



State of Idaho

DEPARTMENT OF WATER RESOURCES

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C.L. "BUTCH" OTTER
Governor

GARY SPACKMAN
Director

May 13, 2015

PAUL A TURCKE
MOORE SMITH BUXTON & TURCKE
950 W BANNOCK STREET SUITE 520
BOISE ID 83702

Re: Katsilometes – Permit(s) 29-7869

Dear Mr. Turcke,

Thank you for the information and discussion you provided in your letter date February 6, 2015. Our water right staff was able to conduct a heating requirement analysis for the hot pool that was developed prior to January 14, 1992 (the end of the authorized development period for permit 29-7869). The analysis indicated that the full volume that could be diverted at a rate of 0.20 cfs would have been required to keep the hot pool at the desired temperature of 103° F.

As a result of this analysis, I have updated the proposed Application for Amendment (amendment) of permit 29-7869 for licensing purposes to show an annual diversion rate of 144.8 acre-feet per year, instead of the previously proposed volume of 65 acre-feet per year.

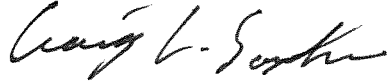
I appreciate Mr. Katsilometes willingness to consider, clarification of the point of diversion and/or place of use in the license as that is one of the issues preventing issuance of a license. With that said, I do understand from your last correspondence that Mr. Katsilometes opposes, "*...any suggestion that the diversion rate should be reduced beyond the permitted, justified, and minimal rate of 0.5 cfs.*" The available evidence still indicates that the development that occurred prior to January 14, 1992, consisted of one hot pool and a maximum diversion rate of 0.20 cfs. However, it is my hope that the adjustment of the maximum diversion volume will encourage reconsideration of the proposed amendment as it will help demonstrate the Department's objective to fairly and accurately describe the elements of the developed water use with the information available.

Perhaps it would be beneficial to reiterate that the development that occurred after 1992 can most likely be recognized under permit 29-13672.

As stated in your February 6, 2015, letter, I too see an expeditious and appropriate outcome. Please review the propose amendment. If it is acceptable, sign and return the amendment with the required fee of \$100 by **June 12, 2015**. If the Department does not receive the amendment w/fees by June 12, 2015, the Department may prepare an order voiding the permit.

If you feel it would be beneficial to have a meeting where IDWR can explain in more detail why it can only recognize development that occurred during the authorized development period, and the evidence that was used to make our recommendation, please contact me by June 12, 2015, so we can set a meeting.

Respectfully submitted,

A handwritten signature in black ink, appearing to read "Craig L. Saxton". The signature is fluid and cursive, with the first name "Craig" being the most prominent.

Craig L. Saxton
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Cc: GEORGE W KATSILOMETES
PO BOX 670
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