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DEPARTMENT OF
WATER RESOURCES

February 9, 2017

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RE: City of Boise Geothermal Heating System; IDWR Petition Proceeding
Second Stipulated Agreement; City's Yearly Report

In a January 18, 2011 Order, the Idaho Department of Water Resources ("IDWR") accepted the "Second Stipulated Agreement for Settlement In Part of Petition and Stay of Further Proceedings" signed by each of the Parties in the above referenced matter ("Agreement"). Section II.4 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 this year, as follows:

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

Water Year	Production (mmg)	Injection (mmg)
2015	245.1	231.4
2016	228.0	201.7

("mmg" = million gallons)

Section II.4 of the Agreement also provides 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 was received on January 27, 2017.

Section II.5 of the 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.6 of the Agreement for an increase in the City geothermal well production limit above 230 mmg/year. We plan to contact you to set a meeting date and time this month, as to get it scheduled prior to March 30th.

We calculate that per the formula and chart in Section II.7 of the Agreement, the City's production limit would remain at 300 mmg/year. However, the heating seasons in Water Years 2015 and 2016 were substantially warmer than average. If the past two years were adjusted for average heating degree days (HDDs), the production numbers would yield a two-year average of 284.8 mmg/year and warrant an increase in the production limit to 310 mmg/year under the Section II.7 formula and chart. Also, based on the present heating season thus far, the City is projected to pump approximately 298 mmg for water year Water Year 2017. Needed actual production could easily exceed 300 mmg/year in Water Year 2017 or Water Year 2018 with continued cold weather. An increase to 310 mmg/year would assist in assuring no disruptions in geothermal service for any connected buildings, and our review of the IDWR annual report indicates no adverse effects to the geothermal aquifer levels or temperature from that increase under the Agreement.

Accordingly, the City requests that IDWR and the other Parties consider at the upcoming meeting a production limit increase to 310 mmg/year. 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,

2/9/17

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
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