STATE OF OREGON COUNTY OF LANE PRELIMINARY PERMIT FOR A HYDROELECTRIC PROJECT

SYMBIOTICS, LLC. P.O. BOX 535 RIGBY, ID 83442

is issued this preliminary permit to develop a project on DORENA RESERVOIR, constructed under Reservoir Permit R-1625, tributary to ROW RIVER, tributary to COAST FORK WILLAMETTE RIVER, for 8.3 Megawatts of hydroelectric capacity.

This preliminary permit is issued under application HE 559. The date of priority is JULY 26, 2004. The amount of water proposed to be diverted is 1800 CUBIC FEET PER SECOND (cfs). The project will divert water through a screened pipeline 108 inches in diameter and 350 feet long.

The powerhouse would contain one Francis turbine designed to operate under maximum head conditions of 85.3 feet with flows up to 850 cfs to produce up to 4.5 MW of power. A second turbine of Kaplan design would operate under lower head conditions up to 65.6 feet with flows up to 950 cfs to produce up to 3.8 MW of power. It is expected that only one turbine would operate at a time. Water would exit the powerhouse and be returned to the river immediately below the existing mixing basin from the outlet of Dorena dam.

The Project is not expected to operate as a peaking facility, but would follow the traditional rule curves used by the Army Corps of Engineers for filling and drawing down the reservoir for ongoing flood protection, irrigation and recreational needs.

The Project also includes a switchyard and approximately 1 mile of 15kV transmission line. It is expected that the transmission line would connect to the PacificCorp distribution system. The project would generate an estimated 17.5 GWh annually.

Appeal Rights

This is a final order in other than contested case. This order is subject to judicial review under ORS 183.484. Any petition for judicial review must be filed within the 60 day time period specified by ORS 183.484(2). Pursuant to ORS 536.075 and OAR 137-004-0080 you may either petition for judicial review or petition the Director for reconsideration of this order. A petition for reconsideration may be granted or denied by the Director, and if no action is taken within 60 days following the date the petition was filed, the petition shall be deemed denied.

This statement of judicial review rights does not create a right to judicial review of this order, if judicial review is otherwise precluded by law.

The point of diversion is proposed to be in - SW ¹/₄ NE ¹/₄, SECTION 32, TOWNSHIP 20 SOUTH, RANGE 2 WEST, W.M.

The proposed place of use is

SW ¼ NE ¼ SECTION 32, TOWNSHIP 20 SOUTH, RANGE 2 WEST, W.M.

RESOURCE STANDARDS

The applicant must yet demonstrate that the proposed project will not impair or be detrimental to the public interest.

Protection of Designated Resource Areas and Special Management Areas (OAR 690-051-0170)

The Project will be located on land owned by the Army Corps of Engineers and will require an agreement with the Corps about construction activities and the integration of operating procedures for the hydroelectric plant to control reservoir levels, flood spills, emergency shutdown and start-up conditions, etc.

The Bureau of Land Management lands located within the Project boundary are part of the Row River Special Recreation Management Area and include the Row River Trail, a former railroad right-of-way that was acquired by the BLM Eugene District for the purpose of a rails-to-trails project.

The applicant must show in a final hydroelectric application that the proposed use will be consistent with the authorized uses of the area.

Mitigation, No Net Loss (OAR 690-051-0180)

The applicant must show in a final hydroelectric application that the proposed use will be consistent with the standards on mitigation and no net loss.

• Water Resources (OAR 690-051-190)

The applicant must show in a final hydroelectric application that the proposed use will be consistent with the standards for water resources.

The water basin plan that applies to the Dorena Lake area, OAR 690-502-0070 states in part:

"The Coast Fork Willamette River Subbasin includes the Coast Fork Willamette River and tributaries above the confluence with the Middle Fork Willamette River south of Springfield:

(1) Surface water classification:

(a) The Coast Fork Willamette River and tributaries below Cottage Grove Dam to the mouth and the Row River below Dorena Dam to the mouth are classified for domestic, livestock, irrigation, municipal, industrial, agricultural, commercial, power, mining, fish life, wildlife, recreation, pollution abatement, wetland enhancement and public instream uses from December 1 through April 30, and only for domestic, commercial use for customarily domestic purposes not to exceed 0.01 cfs, livestock and public instream uses from May 1 through November 30.

(b) The Coast Fork of the Willamette River and tributaries above Cottage Grove Dam and the Row River and tributaries above Dorena Dam are classified for domestic, commercial use for customarily domestic purposes not to exceed 0.01 cfs, livestock and public instream uses."

The applicant must clarify in a final application whether the project is expected to operate during 10 or 12 months during the year. The applicant should consult with the Department to determine the procedure for seeking an exception to the basin plan to allow hydroelectric use from the reservoir.

The water right for Dorena Reservoir is issued in the name of the U.S. Bureau of Reclamation and is for irrigation use. The applicant should coordinate with the U.S. Bureau of Reclamation and U.S. Army Corps of Engineers and request OWRD to modify the water right for hydroelectric water use from the reservoir.

Construction and operation of the proposed project shall comply with water quality standards established in OAR Chapter 340, Division 41. The applicant must comply with all water quality standards adopted by the Environmental Quality Commission pursuant to state and federal law, ORS 468B.048 and Section 303 of the Clean Water Act.

