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VIA EMAIL – MISSIONRIDGEEIS@OUTLOOK.COM

Mission Ridge Expansion Master Planned Resort
Draft EIS,
c/o Mike Kaputa, Director
Chelan County Natural Resources Department
411 Washington St., Suite 201,
Wenatchee, WA 98801

Re: Beehive Irrigation District Comment re Mission Ridge Expansion MPR Draft EIS

Dear Mr. Kaputa:

As legal counsel for and on behalf of Beehive Irrigation District (the “District”), I submit the following comments in response to the September 2025 Draft Environmental Impact Statement (“DEIS”) prepared by the developer, Tamarack Saddle, LLC in conjunction with the proposed Mission Ridge Expansion Master Plan Resort (the “Mission Ridge Expansion”). The District appreciates the opportunity to comment on the proposed Mission Ridge Expansion and express its concerns with protecting the quantity and quality of water that flows in Squilchuck Creek.

1. Identity and Interest of Beehive Irrigation District

The District is an irrigation district organized under the RCW Chapter 87.03. The District originally formed to maintain and operate an irrigation water reservoir (the “Beehive Reservoir”) to store irrigation water and to supply supplemental irrigation water to lands within the District under two water rights certificates, S4-CV2P798 and S4-*20110. Prior to 2024, the District’s water rights consisted of irrigation and storage rights of with priority dates of 1929 and 1967 to divert 3.0 cfs and up to 300 acre feet per year (the “Beehive Rights”). The Beehive Reservoir has an active storage capacity at the spillway crest of 260 acre feet. Diversion to fill the Beehive Reservoir is allowed from October 1 through May 1, during the low flow portion of the year when creek flows seldom support the full 3 cfs storage right. Often in winter, the entire combined flow of Lake Creek and Squilchuck Creek is below 2 cfs.¹

¹ The Beehive Reservoir storage right is senior to the New Mission LLC permit for storage right, though the fill periods overlap. By right, the District could divert the entire stream flow up to 3 cfs toward the Beehive Reservoir leaving nothing to be diverted toward the Mission Ridge reservoir(s). However, in practice, the District has coordinated closely with Mission Ridge to ensure that both reservoirs may be filled during the fill period. Some years, the District is able to fill the reservoir early with available stream flow. In low flow years, or when extra cooperation is required with Mission Ridge, the District struggles to fill the reservoir before the fill period ends.

In 2023, Beehive expanded its boundaries to include the majority of the water service areas of the former non-profit corporation, Squilchuck-Miller Water Users (the “Miller Corporation”), and the former corporation, Squilchuck Water Users (the “Flood Corporation”). In 2024, the Miller and Flood Corporations consolidated with the District, dissolved the separate entities, and transferred all assets, water rights, and systems to the District.

Pursuant to the consolidation, the Miller Corporation transferred all interest in its Class 1 1870 Phillip Miller Water Right, adjudicated in 1928, under Decree 7647 (“the Miller Rights”) to the District. The Miller Rights consist of 400.5 shares of .02 cfs per share for seasonal irrigation out of Squilchuck Creek and requires a stream flow in Squilchuck Creek of 8.01 cfs to satisfy all water users during the irrigation season. Similarly, the Flood Corporation transferred all interest in its Class 28 water rights, adjudicated in 1928, under Decree 7647 (“the Flood Rights”) to the District. The Flood Rights consist of 364 shares of .02 cfs per share equating to approximately 7.28 cfs streamflow from Squilchuck Creek. The Flood Rights are only available to water users during spring runoff when the streamflow of Squilchuck Creek exceeds the 8.01 cfs necessary for the Miller Rights. The Flood Rights are cut annually when the Miller Rights are impeded by declining flow in Squilchuck Creek. The duration of the Flood Rights is varied but generally extends to or through July. The Miller and Flood Rights are senior to Mission Ridge Expansion water rights in the Squilchuck Basin.

Squilchuck Creek routinely flows below 8.01 cfs during the later irrigation season. When the streamflow is insufficient to satisfy downstream water rights, which occurs with regular frequency, the District cuts all Miller Rights equally by decreasing diversions to individual water systems. Recent significant cuts include:

Year	Miller Cut
2025	75%
2024	50%
2023	50%
2022	25%
2021	75%
2020	50%
2019	25%
2018	25%
2017	0%
2016	25%
2015	50%

District water users holding shares of the Beehive Rights may divert water from the Beehive Reservoir into the drainage system for use as a supplemental water right to meet irrigation needs. During drought years, the Beehive Reservoir is drained and is scarcely adequate to meet the needs of existing water users. The District provides this background as comment to the DEIS to establish the scarcity of water resources in the Squilchuck Basin and express the District’s grave concerns that the DEIS fails to adequately address the water availability, both legally and physically, for the Mission Ridge Expansion Project and fails to propose concrete mitigation strategies to address the impacts of the project on groundwater and surface water availability.

