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MAYOR: David H. Bieter | DIRECTOR: Stephan Burgos

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DEPARTMENT OF
WATER RESOURCES

January 30, 2019

Gary Spackman, Director
Idaho Department of Water Resources
322 E Front Street
Boise, ID 83720-0098

Michael McVay, Hydrology Section
Idaho Department of Water Resources
322 E Front Street
Boise, ID 83720

Idaho Department of Water Resources
Shelley Keen
Chief, Water Allocation Bureau
322 E Front Street
Boise, ID 83720-0098

Garrick Baxter
Legal
Idaho Department of Water Resources
322 E Front Street
Boise, ID 83720

Boise Warm Springs Water District
c/o Lyndon Nguyen & Chereese McLain
Moore, Smith, Buxton & Turcke
950 W. Bannock, Ste 520
Boise, ID 83702

The Terteling Co Inc
c/o Charles L. Honsinger
Honsinger Law, PLLC
PO Box 517
Boise, ID 83701

State of Idaho Department of Administration
c/o Julie Weaver
Deputy Attorney General
Office of the Attorney General
Contracts & Administrative Law Div
954 W. Jefferson St.
PO Box 83720
Boise, ID 83720-0010

State of Idaho, Department of Lands
c/o Angela Kaufmann
Deputy Attorney General
Natural Resources Division
Office of the Attorney General
PO Box 83720
Boise, ID 83720-0010

Edwards Family LLC
c/o Dana Hofstetter
Hawley Troxell
877 West Main Street
Suite 1000
Boise, ID 83702

Robert A. Maynard
Perkins Coie LLP
1111 W Jefferson St Ste 500
Boise, ID 83702

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 report provision likewise applies under Condition of Approval 11.b in the City's Water Right License 63-9139, issued May 31, 2018. 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)
2017	292.4	271.4
2018	312.5	297.1

("mmg" = million gallons)

Section II.C.3 of the 2017 Agreement and Condition of Approval 11.b of License 93-9139 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 has not been received as of this letter, but is expected to be received prior to February 15, 2019.

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 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 what is now 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. We calculate that per Sections II.C.5 and II.C.6 of the 2017 Agreement, the City's production limit would increase to 355 mmg/yr for Water Year 2020. If the Water Years 2017 and 2018 production numbers shown above are adjusted for average heating degree days (HDDs), the production numbers yield a two-year adjusted average of 304.4 mmg/year, meeting the threshold in Section II.C.5 for an increase in the production limit to 355 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 355 mmg/yr for Water Year 2020. We of course do anticipate discussing the 2019 IDWR report, the upcoming expiration date and further extension of the moratorium, and other items of interest to IDWR and the Parties regarding the City License and Permit 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 608-7150 or email jgunnerson@cityofboise.org, or our counsel for this matter, Bob Maynard, Perkins Coie LLP at 343-3434 or rmaynard@perkinscoie.com.

Sincerely,



Jon Gunnerson, P.E.
Geothermal Coordinator

cc: Boise Warm Springs Water District, 2440 Old Penitentiary Road, Boise, ID 83712
Edwards Greenhouse, Gamette Edwards, 4106 W Sand Creek St, Boise, ID 83703
Idaho Dept of Administration, Div Public Works, Ric Johnston, Fac Svcs Mgr, PO Box 83720, Boise, ID 83720
The Teretling Co Inc, 4988 Peaceful Cove, Boise, ID 83714
Jim Parly - City of Boise, City Engineer
Steve Burgos, City of Boise, Public Works Director
John Roldan, City of Boise, Strategic Water Resources Manager
Abigail Germaine, City of Boise, Attorney
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Distribution List

ROBERT A MAYNARD
PERKINS COIE LLP
1111 W JEFFERSON ST STE 500
PO BOX 737
BOISE ID 83701-0737

BOISE WARM SPRINGS WATER DISTRICT
C/O LYNDON NGUYEN AND CHERESE MCLAIN
MOORE SMITH BUXTON & TURCKE
950 W BANNOCK STE 520
BOISE ID 83702

EDWARDS FAMILY LLC
C/O DANA L HOFSTETTER
HAWLEY TROXELL ENNIS & HAWLEY LLP
PO BOX 1617
BOISE ID 83701-1617

STATE OF IDAHO, DEPT OF ADMINISTRATION
C/O JULIE WEAVER
OFFICE OF THE ATTORNEY GENERAL
PO BOX 83720
BOISE ID 83720-0010

STATE OF IDAHO, DEPT OF LANDS
C/O ANGELA SCHAER KAUFMANN
OFFICE OF THE ATTORNEY GENERAL
PO BOX 83720
BOISE ID 83720-0010

THE TERTELING COMPANY INC
C/O CHARLES L HONSINGER
HONSINGER LAW PLLC
PO BOX 517
BOISE ID 83701-0517

Western Region

Garrick Baxter