 15 III. 16 IMPACTS ON FINAL DECREE 17 Orders pendente lite and regulatory orders, as provided for herein 18 shall relate solely to the regulation or administration of the surface 19 water subject to this case pending the completion and entry of a Final 20 Decree of general adjudication of the claimed rights. In all instances 21 where an order pendente lite has been entered or a regulatory order has 22 been issued, nothing in any of said orders shall have any relationship 23 or impact on the ultimate determination as to the validity of water 24 rights in the Report of Referee, Conditional Final Order, or the Final 25 Adjudication Order. No regulatory order or order pendente lite shall 26 establish any inference or implication as to any element of a water 27 right, or be admissible as evidence in support or derogation of any 28 29 PRETRIAL ORDER NO. 6 -6-30

-1	
1	
2	
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5	claim.
6	IV.
7	REGULATORY ORDERS OF PLAINTIFF
8	A. In addition to interim regulation of water use provided
9	herein, the plaintiff is authorized to issue regulatory orders regulat-
10	ing interim use of water by parties to this proceeding based upon:
11	(1) rights confirmed in "general adjudication" decrees entered
12	by superior courts of this state (including subsequent modifications
13	of purpose or place of use or point of diversion of such rights
14	approved by the plaintiff pursuant to RCW 90.03.380 subsequent to
15	the entry of said decrees) as to the following:
16	Superior Court Date of Entry
17	Caption of Case Cause Number of Decree
18	a. In re Ahtanum Creek Yakima No. 18279 5/7/25
19	b. In re Big Creek Kittitas No. 6759 3/27/24
20	c. In re Cook Creek Kittitas No. 6222 8/13/21
21	d. In re Cowiche Creek Yakima No. 14233 5/18/22
22	e. In re Teanaway River Kittitas No. 6221 6/16/21
23	f. In re Wenas Creek Yakima No. 12935 5/27/25;
24	or,
25	(2) rights embodied in permits or certificates established
26	under RCW 90.03.250, et seq., provided that the authority to issue
27	regulatory orders as to (2) is limited only to enforcement of
28	conditions of such certificates and permits and does not relate to
29	
30	PRETRIAL ORDER NO. 6 -7-

the validity of the basic right embodied in any such document; or,

(3) an evaluation that a use of water is not (a) embodied in an aforedescribed certificate or permit or (b) the subject of a claim on file in the Water Rights Claims Registry of RCW 90.14.111.

B. (1) Any party aggrieved by a regulatory order issued by 9 plaintiff pursuant to the authority of this section may request review 10 of the order by this Court by filing a petition with this Court. The 11 petition shall set forth a synopsis of reasons for requesting the 12 review and be accompanied by a copy of the regulatory order to be 13 subjected to review. The filing of a petition shall not automatically 14 stay the effect of a regulatory order. See Section IV.B.2. All 15 petitions filed hereunder shall be heard by the Court at the times 16 provided in Section II.A.2.a. except as provided in Section IV.B. 17

(2) Any party desiring (a) to obtain an order staying the
effectiveness of a regulatory order prior to a hearing or (b) to
obtain a hearing date earlier than that provided in Section II.A.2.a.
may so request the Court by filing a motion with the Court with a copy
thereof to the plaintiff transmitted as provided in Section II.A.1.

The procedures of Section II.B.2.a. and b. shall be used for obtaining an order setting a hearing date under this subsection. The procedures of Section II.B.2.c. shall also apply in relation to any requests for an order staying the effectiveness of a regulatory order pending a hearing.

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30 PRETRIAL ORDER NO. 6

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5	C. A regulatory order issued pursuant to Section IV.A. shall be
6	subject to review by this Court through the filing of a petition
7	requesting such review with this Court. No such petition will be
8	considered by this Court unless it is filed within twenty (20) days
9	after the day of receipt of the regulatory order by the petitioner;
10	except that if the twentieth day is a Saturday, Sunday or state
.11	holiday, the last day for filing such petition shall be the next
12	working day of the Court following the Saturday, Sunday or state
13	holiday.
14	
15	ν.
16	NOTICE TO ALL PARTIES
17	Plaintiff is directed to provide immediately a copy of this order
18	to all parties or their counsel of record, if any.
18 19	
	to all parties or their counsel of record, if any. ENTERED this 18^{-6} day of $\overline{february}$, 1987.
19	
19 20	ENTERED this 18th day of February, 1987.
19 20 21	ENTERED this 18th day of February, 1987.
19 20 21 22	
19 20 21 22 23	ENTERED this 18th day of <u>February</u> , 1987. United Starffoche. JUDGE WALTER A. STAUFFACHER
19 20 21 22 23 24 25 26	ENTERED this 18th day of <u>February</u> , 1987. United Starffoche. JUDGE WALTER A. STAUFFACHER
19 20 21 22 23 24 25 26 27	ENTERED this 18th day of <u>February</u> , 1987. <i>Liabout Starffoche</i> JUDGE WALTER A. STAUFFACHER Charles B. ROE, JR. Senior Assistant Attorney General Attorney for Plaintiff, State of
19 20 21 22 23 24 25 26 27 28	ENTERED this 18th day of <u>February</u> , 1987. <i>Usulta Sturffoche</i> JUDGE WALTER A. STAUFFACHER Charles B. ROE, JR. Senior Assistant Attorney General
19 20 21 22 23 24 25 26 27	ENTERED this 18th day of <u>February</u> , 1987. <i>Liabout Starffoche</i> JUDGE WALTER A. STAUFFACHER Charles B. ROE, JR. Senior Assistant Attorney General Attorney for Plaintiff, State of

Appendix J

Pre-trial Order #12



On February 18, 1987, the Court entered Pretrial Order No. 6, 1 1.2which establishes procedures relating to interim Orders Pendente Lite 2 governing changes of use of water rights during the pendency of the 3 adjudication. Under Pretrial Order No. 6, an applicant to change the use of 4 a water right during the pendency of the adjudication may petition this 5 Court for an Order Pendente Lite authorizing the temporary change of use 6 of the water right during the pendency of the adjudication or until further 7 order of the Court. 8

9 1.3 On July 27, 1997, the Legislature enacted 90.80 RCW, which authorizes county legislative authorities to establish water conservancy boards for the purpose of making conditional decisions on water right transfer applications.¹ Under this statute, water conservancy boards may review water transfer applications for compliance with applicable laws and regulations and issue conditional approvals of such applications, subject to Ecology's final review. See RCW 90.80.070.