• Fish Resources (OAR 690-051-0200)

The applicant must show in a final hydroelectric application that the proposed use will be consistent with the standards on fish resources.

Project facilities and operations must not have significant adverse impacts on fish populations, must include fish screening to prevent fish from entering the proposed diversion, must not unreasonably interfere with upstream and downstream passage of fish through the project vicinity, and must be designed to mitigate to the greatest extent practicable, adverse impacts upon spawning, rearing or other habitat areas necessary to maintain the levels and existing diversity of fish species.

The proposed project must be consistent with ODFW management plans and programs, and comply with the fish protection, mitigation and enhancement requirements of the Northwest Power and Conservation Council's Columbia River Basin Fish and Wildlife Program.

• Wildlife (OAR 690-051-0210)

The applicant must show in a final hydroelectric application that the proposed use will be consistent with the standards on wildlife resources.

The location, design, construction or operation of the proposed project shall not jeopardize the continued existence of animal species which have been designated, or officially proposed as threatened or endangered.

The location design, construction, or operation of the proposed project will minimize adverse impacts on wildlife habitat, nesting and wintering grounds, and wildlife migratory routes. Unavoidable adverse impacts on wildlife or wildlife habitat will be mitigated in the project vicinity.

The proposed project must be consistent with ODFW management programs, and the Northwest Power and Conservation Council's Columbia River Basin Fish and Wildlife Program.

Plant Life (OAR 690-051-0220)

The applicant must show in a final hydroelectric application that the proposed use will be consistent with the standards on plant resources.

The location, design, construction or operation of the proposed project shall not jeopardize the continued existence of plant species which have been designated, or officially proposed as threatened or endangered.

• Recreation (OAR 690-051-0230)

The applicant must show in a final hydroelectric application that the proposed use will be consistent with the standards on recreation resources.

Project facilities will be designed, located and operated to substantially avoid visible or audible intrusion on the natural setting. The proposed project will not reduce the abundance or variety of recreational facilities or opportunities available in the vicinity.

Historic, Cultural, and Archaeological Resources (OAR 690-051-240)

The applicant must show in a final hydroelectric application that the proposed use will be consistent with the standards on historic, cultural, and archaeological resources.

The project will not result in significant adverse impacts on any historic district, site, building, structure, or object included in or eligible for inclusion in the National Register of Historic Places.

The project will comply with state laws to protect Indian graves (ORS 97.740-97.760), historical materials (ORS 273.705-273.711, and archaeological objects and sites (ORS 358.905-358.955).

Land Resources (OAR 690-051-0250)

The applicant must show in a final hydroelectric application that the proposed use will be consistent with the standards on land resources.

Adverse impacts on prime forest lands, high value or important farmlands or agricultural lands, or wetlands shall be avoided, minimized or offset by acceptable mitigation.

The location, design, construction or operation of the project will not disturb fragile or unstable soils, or cause soil erosion.

Project facilities shall be designed with appropriate safety standards with regards to geological hazards and naturally occurring conditions or hazards, such as flooding or ice formation.

• Land Use (OAR 690-051-260)

The applicant must show in a final hydroelectric application that the proposed use will be consistent with the standards of Acknowledged Comprehensive Plans.

• Economics (OAR 690-051-270)

The applicant must show in a final hydroelectric application that the applicant, along with all coowners, possesses or has reasonable assurance of obtaining the funds necessary to cover estimated construction, maintenance, operating, mitigation and compensation costs.

• Need for Power (OAR 690-051-280)

The project is located at an existing dam and reservoir facility owned and operated by the Army Corps of Engineers for multiple purposes.

Projects which primarily use existing storage, diversion or water conveyance facilities where the operation of the power project will foster reductions in water losses or increases in the efficiency of water use are not subject to the Need for Power rule. (OAR 690-051-280(2)(b)).

Consolidated Review (OAR 690-051-290)

Symbiotics LLC has another proposed projected on the Coast Fork of the Willamette River. It is docket P-12164 for the Cottage Grove Dam. Symbiotics also has another proposed project on the McKenzie River within the Willamette basin that is docket P-12161.

The applicant must show in a final hydroelectric application that the proposed use will be consistent with the standards of avoiding individual and cumulative impacts to natural resources when considered with other existing, approved, or proposed hydroelectric projects in the same river basin.

PRELIMINARY PERMIT CONDITIONS

This Preliminary Permit does <u>NOT</u> convey the right to construct any project facilities for hydroelectric purposes. A preliminary permit will allow the applicant to gather streamflow data; pursue the necessary use permits; assess environmental impacts of the proposed action, develop mitigation measures, complete detail design plans and associated cost estimates, and file draft and/or final water right applications. Issuance of a preliminary permit does not assure approval of any subsequent license application for hydroelectric use.

A final application must show that the resource protection standards contained in ORS 543.017(1) and OAR 690-051-0170 to -0270, and -0290 will be met by the project.

The use of water under this right shall be inferior in right and subsequent in time to any future appropriation of water upstream for beneficial consumptive uses.

If the Applicant fails to file an application for hydroelectric water right within two years, the permit may be subject to termination by the OWRD.

Issuance of the permit does not absolve the Applicant from compliance with the requirements and enforcement of the requirements under other applicable local, state, and federal laws.

WITNESS the signature of the Water Resources Director,

Affixed November , 2005.

Phillip C. Ward, Director