

**STATE ENVIRONMENTAL POLICY ACT (SEPA)
MITIGATED DETERMINATION OF NONSIGNIFICANCE (MDNS)
KENNEWICK GENERAL HOSPITAL
WATER RIGHT REQUEST: S4-30584**

Description of Proposal:

The Kennewick General Hospital (KGH) is requesting an authorization from the Washington State Department of Ecology (Ecology) to put water from the Columbia River to beneficial use. On June 2011, KGH submitted an amended Water Right Application (S4-30584) to Ecology requesting an annual diversion of up to 4,000 acre-feet of surface water to irrigate 2,780 acres of agriculturally zoned land located south of Kennewick. The land had been previously donated to the hospital with the stipulation that proceeds from the sale of the land be dedicated to funding hospital improvements.

KGH's original application was filed on February 28, 1991. Under the 1991 application, KGH, then the Kennewick Public Hospital District, proposed to annually divert up to 22,368 acre-feet of surface water to irrigate 5,592 acres of land. The original application was amended in 1994 to reduce the proposed annual diversion to 11,120 acre-feet to irrigate 2,780 acres. A water right permit for this amount was issued by Ecology in January 2003 and was to be mitigated with an annual payment of \$10 per acre-foot for water diverted under the right. That permit decision was successfully appealed, and the Eastern District Court of Appeals remanded the case back to Ecology on the grounds that Ecology had not properly consulted with interested tribal governments. After remand, the file was reverted to application status and received no further action until the June 2011 amendment to the application was filed by KGH.

In November 2011, Ecology's Office of Columbia River (OCR) requested consultation with local, state, and federal agencies, tribes, and other stakeholder groups regarding KGH's June 2011 amended application. Under WAC 173-563-020(4), consultation is required before issuing a new water right that has significant and direct impact to the Columbia River:

"Any water right application considered for approval or denial after July 27, 1997 will be evaluated for possible impacts on fish and existing water rights. The department will consult with appropriate local, state, and federal agencies and Indian tribes in making this evaluation. Any permit which is then approved for the use of such waters will be, if deemed necessary, subjected to instream flow protection or mitigation conditions on a case-by-case basis through the evaluation conducted with agencies and tribes."

The results of the November 2011 consultation indicated that mitigation measures offered in the June 2011 amended application were not sufficient to mitigate for anticipated impacts to the Columbia River.

Subsequently, OCR collaborated with the Washington State Department of Fish and Wildlife (WDFW) to develop a new *out-of-kind* mitigation package intended to protect ESA-listed salmon, steelhead stocks, and native shrub-steppe habitats that may be affected as a result of permit issuance. The mitigation package involves a project that will aid in aquatic, riparian, and upland habitat preservation and restoration for lands near Rock Creek in Klickitat County and a project that will have similar benefits in the Indian Creek drainage of Kittitas County. KGH has concurred with the mitigation package and, if water right permit (S4-30584) is approved by OCR, the mitigation package will be incorporated as a condition of that permit. OCR initiated supplemental consultation regarding the modified mitigation proposal on February 6, 2013, with responses to that consultation requested by March 8, 2013.

In addition, to avoid any in-water construction related impacts to the Columbia River resulting from a surface water diversion, KGH is proposing to construct a well field to withdraw groundwater in lieu of a surface water diversion, provided test wells confirm that ground water is in direct continuity with the Columbia River. KGH intends to assign this application and convey its lands to Easterday Farms for agricultural activities. The proceeds from the

transaction remain dedicated to hospital facility improvements.

Proposed Mitigation:

The proposed mitigation package includes two resource protection projects intended to provide long-term habitat protections for fish and wildlife, provide watershed protection and riparian enhancement opportunities, and improve floodplain storage:

- Rock Creek
Rock Creek is located in eastern Klickitat County and is the largest Washington tributary to the Columbia River between the Klickitat River (River Mile 180) and the Walla Walla River (River Mile 315). Rock Creek supports a genetically unique population of steelhead and the surrounding area provides year round habitat for many resident and migratory wildlife species. The Rock Creek drainage is a patchwork of tribal, public, and private ownership. A single land owner holds approximately 13,565 acres in the Rock Creek basin. This acreage includes upland and riparian habitats, as well as several miles of creek frontage along Rock Creek. OCR has committed to fund acquisition of the property by WDFW to provide long-term habitat protection, create habitat enhancement opportunities, and increase the quantity of quality habitat available for fish and wildlife.
- Indian Creek
Indian Creek is a tributary to the North Fork Teanaway River located approximately 8.5 miles North-Northwest of Cle Elum in Kittitas County. The creek provides suitable habitat for resident and anadromous fish species, including listed salmonids. The Washington State Department of Natural Resources has agreed to transfer this property to WDFW for conservation management under a financial agreement with OCR. The portion of the transferred lands that lie within the geomorphic floodplain will be managed to improve storage and late season flow through the basin. Transfer of the property to WDFW would result in long-term habitat protection; create restoration/enhancement opportunities; and support local, state, and federal salmon recovery efforts. DNR lands included in the transfer are located in Section 16, Township 21N., Range 16E.W.M.

Proponent: Kennewick General Hospital
900 South Auburn
Kennewick, WA 99336

Location of proposal, including street address, if any:

The property that would be served under the water right is located approximately eight miles southeast of Kennewick, Washington:

- Sections 11, 12, 13, 14, 24, and 25 all within Township 7N; Range 30E.W.M.; and
- Sections 7, 8, 17, 18, 19, 20, 29, and 30 all within Township 7N; Range 31E.W.M.

The point of water withdrawal would be from new wells all located within the East ½ of Section 20; Township 7N; Range 31E.W.M. The test well for this project is adjacent to NE ¼, SE ¼ border line, all within Section 20; and near the east border line of Section 20.

SEPA Lead Agency: Washington Department of Ecology, Office of Columbia River

Responsible Official: Derek I. Sandison

Position Title: Director, Office of Columbia River, Washington Department of Ecology

Address: 15 W. Yakima Ave., Ste 200
Yakima, WA 98902-3452

Email: dsan461@ecy.wa.gov

Threshold Determination: This lead agency had determined that this proposal, with incorporation of mitigation described above, will not have a probable significant adverse environmental impact. An Environmental Impact Statement (EIS) is not required under RCW 43.21C.030 (2)(c). This decision was made after review of a completed Environmental Checklist and other information on file with the lead agency. This information is available to the public on request.

This MDNS is issued under provisions of WAC 197-11-340 and WAC 197-11-350; the lead agency will not act on this proposal for at least 14 days from February 22, 2013. Comments must be submitted to the Responsible Official at the address provided above by March 8, 2013.

Agencies or entities that received the February 6, 2013, request to consult from OCR may submit a single set of comments to respond to both the consultation and this MDNS.

Date: February 20, 2013