15 1.4 Any conditional approval of a water right transfer application 16 must be submitted by the water conservancy board to Ecology, which is 17 required to review each proposed transfer conditionally approved by the 18 board for compliance with RCW 90.03.380, 90.03.390, and 90.44.100, and 19 other applicable law. Ecology is authorized to then affirm, reverse, or 20 modify the conditional decision made by the water conservancy board. See 21 RCW 90.80.080.

1.5 Water conservancy boards have been established in Benton
County, Kittitas County, Klickitat County, and Yakima County pursuant to

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¹ The scope of a water conservancy board's authority is determined with reference to Ch. 90.80 RCW and other applicable law.

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PRETRIAL ORDER NO. 12 -- 2

1 90.80 RCW. Benton, Kittitas, Klickitat, and Yakima Counties encompass geographic areas that are covered by this proceeding. Furthermore, water 2 conservancy boards may be established in adjacent counties, which may 3 under certain circumstances issue decisions that affect water rights that 4 also are subject to this adjudication. See RCW 90.80.070(2); ESHB 1832, 5 Ch. 237, Laws 2001 § 8. Consequently, the Court anticipates that 6 applications for the transfer of surface water right claims (based on 7 properly filed statements of claims to the Water Rights Claims Registry 8 under 90.14 RCW) and certificates and permits (under 90.03 RCW) subject 9 to this adjudication may be filed with water conservancy boards. 10 Alternatively, an applicant may apply to transfer a surface water right 11 directly with Ecology pursuant to RCW 90.03.380.

12 1.6 On May 9, 2001, Governor Locke signed Engrossed House Bill 13 1350, which established a new process for appeals of transfers of water 14 rights subject to a general adjudication. See Chapter 220, Laws 2001. 15 EHB 1350 establishes a process for appeals of decisions on changes and 16 transfers of water rights subject to a general adjudication. After enactment 17 of EHB 1350, superior court review of a decision by Ecology to change or transfer a water right subject to a general adjudication will be heard by the 18 Superior Court conducting the adjudication. In the case of the Acquavella 19 adjudication, EHB 1350 also includes specific procedures under which an 20 appeal is filed directly with this Court. The statute as amended reads in 21 pertinent part as follows: 22

> "(2) Any appeal of a decision of the department on an application to change or transfer a water right subject to a general adjudication that is being actively litigated and was commenced before October 13, 1977, shall be conducted as follows:

PRETRIAL ORDER NO. 12 -- 3

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(a) The appeal shall be filed with the court conducting the adjudication and served under RCW 34.05.542(3). The content of the notice of appeal shall conform to RCW 34.05.546. Standing to appeal shall be based on the requirements of RCW 34.05.530 and is not limited to parties to the adjudication.

(b) If the appeal includes a challenge to the portion of the department's decision that pertains to tentative determinations of the validity and extent of the water right, review of those tentative determinations shall be conducted by the court consistent with the provisions of RCW 34.05.510 through 34.05.598, except that the review shall be de novo.

(c) If the appeal includes a challenge to any portion of the department's decision other than the tentative determinations of the validity and extent of the right, the court must certify to the pollution control hearings board for review and decision those portions of the department's decision. Review by the pollution control hearings board shall be conducted consistent with chapter 43.21B RCW and the board's implementing regulations, except that the requirements for filing, service, and content of the notice of appeal shall be governed by (a) of this subsection.

(d) Appeals shall be scheduled to afford all parties full opportunity to participate before the superior court and the pollution control hearings board.

(e) Any person wishing to appeal the decision of the board made under (c) of this subsection shall seek review of the decision in accordance with chapter 34.05 RCW, except that the petition for review must be filed with the superior court conducting the adjudication.

(3) Nothing in this section shall be construed to affect or modify any treaty or other federal rights of an Indian tribe, or the rights of any federal agency or other person or entity arising under federal law. Nothing in this section is intended or shall be construed as affecting or modifying any existing right of a federally recognized Indian tribe to protect from impairment its federally reserved water rights in federal court."

PRETRIAL ORDER NO. 12 -- 4

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25 26 RCW 90.03.210, as amended by Chapter 220, Laws 2001, sec. 5. The
 statute also includes specific procedures regarding consolidation of the
 appeal and standing. The statute reads in pertinent part as follows:

"(3) For proceedings conducted by the pollution control hearings board pursuant to chapter 43.21B RCW or as otherwise provided in RCW 28 90.03.210(2) involving decisions of the department of ecology on applications for changes or transfers of water rights that are the subject of a general adjudication of water rights that is being litigated actively under chapter 90.03 or 90.44 RCW, the petition must be filed with the superior court conducting the adjudication, to be consolidated by the court with the general adjudication. A party to the adjudication shall be a party to the appeal under this chapter only if the party files or is served with a petition for review to the extent required by this chapter."

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1.7 WAC 173-153-110(7), a provision in Ecology's water

14 conservancy board rules, requires that:

[i]f a geographical area within the jurisdiction of a conservancy 15 board is or becomes the subject of an adjudication conducted by a superior court for the determination of water rights, 16 ecology will seek guidance from the superior court regarding 17 the court's role in administering the water rights that are subject to the adjudication. Thereafter, ecology shall advise the 18 conservancy board on whether and how the board may proceed to evaluate and make conditional decisions on applications for 19 transfers of water rights that are subject to the adjudication 20 being conducted by the superior court.

