



PUBLIC WORKS DEPARTMENT

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February 13, 2020

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RE: City of Boise Geothermal Heating System; Stipulated Agreement for Water Right Permit 63-34326; City's Yearly Report

In an October 16, 2017 Order, the Idaho Department of Water Resources ("IDWR") accepted the Stipulated Agreement regarding the City of Boise application for Water Right Permit 63-34326 signed by each of the Parties in the above referenced matters ("2017 Agreement"), and in an October 24, 2017 Permit Approval Notice, issued Permit 63-34326. Section II.C.3 of the Agreement provides for the City, each calendar year on or before February 15, to provide a report to IDWR and the other Parties summarizing the actual City production and injection volumes from its geothermal heating system wells for the prior two water years. This letter provides you that report for 2019, as follows:

The City geothermal production and injection for the last two years, as recorded on well meters, were:

Water Year	Production (mmg)	Injection (mmg)
2018	312.5	297.1
2019	263.9*	262.3*

("mmg" = million gallons)

*The production and injection volumes were calculated from the City's meter readings as the IDWR Annual Report has not been received to date.

Section II.C.3 of the 2017 Agreement provide for IDWR each calendar year on or before February 15 to provide a report to the Parties summarizing geothermal monitoring data for the prior water year as described in the Agreement. This is the same or similar report that IDWR has prepared and provided the Parties annually for the past several years. The report had not been received as of February 13, 2020.

Section II.C.4 of the 2017 Agreement provides, as a next step, for the Parties to meet with IDWR each calendar year prior to March 30 to review the City and IDWR reports referenced above, and review whether the City meets the criteria described in Section II.C.5 of the 2017 Agreement for a further increase in the City geothermal well production limit.

In a December 5, 2017 Interlocutory Order, pursuant to the 2017 Agreement, IDWR authorized an increase in the production limit for the City geothermal heating system under Permit 63-34326 in conjunction with Permits 63-9138 (relinquished in 2018) and 63-9139 (replaced in 2018 by License 63-9139) to 325 million gallons per water year (mmg/yr), commencing in Water Year 2018, subject to the condition that the City is not authorized to actually produce at a level of 325 mmg/yr or more until such time as the City has actually produced at a level of at least 310 mmg/yr in a prior single water year. The City did not request a further increase in the system production limit for Water Year 2019, but in calendar year 2019 requested an increase pursuant to the 2017 Agreement to 355 million gallons per water year commencing in Water Year 2020, which IDWR authorized in a May 3, 2019 Interlocutory Order. (In a June 6, 2019 Order, IDWR denied the petition for reconsideration of the May 3, 2019 Order submitted by Edwards Family LLC.) We calculate that per Section II.C.5 of the 2017 Agreement, the City's production limit would increase to 370 mmg/yr commencing in Water Year 2021. If the Water Years 2018 and 2019 production numbers shown above are adjusted for average heating degree days (HDDs), the production numbers yield a two-year adjusted average of 298.3 mmg/year, meeting the threshold in Section II.C.5 for an increase in the production limit to 370 mmg/year under Section II.C.6 of the 2017 Agreement.

Accordingly, the City is requesting that IDWR and the other Parties consider at the upcoming meeting that the production limit be increased to 370 mmg/yr commencing in Water Year 2021. We of course do anticipate discussing the 2019 IDWR report and other items of interest to IDWR and the Parties regarding the City geothermal heating system and the Boise Front geothermal aquifer system. If the

City has any additional information for IDWR and the other Parties to consider, we plan to provide it to you prior to or at the meeting.

If you have any questions, please contact me by phone at (208) 608-7150 or email jgunnerson@cityofboise.org, or our counsel for this matter, Bob Maynard, Perkins Coie LLP at (208)343-3434 or rmaynard@perkinscoie.com.

Sincerely,



Jon Gunnerson, P.E.

Geothermal Coordinator

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