2. District Comments on the DEIS

General Comments

The District is concerned that the DEIS does not adequately address the environmental impacts of the Mission Ridge Expansion on water availability, quality, and quantity in the Squilchuck Basin. Almost two decades ago, Chelan County initiated watershed planning in the Squilchuck Basin resulting in the May 2007 Watershed Plan for WRIA 40A (Squilchuck/Stemilt) (the “Watershed Plan”). https://www.co.chelan.wa.us/files/natural-resources/documents/Planning/Stemilt_Squil/wria_40a_plan.pdf. The Watershed Plan identified water resource issues and recommendations for future planning that included expanding existing storage capacity and “providing domestic water supply from the regional water supply to support future residential and industrial development.” Id. at 17-18. While the DEIS indicates that the Mission Ridge Expansion intends to expand storage capacities of water under its existing water rights, it fails to address the physical availability of water to do so.

As part of the planning process, the planning unit conducted a WRIA 40A Water Quantity Assessment to comprehensively characterize the water resources in WRIA 40A including the Squilchuck Basin. The Assessment concluded that water is scarce and likely over appropriated based on water availability, including finding that:

- Most of the physically available water entering WRIA 40A is withdrawn or diverted for beneficial uses; and
- Annual water rights are about 50 percent greater than the estimated quantity of physically available water. Water diverted for new storage may potentially impair senior water rights and/or require mitigation of impacts to senior rights.

Id. at 13.

Further, the DEIS indicates that at full build-out of the Mission Ridge Expansion would require an estimate 241 af/yr of year-round domestic potable water based upon an assumed average daily demand:

Table 1. Mission Ridge Expansion Water Demand Estimate

Water Use	No.	Unit	ADD/ ERU (gpd)	Total ADD (gpd)	Annual (ac-ft)	Factor (x ADD)	MDD/ ERU (gpd)	Total MDD (gpd)
Single Family	265	units	250	62,250	74.0	2	500	132,500
Condo/townhome	621	units	200	124,200	138.8	2	400	248,400
Hotel / lodge	57	rooms	100	5,700	6.4	2	200	11,400
Employee housing	80	ea	50	4,000	4.5	2	100	8,000
Daily visitors	1,000	ea	5	5,000	5.6	2	10	10,000
Employees	150	ea	5	750	0.8	2	10	1,500
Irrigation	8	acres		22,318	10.5			22,318
TOTAL				228,218	240.5			434,118
Total ERUs = 913 Qa = 241 Qi = 302 gpm								

See DEIS, Appendix E 2022 Water Resources Memo (“the Sullivan Memo”). This water demand cannot currently be met by the existing water rights attributes in the Mission Ridge water rights portfolio as described in Appendix E. Mission Ridge does not currently hold any year-round water rights for domestic use (rather its limited domestic rights are seasonal domestic rights from October 1 – May 1 for the operation of the Ski Resort).

It is unclear to what extent Mission Ridge is currently putting the water rights in its existing portfolio to beneficial use. Those rights that have not been put to continuous beneficial use are subject to relinquishment to the state. The DEIS does not address this issue at all.

The District is concerned that the water demand indicated by the Mission Ridge Expansion will impair the District’s existing rights by attempting to utilize rights that have been relinquished based on non-use and by extending the season of use, taxing an already limited resource in the summer months. The DEIS fails to adequately address the impacts of the Mission Ridge Expansion’s proposed water rights changes on water availability in the WRIA or the potential impairment of other, senior water users like the District. **The District acknowledges that the use of Chelan PUD water could mitigate these concerns and encourages the County to require the Mission Ridge Expansion to rely solely on Chelan PUD water to meet the demands of the project.** To the extent that the Expansion plans to use Chelan PUD water for the project, the District does not object to the Mission Ridge Expansion project. The District objects to any expansion of groundwater or surface water use in the Squilchuck basin by the Mission Ridge Expansion.