RCW 34.05.514, as amended by Chapter 220, Laws 2001, sec. 3.

1.8 In response to Ecology's request, this Court has decided to
 establish rules and guidelines setting forth procedures and processes with
 respect to applications for permanent transfers and requests for temporary
 transfers of surface water rights subject to the adjudication, and appeals
 from Ecology decisions on water right transfer applications.

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PRETRIAL ORDER NO. 12 -- 5

ORDER

This matter has come before the Court on the motion of the Plaintiff,
State of Washington, Department of Ecology. The Court, having considered
the motion, with accompanying documents, having heard the presentation
of counsel, and having considered the issues, hereby

6 ORDERS, JUDGES, AND DECREES that the following procedures 7 and processes are to be followed during the pendency of this adjudication with respect to applications for permanent transfers and requests for 8 temporary transfers of surface water rights subject to this adjudication, 9 and appeals of Ecology decisions relating to permanent transfers of surface 10 water rights that are subject to this adjudication. For the purposes of this 11 Order, the term "transfer" means a transfer, change, amendment, or other 12 alteration of a part or all of a water right authorized under RCW 90.03.380 13 or other applicable law (except RCW 90.03.380(3)). 14

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II. WATER RIGHTS TRANSFER PROCEDURES

16 Except as otherwise provided in RCW 90.03.380(3), a request 2.1for a temporary transfer of a surface water right must be filed with this 17 Court through motion for an Order Pendente Lite. 18 Parties seeking temporary transfers of water rights during the pendency of this 19 adjudication shall continue to utilize the procedures set forth in Pretrial 20 Order No. 6 Re: Procedures Relating to Orders Pendente Lite, entered 21 February 18, 1987, amended July 29, 1991. Any party seeking court 22 approval of a temporary transfer must provide notice to the plaintiff, major 23 claimants, affected subbasin claimants, the Yakama Nation and the 24 Washington Department of Fish and Wildlife, either by publication in the 25 monthly notice or as otherwise provided in Pretrial Order No. 6.

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PRETRIAL ORDER NO. 12 -- 6

2.2 Except as otherwise provided in RCW 90.03.380(3), an
 application for a permanent transfer of a surface water right arising under
 state law and subject to this adjudication must be filed with Ecology or a
 water conservancy board. Parties may not request the Court to authorize
 permanent transfers of surface water rights pursuant to RCW 90.03.380.

2.3 For applications filed after the date this Order is entered, notice that any such application has been filed with Ecology or a water conservancy board must be provided by the applicant to all parties in this adjudication through publication of notice of the application in the monthly notice, which is sent to all parties of record pursuant to Pretrial Order No. 4, Amending Pretrial Order No. 3 Re: Notice Procedures and Other Pretrial Mailers, dated January 8, 1986, in addition to other statutorily required notice procedures. The form of notice of the filing of an application with a water conservancy board shall comply with the form prescribed in WAC 173-153-080. The form of notice of the filing of an application with Ecology shall comply with the form prescribed in RCW 90.03.280.

2.4 Except as otherwise provided in RCW 90.03.380(3), Ecology is
hereby ordered to accept and process applications for permanent transfers
of surface water rights arising under state law and subject to this
adjudication in accordance with RCW 90.03.265, RCW 90.03.380, chapter
90.80 RCW, and 173-152 WAC.

III. APPEALS PROCEDURES

3.1 Only a decision by Ecology on a water right transfer application may be appealed. A Record of Decision issued by a Conservancy Board must be reviewed by Ecology under RCW 90.80.80 and a final decision issued by Ecology before the decision may be appealed.

PRETRIAL ORDER NO. 12 -- 7

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1 3.2 An appeal of an Ecology decision on an application to transfer a 2 surface water right subject to this Order must be filed with this Court and 3 served in accordance with RCW 34.05.542(3). The "parties of record" under 4 RCW 34.05.542(3) who must be served shall be limited to the applicant of 5 the decision subject to appeal, Ecology, and the Office of the Attorney 6 General.

7 3.3 The content of the notice of appeal shall conform to RCW
8 34.05.546.

3.4 Standing to appeal shall be based on the requirements of RCW .
34.05.530 and is not limited to parties to the adjudication.

11 3.5 Participation by others (both parties and non-parties to 12 Acquavella) shall be allowed for those who apply for and are allowed to 13 intervene in such appeals pursuant to the civil rules. A party to the 14 adjudication is not a party to an appeal of a decision to transfer a water 15 right unless it properly intervenes in the appeal, files a Notice of Appeal or 16 is served as one of the "parties of record" in compliance with the 17 requirements of RCW 90.03.210(2) and this Order.

3.6 The Referee shall ensure that the monthly notice transmitted to
 all parties and attorneys of record includes a list of water right transfer
 decisions by Ecology for which appeals have been filed with the Court.

3.7 Within 14 days of the filing of an appeal with this Court of an
 Ecology decision to transfer a water right subject to <u>Acquavella</u>, any party
 to an appeal may file with the Court and serve on all other parties to the
 appeal a Proposed Order of Certification.

3.8 Within 45 days of receipt of an appeal, the Court will convene
 the parties to the appeal in order to --

PRETRIAL ORDER NO. 12 -- 8

1	(a) set a schedule for the Court's review of Ecology's tentative
2	determination of the validity and extent of the water right;
3	(b) conduct a hearing, if necessary, to determine whether the
4	appeal raises issues other than Ecology's tentative determination of
5	the validity and extent of the water right;
6	(c) establish a hearing schedule including a date certain upon
7	which a decision will be made on the appeal; and
8	(d) issue an Order certifying to the PCHB such issues as may
,9	be raised in the appeal other than those regarding the validity and
10	extent of the water right and are within the scope of the PCHB's
11	jurisdiction.
12	3.9 The Court shall issue an Order certifying to the PCHB such
13	issues as may be raised in the appeal other than those regarding the
14	validity and extent of the water right and are within the scope of the
15	PCHB's jurisdiction. The Court will attach a copy of the Notice of Appeal
16	and all other documents filed with the Notice of Appeal and promptly
17	forward the Order of Certification to the PCHB. The Court's Order of
18	Certification shall
19	(a) identify the issues raised in the Notice of Appeal that must
20	be reviewed by the PCHB;
21	(b) request a ruling or decision from the PCHB by a date certain
22	on those issues that are certified to the PCHB from the Court for an
23	opinion; and
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	PRETRIAL ORDER NO. 12 9
(c) inform the PCHB of the hearing schedule established by the Court for any appeal of Ecology's tentative determination of validity and extent of the water right.

