

November 13, 2017

Robert A. Maynard
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Mr. Jeff Peppersack
Chief, Water Allocation Bureau
Idaho Department of Water Resources
322 East Front Street
PO Box 83720
Boise, Idaho 83720-0098
jeff.peppersack@idwr.idaho.gov

RECEIVED**NOV 14 2017****DEPARTMENT OF
WATER RESOURCES**

Re: City of Boise Geothermal Water Permit No. 63-34326; Request for Increase in Production Limit in Combination with Water Permits Nos. 63-9138 and 63-9139 to 325 Million Gallons per Water Year Effective Water Year 2018

Dear Mr. Peppersack:

This letter is a follow-up to the September 29, 2017 meeting among representatives of the City of Boise ("City"), Idaho Department of Water Resources ("IDWR"), and each of the protestants and the commenter concerning the City application for Permit No. 63-34326 ("Permit"), now that: 1) IDWR has accepted the Stipulated Agreement among the City, protestants and commenter regarding the Permit in its October 16, 2017 Order Accepting Settlement; 2) IDWR has issued the final version of the Permit, dated October 24, 2017; and 3) the IDWR Preliminary Order approving the Permit, dated October 24, 2017, has become final, it being our understanding that no petitions for reconsideration, exceptions, or briefs having been filed regarding the Order or Permit within the 14 day period described in the October 24, 2017 Order.

As discussed at the September 29, 2017 meeting, and pursuant to Sections II.C.4 to II.C.7 of the Stipulated Agreement, this letter requests on behalf of the City, that IDWR issue its written determination that a further increase in the City's Geothermal Heating System ("System") production limit meets the criteria in Section II.C.5 and authorize an increase in the Combined Production Limit under the Permit and City Permits 63-9138 and 63-9139 to 325 million gallons per water year (mmg/yr), effective commencing with Water Year ("WY") 2018, in accordance with the chart in Section II.C.6 and subject to the other terms and conditions in the Stipulated Agreement. These terms and conditions include the provision in Section II.C.6 that the City shall not be authorized to actually produce at a level of 325 mmg/yr or more once the Combined Production Limit is increased to 325 mmg/yr or more, until such time as the System has actually produced at a level of at least 310 mmg/yr in a prior single water year.

As discussed at the September 29, 2017 meeting, this request is supported by the following:

1. The parties to the Stipulated Agreement and IDWR met on September 29, 2017 in accordance with Section II.C.4 of the Stipulated Agreement and reviewed whether the City meets the criteria in Section II.C.5 for an increase in the System Combined Production Limit commencing for WY 2018.

2. The average annual System production for the two water years prior to WY 2017 equals 270.01 mmg/yr, and thus exceeds 270 mmg/yr, adjusted to an average heating degree day using the equation set out in Section II.C.5.a of the Stipulated Agreement, meeting the criteria in Section II.C.5.a. for an increase in the Combined Production Limit. See the attached September 28, 2017 letter from Jon Gunnerson for the calculation using this equation.

3. The January 25, 2017 IDWR report "Review of Boise Front Low Temperature Geothermal Monitoring Data for Water Year 2016" and other available information discussed at the March 17, 2017 meeting among the parties and IDWR and the September 29, 2017 meeting, solidly support an IDWR determination under Section II.C.5.b that increasing the City System production to 325 mmg/yr will not: 1) deplete or otherwise adversely affect the Aquifer; 2) increase pumping lift or decrease pressure to existing prior user wells; or 3) reduce temperature to existing users causing systems operating at reasonable efficiency to no longer operate.

4. The increase in the Combined Production Limit commencing in WY 2018 specified in the chart in Section II.C.6 if the criteria in Section II.C.5.b are met is 325 mmg/yr.

5. Thus, the requirements have been met for IDWR to issue its written determination under Section II.C.7 to authorize an increase in the Combined Production Limit to 325 mmg/yr, subject to and particularly given the protective terms and conditions in the Stipulated Agreement and Permit 63-34326, including: 1) the provision in Section II.C.6 of the Stipulated Agreement that the System actually produce at a level of at least 310 mmg/yr in a prior single Water Year before the City is authorized to actually produce at a level of 325 mmg/yr under an increased production limit; 2) the ability of IDWR to require a decrease in City System production or other measures in the event that adverse effects develop; and 3) the City's ability to implement a substantial decrease in production in a timely manner if needed with Boise State University as an interruptible customer and other buildings, as set out in Exhibit D of the Stipulated Agreement.

We request that IDWR issue its written determination in response to this request by December 15, 2017, after allowing fourteen (14) days for any comments by the other parties to the Stipulated Agreement to be delivered to IDWR and to the other parties, and an additional seven (7) days for a party to respond to any comments filed within the initial fourteen (14) day period.

Mr. Jeff Peppersack
November 13, 2017
Page 3

If IDWR or any of the other parties would like to meet further regarding this request, please let me know at your earliest convenience, and we would be happy to schedule a meeting.

If you have any questions, please do not hesitate to contact me.

Very truly yours,



Robert A. Maynard

RAM/rgm

Attachment

cc (with attachment):

Garrick Baxter, Idaho Department of Water Resources
Angela Schaer Kaufman, State of Idaho Attorney General's Office, Department of Lands
Julie Weaver, State of Idaho Attorney General's Office, Department of Administration
Boise Warm Springs Water District, c/o Lyndon Nguyen, Moore, Smith, Buxton & Turcke
Edwards Family LLC, c/o Dana L. Hofstetter, Hawley Troxell Ennis & Hawley
The Terteling Company, Inc., c/o Charles L. Honsinger, Honsinger Law PLLC
Jon Gunnerson, City of Boise, Public Works Department
Abigail Germaine, City of Boise, Office of the City Attorney



PUBLIC WORKS DEPARTMENT

MAYOR: David H. Bieter | DIRECTOR: Stephan Burgos

September 28, 2017

Robert Maynard
Perkins Coie
1111 W. Jefferson Street, Suite 500
Boise, ID 83702

RE: Average City System Geothermal Production Volume for Water Years 2015 and 2016

Mr. Maynard –

Based on Heating Degree Day (HDD) adjustments, the average value for WY15 and WY16 is 270.01 million gallons (MG).

Adjusting the production volumes for the average HDD (Average HDD = 5297) we get the following:

- FY15, Actual HDD = 4568
The actual production of 245,578,850 increases to **284,770,396 gallons**
- FY16, Actual HDD = 4734
The actual production of 228,123,430 increases to **255,253,445 gallons**

The AVERAGE ADJUSTED value for WY15 and WY16 is 270,011,921 gallons.

Please let me know if you have any questions,

Thank You,

Jon Gunnerson, P.E.
Geothermal Coordinator
Boise City Public Works
208-608-7150
jgunnerson@cityofboise.org