Section 5 Affected Environment, Probable Significant Impacts, and Mitigation Measures

Section 5.2.1 Groundwater Overview

The DEIS acknowledges that that “[t]hrough the summer and late fall, when snowpack is gone and rainfall is scarce, baseflow from groundwater storage sustains streamflow” for Squilchuck and Stemilt creeks. See Draft DEIS at 5-8. Despite that acknowledgment, Mission Ridge proposes to drill new groundwater wells to support the construction and operation of the Mission Ridge Expansion (which would require changes

to their existing surface water rights). The DEIS alludes to potential recharge of groundwater by out-of-basin import of water from Chelan PUD for residential, commercial, and outdoor irrigation purposes but does not address the impact of drilling new wells on the availability of water in the basin or the use of water from groundwater wells during construction or before Chelan PUD water is available.

Subsection 5.2.3.1 Direct Impacts from Construction

The DEIS indicates that construction-related activities like removal of vegetation, exposure and compaction of bare soils, and the installation of impervious sources will have negative impacts on groundwater quantity, increasing surface runoff potential and decreasing aquifer recharge. The DEIS does not adequately address mitigation of these negative impacts other than making unsupported and vague statements that stormwater management practices “would expect[] to minimize[]” downgradient effects.” The use of “would expect” rather than “shall” or “will” indicates this is speculation, not enforceable mitigation.

Further, the DEIS indicates that Mission Ridge intends to source water for construction from existing or new groundwater wells. The DEIS identifies two existing groundwater wells (AGJ-097 and BJB-131) for the Mission Ridge Ski Resort Group A Transient Non-Community water system that supply water to the existing lodge and support facilities. See Draft DEIS, Appendix E. The DEIS does not associate either of those wells with the portfolio of water rights held by the Mission Ridge Expansion group in the Sullivan Memo, nor does it indicate how use of water for construction purposes would not expand the use of those wells already dedicated to the seasonal support of Mission Ridge Ski Resort’s existing facilities. The DEIS also fails to explain how use of existing or newly proposed groundwater wells in close proximity to Lake Creek or Squilchuck Creek would not affect groundwater availability or affect the surface water flows of those creeks (which rely on groundwater recharge for instream flows after the snowpack is melted) and result in impairment to senior water rights owned by the District.

Subsection 5.2.3.3 Direct Impacts from Operation

Section 5.2.3.3 fails to provide concrete mitigation for groundwater availability impacts of operation. The DEIS proposes to transfer existing seasonal surface water rights diversions to new year-round groundwater wells and asserts that “transferring these diversions to groundwater withdrawals located a sufficient distance from nearby springs and streams could effectively attenuate the impact of existing water use on streamflow.” This statement is fundamentally inadequate as mitigation because the DEIS provides no quantitative analysis of what constitutes a “sufficient distance” to protect Squilchuck Creek from groundwater drawdown effects. Further, the use of “could” rather than “shall” or “will” indicates this is speculation, not enforceable mitigation.

Despite acknowledging that “the depth of well completion is noted as an important factor, with shallower withdrawals expected to have a higher degree of hydraulic continuity with nearby springs and streams,” the DEIS provides no analysis of the actual hydraulic connectivity between proposed well locations and Squilchuck Creek other than to acknowledge that Squilchuck Creek relies upon baseflow groundwater sources for streamflow after the snowpack is melted in peak use seasons. Moreover, there are no monitoring requirements, performance standards, or corrective action triggers to ensure that well placement actually protects creek flows.

Section 5.2.3.3 contains multiple analytical deficiencies that prevent meaningful evaluation of groundwater availability impacts. Despite acknowledging that "shallower withdrawals expected to have a higher degree of hydraulic continuity with nearby springs and streams," the DEIS provides no quantitative modeling of how proposed groundwater withdrawals would affect Squilchuck Creek baseflows, spring discharge, or aquatic habitat.

Further, the water demand estimate of 241 acre-feet per year "does not include water demand for the proposed expansion of the snowmaking system," which has historically used between 129 and 206 acre-feet per year and is anticipated to require approximately 150 acre-feet per year for expansion. This omission understates total groundwater stress on the Squilchuck basin. The DEIS fails to analyze cumulative impacts when new groundwater withdrawals are combined with existing Mission Ridge water rights that include "surface water rights with direct diversions from springs and streams near the existing resort."