3.10 The Court will forward to the PCHB its decision on any appeal
of Ecology's tentative determination of validity and extent of the water right
as soon as such decision is issued by the Court.

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IV. RECORD FOR APPEAL AND STANDARD OF REVIEW

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4.1 If the appeal includes a challenge to the portion of Ecology's
decision that pertains to Ecology's tentative determination of the validity
and extent of the water right, review of Ecology's determination shall be
conducted by the Court consistent with the provisions of RCW 34.05.510
through RCW 34.05.598, except that the review shall be *de novo*.

4.2 In conducting its review of an appeal of Ecology's tentative
determination of the validity and extent of the water right, the Court may
receive other evidence not contained in the agency record. Additional
evidence may include but is not limited to documents filed by the parties or
issued by the Court in this adjudication.

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V. POLLUTION CONTROL HEARINGS BOARD REVIEW

5.1 The Order of Certification issued by the Court shall act as the
notice of appeal required by the PCHB.

5.2 Chapter 43.21B RCW and the PCHB's implementing
 regulations will govern the PCHB's review of those issues enumerated in the
 Court's Order of Certification, except that RCW 90.03.210(2)(a) and this

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PRETRIAL ORDER NO. 12 -- 10

Order will govern the requirements for filing, service, and content of the
 notice of appeal.

5.3 The Court will provide the PCHB with the Court's hearing
schedule for any appeal of Ecology's tentative determination of validity and
extent of the water right for the purposes of ensuring that the Court's
schedule and PCHB's schedule established under WAC 371-08-430 afford
all parties full opportunity to participate before the Court and the PCHB.

5.4 Any person wishing to appeal the PCHB's decision on an appeal
of Ecology's decision on a water rights transfer other than the tentative
determination of the validity and extent of the water right shall seek review
of that decision in accordance with Chapter 34.05 RCW, except that the
petition for judicial review must be filed with this Court.

13 5.5 The Court shall conduct its review of an appeal of the PCHB's
 14 decision under Chapter 34.05 RCW.

15 5.6 The Court shall consolidate its decision on any appeal of the 16 PCHB's decision with the Court's decision on any appeal of Ecology's 17 tentative determination of validity and extent of the water right. These two 18 decisions shall be consolidated into a single cause under Civil Rule 42 and 19 any decision issued by the Court shall be issued as a single appealable order.

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VI. APPELLATE REVIEW

6.1 A party of record, a party who has filed a Notice of Appeal, or
an intervenor may appeal decisions of the Court only on those issues for
which a party has properly filed a Notice of Appeal with the Court upon
Ecology's decision or the decision of the PCHB.

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PRETRIAL ORDER NO. 12 -- 11

1 6.2 Review of a decision of the Court by either the Court of Appeals 2 or Supreme Court shall be secured in the manner provided by law for 3 review of superior court decisions in other civil cases.

VII. LIMITATIONS

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5 This Order does not apply to any treaty or other federal rights 7.16 of an Indian tribe, the rights of any federal agency or other person or entity 7 arising under federal law, or water transfers authorized under RCW 8 90.03.380(3). This Order does not affect or modify any existing right of, a federally-recognized Indian tribe to protect from impairment its federally-9 reserved water rights in federal court. This Order does not address issues 10 the United States or involving the Yakama Reservation. 11 Dated this 22 day of January, 2002. 12 13 14 Walls & Staufforder HON. WALTER STAUFFACHER 15 16 17 Presented by: 18 OFFICE OF THE ATTORNEY GENERAL 19 ala M. Renham 20 21 Alan Reichman WSBA No. 23874 22 Attorney for Plaintiff 23 Washington Department of Ecology 24 25 26 PRETRIAL ORDER NO. 12 -- 12

Page J-13

Appendix K Pre-trial Order #17 ECEIVE RECEIVED E SUPERIOR COURT OF THE STATE OF WASHINGTON JUN 2 3 2003 IN AND FOR THE COUNTY OF YARIMA JUN 2 0 2003 2 Department of Ecology : H. EATON HO BLERK OF ATTREFERENCE DETERMINATION 3 YAKIMA COUNTY O IDS. COURT OF THE RIGHTS TO THE USE OF THE 4 SURFACE WATERS OF THE YAKIMA No. 77-2-01484-5 RIVER DRAINAGE BASIN, IN 5 ACCORDANCE WITH THE PROVISIONS OF CHAPTER 90.03, REVISED CODE OF 6 WASHINGTON, Pre-Trial Order No. 17 7 Regarding Disposition of Final Decisions STATE OF WASHINGTON, Approving Transfer (Changes) of Water DEPARTMENT OF ECOLOGY, 8 Rights Pursuant to RCW 90.03.380 (1) Plaintiff, 9 vs. 10 JAMES J. ACQUAVELLA, ET AL., Defendants 11 1. On January 22, 2002, this Court entered Pretrial Order No. 12, which establishes 12 procedures relating to changes of use and transfers of water rights subject to this adjudication. 3 Specifically, Pretrial Order No. 12 includes procedures governing appeals of decisions made by the 24 Department of Ecology relating to changes of use and transfers of water rights under RCW 15 90.03.380(1) for water rights that also are subject to this adjudication. Pretrial Order No. 12 did not address the relationship of any water right change or transfer decisions, including any decisions 16 rendered after all quasi-judicial or judicial review proceedings relating to Department of Ecology 17 decisions are completed, to the entry of the final decree of this Court under RCW 90.03.230 and the 18 issuance of adjudicated certificates under RCW 90.03.240. For purposes of this Order, a "water 19 right transfer decision" is defined as an order approving a water right change or transfer made pursuant to RCW 90.03.380(1) that is final after all appeals or review proceedings, if any, are 20 21 completed. 2. The purpose of this Order is to clarify the treatment by this Court of water right transfer 22 decisions made prior to the entry of a final decree by this Court as provided in RCW 90.03.230. 23 The following procedure is established for all such water right transfer decisions: 3. 24 (a) Ecology shall, within 30 days of the date of a water right transfer decision, issue 25 to the applicant a Notice of Change or Transfer for any changed or transferred water right Pre-Triai Order No. 17 - 1 17 059

