December 7, 2020

<u>Via US Mail</u>
Mary Grainey
Oregon Water Resources Department
725 Summer Street NE, Suite A
Salem, Oregon 97301-1271

RE: APPLICATION FOR A PERMIT FOR AN EXISTING HYDROELECTRIC PROJECT

This water right application is submitted on behalf of Eagle Point Irrigation District, an Oregon irrigation district formed under ORS Chapter 545 ("District"). Because this permit application is unusual in that the hydroelectric project is already constructed and operational, this cover letter provides background for the attached application for a major hydroelectric project and exhibits.

The District currently owns and operates the Nichols Gap hydroelectric project ("EPID Project") which diverts water under license HE 507 ("License"). The original License holder, and EPID Project owner, was a private party. The License will expire in 2021. The District, as an Oregon municipal entity, is entitled to municipal preference and to operate the Project under a non-expiring water right permit. Therefore, the District is submitting the enclosed permit application.

The District purchased the EPID Project in 1984. The EPID Project diverts water from the tailrace of the Eagle Point Hydroelectric Project, owned and operated by PacifiCorp ("PacifiCorp Project"). The PacifiCorp Project diverts up to 100 cfs under PC 858.

The EPID Project operates only in the non-irrigation season. During the irrigation season, the tailwater from the Pacific Power Project is diverted to irrigate District lands. The Project is required to bypass 2 cfs under its FERC exemption (FERC Project No. p-8704).

The District does not propose any changes to operations of the EPID Project. The District is requesting to continue to use up to 100 cfs of water, as available from the PacifiCorp Project tailrace, and will continue to bypass 2 cfs. Because the District does not propose any new construction or changes in operation, several of the sections of the Major Hydroelectric Application are not applicable and that information is not included in the attached application.

Thank you for your time in reviewing this application. Please contact me if I may assist with any questions.

Sincerely,

Lolly Anderson Anderson Schultz LLP