Section 5.2.3.3 states that "The Applicant would be required to estimate or model the impacts on the closest wells in the same body of groundwater in order for a new well to be approved." This admission reveals that critical impact analysis necessary to support the DEIS's impact determination has not yet been completed. As indicated above, the District has serious and legitimate concerns that its senior water rights will be negatively impaired by the proposed expansion of groundwater diversions in the Squilchuck Creek drainage area, particularly because the proposed wells will increase use during the irrigation season when the District is utilizing the limited water supply in Squilchuck Creek. SEPA requires environmental review *before* project approval, not after. WAC 197-11-055. Deferring fundamental hydrologic analysis to future Ecology permitting prevents meaningful public comment and agency review during the SEPA process.

The DEIS repeatedly relies on assumptions rather than analysis: "it is reasonable to assume that with demonstrated ongoing beneficial use, existing rights of sufficient quantity (up to 90 ac-ft/year) would be authorized by Ecology for change/transfer" and "it is reasonable to expect that the water rights in the Mission Ridge portfolio could pass Ecology's criteria." These assumptions are insufficient to support a finding that impacts are "mitigated below significance." The DEIS cannot simultaneously acknowledge that Ecology approval is uncertain and subject to criteria including demonstration that the change "will not impair any existing water rights" and "is not detrimental to the public interest" and conclude that groundwater impacts are adequately mitigated.

The DEIS contains no mitigation measures that would establish baseline conditions or require pre-construction monitoring of Squilchuck Creek baseflows, spring discharge, or groundwater levels to establish baseline conditions against which operational impacts can be measured. Neither does the DEIS suggest any requirement for continuous monitoring of creek flows, groundwater levels, or aquatic habitat conditions during project operation or provide protection for Squilchuck Creek during critical low-flow periods when baseflow is sustained by groundwater storage.

The statement that "specific mitigation actions will be confirmed during project permitting" is an impermissible deferral that prevents SEPA-level scrutiny of potentially significant impacts.

Section 5.3 Surface Water

Section 5.3.3.1 Direct Impacts from Construction

The DEIS minimizes the potential impacts of construction upon the streamflow and water quantity of Lake Creek and Squilchuck Creeks because “no surface water diversions would be used for construction water supply.” Draft DEIS, pg. 5-27. However, the DEIS fails to specify the source of water for construction water supply other than making vague conclusory statements that “[c]onstruction of the initial phase of the Proposed Project would likely rely on the existing Mission Ridge groundwater wells for construction water.” Id. at 5-12.

The DEIS identifies two existing groundwater wells (AGJ-097 and BJB-131) for the Mission Ridge Ski Resort Group A Transient Non-Community water system that supply water to the existing lodge and support facilities. See Draft DEIS, Appendix E. The DEIS does not indicate how use of water from those (or new wells) for construction purposes would not expand the use of those wells already dedicated to the support of Mission Ridge Ski Resort’s existing facilities. The DEIS also fails to explain how use of existing or newly proposed groundwater wells in close proximity to Lake Creek or Squilchuck Creek would not affect the surface water flows of those creeks and result in impairment to senior water rights owned by the District. See Section 5.2, *supra*.

Section 5.3.3.2 Direct Impacts from Operation

The DEIS claims that snowmaking and wastewater return flows will result in "overall positive impact on water quantity" and that operation would be "water budget neutral or neutral-to-positive," yet provides no quantitative hydrologic modeling, no enforceable mitigation measures to protect Squilchuck Creek surface water availability, and no monitoring or adaptive management requirements. The DEIS concludes there would be "no probable significant adverse construction-related impacts on streamflow/water quantity" with "proper operation-related mitigating conditions," but Section 5.3.3.3 contains no such conditions specifically addressing surface water availability in Squilchuck Creek. The Lead Agency should require quantitative hydrologic modeling of surface water availability impacts on Squilchuck Creek before project approval, establish enforceable performance standards, monitoring requirements, and adaptive management triggers to protect Squilchuck Creek flows during critical low-flow periods, and reclassify surface water impacts as potentially significant pending completion of adequate impact analysis and binding mitigation commitments.

The DEIS asserts that "snowmaking can be used not only to enhance winter recreation opportunities, but also to mitigate low summer streamflow" by "prolonging the spring freshet period by increasing water storage (as snow) and increasing quantities of cold water infiltrating to groundwater," which "can increase baseflow to streams, especially during the period of late summer low streamflow." This claim is fundamentally inadequate as mitigation because the DEIS provides no hydrologic modeling demonstrating that water is available for increased snowmaking operations or that increased snowmaking operations will actually increase late-summer baseflows in Squilchuck Creek.