that also is subject to this adjudication. Ecology also shall file a copy of the Notice with this Court. The Notice shall describe the purpose of use, place of use and point of diversion of the water right, as approved for change of use or transfer. The Notice shall indicate that the water right is subject to this adjudication.

(b) A Notice of Change or Transfer issued by Ecology pursuant to this Order shall be suitable for recording, and the applicant may record the Notice with the appropriate county auditor, in like manner and with the same effect as provided for in RCW 90.03.380(1). If the change or transfer includes a change in place of use, the applicant shall record the Notice of Change or Transfer both for the newly-authorized place of use and for the real property, as described, for which use of the water right was confirmed in the applicable Conditional Final Order of this Court.

(c) For those changes or transfers which have been approved by Ecology prior to the entry of this Order, Ecology shall be required to issue a Notice of Change or Transfer and it shall be filed with the Court for incorporation by reference into the final decree.

(d)(i) Except as provided in subparagraph (ii), this Court shall incorporate by reference in its final decree, entered in this proceeding pursuant to RCW 90.03.200, the findings and conclusions contained in the Court's Conditional Final Order for each right confirmed therein.

(ii) Unless otherwise requested by the applicant or successor-in-interest, this Court shall, where a Notice of Change or Transfer has been issued by Ecology and has been filed with the Court, incorporate, by reference, water right changes or transfers described in the Notice into its final decree.

4. This Order does not apply to any treaty or other federal rights of an Indian tribe, the rights of any federal agency or other person or entity arising under federal law, or water transfers authorized under RCW 90.03.380(3). This Order does not affect or modify any existing right of the United States or a federally-recognized Indian tribe to protect from impairment its federallyreserved water rights in federal court. This Order does not address issues involving the Yakama Reservation.

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Dated this 20 day of June, 2003.

Valba Stauffocker

Pre-Trial Order No. 17 - 2

Appendix L

Motion To Be Joined

· . I		2005 JUN 10 PM 8 29		
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3		EX A LEDD ALFREDE SEL PLUE DALFE		
4		162 J. C.S. 6 354		
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· 6				
7	STATE OF WASHINGTON			
8	YAKIMA COUNT	Y SUPERIOR COURT		
9	IN THE MATTER OF THE DETERMINATION OF THE RIGHTS	NO. 77-2-01484-5		
10	TO THE USE OF THE SURFACE WATERS OF THE YAKIMA RIVER			
11	DRAINAGE BASIN, IN ACCORDANCE WITH THE	MOTION TO BE JOINED AS ADDITIONAL PARTY DEFENDANT		
12	PROVISIONS OF CHAPTER 90.03, REVISED CODE OF WASHINGTON,	AND TO DIVIDE WATER RIGHT AND AFFIDAVITS		
13	STATE OF WASHINGTON,	COURT CLAIM NO. 01228		
14	DEPARTMENT OF ECOLOGY,	SUBBASIN 19		
15	Plaintiff,	· · · · · · · · · · · · · · · · · · ·		
16	v.			
17	JAMES J. ACQUAVELLA, et al.,			
18	Defendants.			
19	1. Movant Department of Ecole	ogy states that the State of Washington Trust		
20	Water Rights Program has succeeded to an interest in a portion of a water right and states the			
21	following:			
22	A. Claimant: Charles	R. Harris and Peggy L. Harris		
23	B. Address: P.O. Box			
24	Naches,	WA 98937		
25	C. Telephone No.; (509)	53-2455		
26	MOTION TO BE JOINED AS ADDITIONAL PARTY DEFENDANT AND TO DIVIDE WATER RIGHT AND AFFIDAVITS	1 ATTORNEY GENERAL OF WASHINGTON Ecology Division PO Box 40117 Olympa, WA 98504-0117 FAX (360) 586-6760		
	COURT CLAIM NO. 01228	890		

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1	D. Court Claim No.: 01228
2	II. Washington Water Trust acquired a portion of the water right from Charles R.
3	Harris and Peggy L. Harris. Washington Water Trust states that it succeeded to all of the
4	portion of the water right it has now transferred to the State of Washington Trust Water Rights
5	Program.
6	A. Successor's Name: State of Washington Trust Water Rights Program
7	B. Address: Department of Ecology Central Regional Office
8	15 West Yakima Avenue, Suite 200 Yakima, WA 98902-3452
9	C. Telephone No.: (509) 575-2490
10	D. Portion of water right involved:
11	Source: Naches River
12	Priority Date: May 10, 1895
13 14	Use: Instream flow
15	Quantity: 0.38 cfs, 112 acre-feet per year
16	Period of Use: April 1 through October 31
17	Point of Diversion: 375 feet south and 275 feet east of the west quarter
18	corner of Section 4 being within NW ½ SW ½ of Section 4, T. 14 N., R.
19	17 E.W.M.
20	Place of Use: Instream flow from the historical point of diversion from
21	the South Branch of the Naches River into La Fortune Ditch and
22	unnamed side channels of the Naches River, to the confluence of the
23	side channels with the mainstern Naches River, downstream to the
24	confluence of the Yakima River with the Columbia River.
25	III. Claimants Charles R. Harris and Peggy L. Harris have retained a portion of the
26	water right under Court Claim 01228 as follows: MOTION TO BE JOINED AS 2 ATTORNEY GENERAL OF WASHINGTON
	ADDITIONAL PARTY DEFENDANT PO Box 40117 AND TO DIVIDE WATER RIGHT AND Olympus, WA 98504-0117 AFFIDAVITS FAX (360) 586-6760
	COURT CLAIM NO. 01228 SUBBASIN 19

