



PUBLIC WORKS DEPARTMENT

MAYOR: David H. Bieter | DIRECTOR: Stephan Burgos

January 30, 2018

RECEIVED

FEB 02 2018

DEPARTMENT OF
WATER RESOURCES

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

Ken Neely, Hydrology Section
Idaho Department of Water Resources
322 E Front Street
Boise, ID 83720

Idaho Department of Water Resources
Chief, Water Allocation Bureau
c/o Jeff Peppersack
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 & Cherese 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 and IDWR Petition Proceeding Second Stipulated Agreement for Water Right Permits 63-9138, 63-9139; 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. Section II.4 of the Second Stipulated Agreement for Water Right Permits 63-9138 and 63-9139 referenced above, as amended ("2011 Agreement") contains a similar provision. This letter provides you that report for 2018, 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)
2016	228.1	201.7
2017	292.4	271.4

("mmg" = million gallons)

Section II.C.3 of the 2017 Agreement and Section II.4 of the 2011 Agreement also 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 Agreements. This is the same or similar report that IDWR has prepared and provided the Parties annually for the past several years. The report was received on January 11, 2018.

Section II.C.4 of the 2017 Agreement provides, as a next step, for the Parties to meet with IDWR each calendar year beginning in 2018 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. The 2011 Agreement remains in effect pending at least IDWR action with respect to the City's November 30, 2017 proof of beneficial use and license request submittal regarding Permit 63-9139, and, from the City's perspective, another meeting among the 2011 Agreement Parties with IDWR, which under the 2011 Agreement has occurred annually prior to March 30. We note that per Erik Boe's January 25, 2018 email to the Parties, IDWR representatives have now provided a draft license for Water Right 63-9139 and indicated willingness to meet with the Parties for discussion prior to issuance of the license. We plan to contact you to set a meeting date and time for purposes of both the 2011 and 2017 Agreements soon, in order to get it scheduled to occur prior to March 30th.

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 Permits 63-9138 and 63-9139 to 325 million gallons per water year (mmg/yr), commencing in the current 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 Section II.C.5 of the 2017 Agreement, the City's production limit would not change, and remain at 325 mmg/yr for Water Year 2019. If the Water Years 2016 and 2017 production numbers shown above are adjusted for average heating degree days (HDDs), the production numbers yield a two-year adjusted average of 268.6 mmg/year, a bit short of the 270 mmg/yr threshold in Section II.C.5 for an increase in the production limit to 340 mmg/year under Section II.C.6 of the 2017 Agreement.

Accordingly, the City does not anticipate requesting that IDWR and the other Parties consider at the upcoming meeting that the production limit be increased beyond 325 mmg/yr for Water Year 2019. We of course do anticipate discussing the January 11, 2018 IDWR report, the Water Right 63-9139 draft license, and other items of interest to IDWR and the Parties regarding the City Permits 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, Garnette 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 Terteling Co Inc, 4988 Peaceful Cove, Boise, ID 83714
Jim Pardy – City of Boise, City Engineer
Steve Burgos, City of Boise, Public Works Director
John Roland, City of Boise, Strategic Water Resources Manager
Abigail Germaine, City of Boise, Attorney
SF GEO 100

I:\PWA\Subjects\Geothermal\IDWR\IDWR Petition\2018 Pumping Increase Notification.doc