The DEIS acknowledges that "in Chelan County, average spring snowpack projected to decline 26.9 percent and 33.5 percent by the 2050s under a low and high GHG scenario, respectively, and total runoff in August projected to decline 20.4 percent and 26.1 percent by the 2050s," with "the decrease in spring snowpack and summer streamflows posing challenges in the future for water supply in Chelan County."

Existing snowmaking operation has used between 129 af/y to 206 af/y over the period including 2017/2018 through 2022/2023 ski seasons, and expansion of snowmaking to new ski runs is anticipated to require water supply of approximately 150 af/y. This represents a substantial surface water withdrawal from Squilchuck Creek, yet no analysis demonstrates that the alleged benefits will offset these withdrawals. Further, the DEIS does not address the potential impairment of senior water rights during the storage period and the right of the District to curtail Mission Ridge's junior storage rights (which have not been put to full beneficial use) in years of water scarcity.

The DEIS indicates that "overall, operation of the Proposed Project would be expected to be water budget neutral (i.e., no change in water availability) or neutral-to-positive (i.e., no change or increased water availability), with some seasonal differences." The acknowledgment of "some seasonal differences" is critical but unexplored. Squilchuck Creek's most vulnerable period is late summer/early fall low flows, yet the DEIS provides no analysis of the water budget during this critical period, nor does it address the increased stress upon water availability that will occur from the hypothesized change of a seasonal water right to a year-round water right. Further, the water demand estimate of 241 acre-feet per year "does not include water demand for the proposed expansion of the snowmaking system," which is anticipated to require approximately 150 ac-ft/year. This omission understates total surface water stress on Squilchuck Creek.

The DEIS contains no mitigation measures that would adequately protect surface water availability or flow volumes in Squilchuck Creek. Further the statement that "specific mitigation actions will be confirmed during project permitting," is an impermissible deferral preventing SEPA-level scrutiny of potentially significant impacts to surface water availability.

The water rights change process that will be necessary to meet the water demands of the Project's operation is not appropriate "mitigation" strategy for a SEPA analysis. The statement that use of existing surface water rights "may require water right change/transfer application(s) to be approved by Ecology for use in the Proposed Project (i.e., change in place of use), with any change in the place of use or other water right attributes only to be authorized if the change would not impair existing rights" is insufficient. SEPA requires analysis now; deferring fundamental impact analysis to future water rights permitting prevents meaningful public comment and agency review during the SEPA process. The statement that "no increase in the quantity of water used is allowed through a change application (i.e., no enlargement of the existing right)" does not mean there will be no impact on Squilchuck Creek flows or the availability of water to meet the District's water duties. Changing the location, timing, or purpose of existing withdrawals can significantly affect stream hydrology and water availability.

To adequately mitigate impacts to surface water availability in the Squilchuck Creek basin, the FEIS must include enforceable mitigation measures to protect senior water rights holders like the District in the Squilchuck basin. Such mitigation measures should address seasonal withdrawal restrictions to protect water availability during critical low-flow periods (typically July-October) and drought-year curtailments when senior water rights are restricted (as occurs frequently). Further, mitigation plans should require annual reports to Chelan County and senior rights holders like the District, documenting water use and monitoring data.

The DEIS concludes that "with proper operation-related mitigating conditions, there would not be probable significant adverse construction-related impacts on streamflow/water quantity," yet this conclusion is unsupported by the analysis presented and defers impact analysis to future permitting

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processes. It assumes ideal conditions and operation at full build out but fails to address impacts if the Proposed Project fails to reach full buildout or stalls at construction. Further, the conclusion relies on speculative claims of "positive impacts" from snowmaking and wastewater return flows without quantitative modeling and assuming that 1) water is available for expanded snowmaking and 2) the project reaches full buildout.

Conclusion

Given the above concerns, the District respectfully requests that the Lead Agency require Mission Ridge to adequately address and provide concrete mitigation for the impacts of Mission Ridge Expansion's Proposed Project on groundwater and surface water availability in the WRIA40A and the potential impairment of other, senior water users like the District. Beehive Irrigation District appreciates the opportunity to be heard on this matter.

Very truly yours,

OGDEN MURPHY WALLACE, P.L.L.C.



Erin C. McCool

Cc: Rolfs, Mike
Gutzwiler, Norm
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