1	Source: Naches River		
2	Priority Date: May 10, 1895		
3	Use: Irrigation of 3.7 acres and stock watering.		
4	Quantity: 0.08 cfs, 23 acre-feet per year for irrigation; .01 cfs and 1		
5	acre-foot per year for stock water.		
6	Period of Use: April 1 through October 31 for irrigation; year-round for		
7	stock water.		
8	Point of Diversion: 375 feet south and 275 feet east of the west quarter		
.9	corner of Section 4 being within NW ¼ SW ¼ of Section 4, T. 14 N., R.		
10	17 E.W.M.		
11	Place of Use: the 3.7 acres are located within Lot 13 of the Wenonah		
12	Orchard Tracts No. 2 within that portion of the E1/2NE1/4NE1/4 of		
13	Section 9, T. 14N., R. 17 E.W.M.		
14	IV. Claimants Charles R. Harris and Peggy L. Harris consent to the addition of the		
15	State of Washington Trust Water Rights Program as a party to Court Claim No. 01228 and to		
16	division of the water right as described above. Claimants Harris sold the portion of the water		
17	right listed above to Washington Water Trust. Washington Water Trust also consents to the		
18	addition of the State of Washington Trust Water Rights Program as a party to Court Claim		
19	No. 01228 and to division of the water right as described above. Washington Water Trust		
20	retains no portion of the water right.		
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26	MOTION TO BE JOINED AS3ATTORNEY GENERAL OF WASHINGTON Ecology DivisionADDITIONAL PARTY DEFENDANTPO Box 40117AND TO DIVIDE WATER RIGHT ANDOlympia, WA 98504-0117 FAX (360) 586-6760		
	COURT CLAIM NO. 01228 SUBBASIN 19		

(A) Affidavit of Claimant: V. 1 STATE OF WASHINGTON) 2 SS.) COUNTY OF YAKIMA 3 4 We, Charles R. Harris and Peggy L. Harris, being first duly sworn, depose and say that 5 we have read the above and foregoing Motion to Be Joined as Additional Party Defendant and 6 to Divide Water Right, that we know the contents thereof, and that the facts therein stated are 7 true. 8 WITNESSED this _____ day of June, 2005. 9 10 Charles R. Harris 11 12 L.Harris 13 SUBSCRIBED AND SWORN TO before me on this _____ day of June, 2005. 14 15 B. M Notary Public in and for the State of Washington. 16 My appointment expires ______ /oluolo(, 17 18 19 20 21 22 23 24 25 ATTORNEY GENERAL OF WASHINGTON Ecology Division PO Box 40117 Olympia, WA 98504-0117 FAX (360) 586-6760 26 MOTION TO BE JOINED AS 4 ADDITIONAL PARTY DEFENDANT AND TO DIVIDE WATER RIGHT AND AFFIDAVITS COURT CLAIM NO. 01228 SUBBASIN 19

1	(B) Affidavit of intermediary right holder Washington Water Trust:		
2			
3	STATE OF WASHINGTON)		
4	COUNTY OF KINY SS.		
5	I, D. Susan Adams, being first duly sworn, depose and say that I have read the above		
6	and foregoing Motion to Be Joined as Additional Party Defendant and to Divide Water Right,		
7	that I know the contents thereof, and that the facts therein stated are true.		
8	WITNESSED this day of June, 2005.		
9	WASHINGTON WATER TRUST		
10	D. Sum Cim		
11	D. Susan Adams Executive Director		
12			
13	SUBSCRIBED AND SWORN TO before me on this 3 day of June, 2005.		
14	\bigcap im		
15	Adric		
16	Notory Public No		
17	State of Washington JENNY DEMARS My Appointment Expirer Jan 21, 2005		
18			
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20	The second se		
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24			
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26			
	MOTION TO BE JOINED AS 5 ATTORNEY GENERAL OF WASHINGTON ADDITIONAL PARTY DEFENDANT Ecology Division AND TO DIVIDE WATER RIGHT AND PO Box 40117 AFFIDAVITS Olympia, 98504-0117		

1	(C) Affidavit of current right holder State of Washington Trust Water Rights Program:	
2	STATE OF WASHINGTON)	
3	COUNTY OF <u>Thuister</u>) ss.	
4	I, Ken Slattery, being first duly sworn, depose and say that I have read the above and	
5	foregoing Motion to Be Joined as Additional Party Defendant and to Divide Water Right, that I	
6		
7	know the contents thereof, and that the facts therein stated are true.	
8	WITNESSED this day of June, 2005.	
9	STATE OF WASHINGTON TRUST WATER RIGHTS PROGRAM	
10,	VOIT	
11	Ken Slattery, Acting-Manager	
12	Water Resources Program Department of Ecology	
13		
14	SUBSCRIBED AND SWEENNO Decare me on this 1^{-2+} day of June, 2005.	
15	NOTADU	
16	PUBLIC Notary Public in and for the State of Washington.	
17	100 appointment expires $04-28-08$	
18	VI. The Department of Bears on behalf of the State of Washington Water Trust	
19	Program, respectfully moves this Court for an Order to Join Additional Party and to Divide	
20	Water Right as attached hereto.	
21	DATED this day of May, 2005.	
22	And and la	
23	BARBARA A. MARKHAM, WSBA # 30234	
24	Assistant Attorney General	
25	Attorney for Washington Department of Ecology	
26	MOTION TO BE JOINED AS6ATTORNEY GENERAL OF WASHINGTON Ecology Division PO Box 40117AND TO DIVIDE WATER RIGHT AND000000000000000000000000000000000	
	COURT CLAIM NO. 01228 SUBBASIN 19	

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Appendix M

Order To Join



1	At the completion of the adjudication, the Department of Ecology shall issue		
2	certificates regarding Court Claim 01228 as follows:		
3	To Charles R. Harris and Peggy L. Harris:		
4	Source: Naches River		
5	Use: Irrigation of 3.7 acres and stock watering.		
6	Quantity: 0.08 cfs, 23 acre-feet per year for irrigation; .01 cfs and 1 acre-foot		
7	per year for stock water.		
8	Period of Use: April 1 through October 31 for irrigation; year-round for stock		
9	water.		
10	Priority Date: May 10, 1895		
11	Point of Diversion: 375 feet south and 275 feet east of the west quarter corner		
12	of Section 4 being within NW ¼ SW ¼ of Section 4, T. 14 N., R. 17 E.W.M.		
13	. Place of Use: the 3.7 acres are located within Lot 13 of the Wenonah Orchard		
14	Tracts No. 2 within that portion of the E1/2NE1/4NE1/4 of Section 9, T. 14N,		
15	R. 17 E.W.M.		
16	To State of Washington Trust Water Rights Program:		
17	Source: Naches River		
18	Use: Instream flow <u>Quantity</u> : 0.38 cfs, 112 acre-feet per year.		
19	Period of Use: April 1 through October 31.		
20	Priority Date: May 10, 1895		
21	Point of Diversion: 375 feet south and 275 feet east of the west quarter corner		
22	of Section 4 being within NW ¼ SW ¼ of Section 4, T. 14 N., R. 17 E.W.M.		
23	Place of Use: Instream flow from the historical point of diversion from the		
24	South Branch of the Naches River into La Fortune Ditch and unnamed side		
25	channels of the Naches River, to the confluence of the side channels with the		
26			
4	[PROPOSED] 2 ATTORNEY GENERAL OF WASHINGTON ORDER TO JOIN ADDITIONAL PARTY Ecology Division AND DIVIDE WATER RIGHT Olymps, WA \$\$504-0117 FAX (360) \$\$66-6760 FAX (360) \$\$66-6760		
	COURT CLAIM NO. 01228 SUBBASIN 19		

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mainstem Naches River, downstream to the confluence of the Yakima River 1 with the Columbia River. 2 3 This order shall be effective upon filing with the Clerk. Any objection to the order must be filed with the Clerk within 30 days of its publication in the Monthly Notice or shall be 4 deemed waived. 5 DATED this 10 day of June, 2005. 6 7 Judge Walter A. Stauffacher 8 9 Presented by: 10 ROB McKENNA 11 ATTORNEY GENERAL 12 13 O. Ma BARBARA A. MARKHAM, WSBA #30234 14 Assistant Attorney General 15 Attorney for Washington Department of Ecology 16 17 18 19 20 21 22 23 24 25 26 ATTORNEY GENERAL OF WASHINGTON [PROPOSED] 3 Ecology Division PO Box 40117 Olympia, WA 98504-0117 FAX (360) 586-6760 ORDER TO JOIN ADDITIONAL PARTY AND DIVIDE WATER RIGHT COURT CLAIM NO. 01228 SUBBASIN 19

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Appendix N

Quit Claim

RECORDED AT THE REQUEST OF: AND AFTER RECORDING RETURN TO:

APR 2 8 2005

D. Susan Adams Executive Director Washington Water Trust 810 Third Avenue, Suite 180 Seattle, WA 98104

Document Title:	Water Right Conveyance and Assignment			
Grantors:	Washington Water Trust			
Grantee:	The State of Washington, by and through its Department of Ecology			
Legal Description:	Water right formerly appurtenant to portions of Lots 13, 14, 15, 16, 18, 19, 20 and 21, Wenohah Orchards & development Co., Inc., all Lying within Yakima County, Washington (The full legal description appears in Exhibit B of this document.)			
Assessor's Tax Parcel No:	171409-11402, 11411, 12412 and 11404			
Reference Numbers				

Of Documents Assigned Or Released: 7419255

[Note: This page is a cover sheet, attached pursuant to RCW 65.04.047, and is not a substantive portion of the instrument recorded herewith.]



7449515 Page: 1 of 8 84/13/2885 11:48A Yakima Co, WA

WATER RIGHT CONVEYANCE AND ASSIGNMENT

The Washington Water Trust ("WWT") gifts and hereby guit claims, conveys and assigns to the State of Washington, by and through its Department of Ecology, a water right to 112 acre-feet per year of water under Court Claim No. 01228 within Subbasin No. 19 in the Yakima River Basin Water Rights Adjudication, State of Washington v. James J. Acquavella, et al., (Yakima Superior Court Cause No. 7-2-01484-5)(the "Water Right"), together with any after-acquired title to that water right to 112 acre-feet of water. The Water Right was confirmed by the Court in the Conditional Final Order for Subbasin No. 19 entered December 14, 1995, and is more particularly described in the Report of Examination issued by the State of Washington, Department of Ecology, dated August 17, 2004. A copy of the Report of Examination is attached as Exhibit A to this Water Right Conveyance.

The Water Right was formerly appurtenant to the real property described in Exhibit B to this Conveyance (the "Property"), but was severed from ownership of the Property when the Water Right was conveyed to WWT by Water Right Conveyance dated September 3, 2004 and recorded on September 13, 2004 in the records of Yakima County, Auditor's File No. 7419255.

WWT conveys and assigns the Water Right to the State of Washington in perpetuity to be administered and managed by the Department of Ecology as a trust water right under the Trust Water Right Program established in Chapter 90.42 RCW. Pursuant to RCW 90.42.080(1)(a)(b) and (7), the Water Right is to be used exclusively to enhance instream flows within the Naches and Yakima basins downstream to the confluence with the Columbia River for the preservation of wildlife, fish, scenic, recreational, aesthetic, and other environmental values.

DATED this 30 day of March , 2005

GRANTOR:

WASHINGTON WATER TRUST. A Washington nonprofit corporation

By:

Susan Adams, Its Executive Director



84/13/2895 11:488 Yakima Co, WA

STATE OF WASHINGTON] COUNTY OF FINA]

I certify that on this $\frac{20^{+}}{20^{+}}$ day of $\underline{Ma(ch)}$, 2005, that I know or have satisfactory evidence that SUSAN ADAMS is the person who appeared before me, and said person acknowledged that he is the individual described in and who executed the foregoing instrument, and acknowledged that he signed same as his free and voluntary act and deed, for the uses and purposes therein mentioned.

GIVEN under my hand and official seal this 30 day of March, 2005.

M. 60 ara

Notary Public State of Washington CARA M BROOKS My Appointment Expires Mar 22, 2008

(Printed Name) Notary Public in and for the State of Washington Residing at <u>WOI 3VI Ave</u> Seattle Commission Expires: <u>03/22/2006</u>



7449515 Page: 3 of 8 84/13/2005 11:48R Yakima Co, WA





STATE OF WASHINGTON DEPARTMENT OF ECOLOGY 15 West Yakima Avenue, Suite 200 • Yakima, Washington 98902-3452 • (509) 575-2490

March 15, 2005

D. Susan Adams Executive Director Washington Water Trust 810 Third Avenue, Suite 180 Seattle, Washington 98104-1606

RE: Court Claim No. 01228, Subbasin No. 19 (Lower Naches), Charles & Peggy Harris

Ecology indicates agreement to the terms of WWT's donation by returning the requested signed letter.

Within the next 90 days, my office will be working with the Attorney General's office to complete the motion process with the Superior Court which will partition the water right and add a party to Court Claim No. 01228.

Sincerely,

Bob Barwin, Section Manager Water Resources Department of Ecology Central Regional Office

RB:hd 050316

Enclosure:

March 3, 2005 Letter From D. Susan Adams, Executive Director, WWT



March 3, 2005

The Washington Nater Trust is a vrivate, nonprofit organization that vorks to benefit vater quality, isheries and ecreation in Vashington's ivers and streams y acquiring xisting water gh* from willing the chrough urchase, lease or ift.

Robert Barwin Department of Ecology Central Regional Office 15 West Yakima Avenue, Suite 200 Yakima, WA 98902-3452

Re: Washington Water Trust Donation of Water Right to State Trust Water Rights Program (Report of Examination for Change CS4-01228CTCL)

MAR 10 200

Dear Mr. Barwin:

Enclosed with this letter is a Water Right Conveyance by which the Washington Water Trust ("WWT") intends to donate and quitclaim a water right to the State of Washington Trust Water Rights Program. The water right is a portion of the right confirmed to Charles and Peggy Harris in *State of Washington v. James J. Acquavella, et al.*, (Yakima Superior Court Cause No. 7-2-01484-5) under Court Claim No. 01228 by the Conditional Final Order in Subbasin No. 19 entered December 14, 1995. Ecology approved a change of 112 acre-feet of the water right to instream flow in the Amended Report of Examination dated August 27, 2004, which is Exhibit A to the Water Right Conveyance.

The water right for instream flow was formerly appurtenant to 26.3 acres, which have been purchased by the Yakama Indian Nation ("YIN"). The water is to be used for fish and wildlife enhancement in the side channels of the Naches River that flow through the property purchased by YIN, which is identified in Exhibit B to the Water Right Conveyance. By the terms of the Water Right Conveyance, WWT expressly limits the use of the water right for instream flow purposes in the Naches and Yakima basins. Consistent with the terms of the Report of Examination, the consumptive portion of the right is to be protected downstream to the confluence of the Yakima River with the Columbia River.

Since our November 2004 letter to you regarding this matter, Assistant Attorney General Barbara Markham has reviewed the quit claim deed and provided suggested changes. We agree with Ms. Markham's suggestions and have incorporated all of the changes in the final deed.

810 Third Avenue, Suite 120 Seattle, WA 98104 ~ tel: (206) 675-1585 fax: (206) 749-9274 www.thewatertrust.org ~ Info@thewatertrust.org In donating the water right to the State of Washington, WWT requests that the State file a motion with the Yakima Superior Court in the Yakima Adjudication and request an order partitioning the water right between the Harris's and the State, and adding the State as an additional party under Court Claim No. 01228. Such order is necessary to ensure an accurate certificate of adjudicated water right is entered at the close of the adjudication.

If Ecology agrees to the terms of WWT's donation and agrees to file the motion with the adjudication court to partition the water right and add a party to Court Claim No. 01228 within 90 days of receipt of the recorded deed, please sign below and return this letter to WWT. Once we receive Ecology's agreement, we will sign the Water Right Conveyance, record it with Yakima County, and provide a copy to you. We request that you provide us with a copy of Ecology's motion to the court and the order entered by the court. If you have any questions regarding this water right donation, please call Lisa Pelly at WWT at (206) 675-1585, ext. 104.

D. Susan Adams Executive Director Washington Water Trust 810 Third Avenue, Suite 180 Seattle, WA 98104

The undersigned, on behalf of the State of Washington Department of Ecology, agrees to the terms of WWT's donation of water right to the state Trust Water Fights Fogram.

By: alt

Date: MAR 15-2005

Robert F. Barwin, Section Manager Water Resources Program Department of Ecology Central Regional Office

Cc: Barbara Markham, AAG Ecology