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DEPARTMENT OF
WATER RESOURCES

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February 26, 2013

Idaho Department of Water Resources
Craig Saxton
Cherie Palmer
322 East Front Street
PO Box 83720
Boise, ID 83720-0098

Dear Mr. Saxton and Ms. Palmer,

We are in receipt of a letter from you to George W. Katsilometes and an application for amendment prepared for him by the Department. However, we believe there has been a misunderstanding in regards to Mr. Katsilometes' system and the intent of his original application. This letter will attempt to clarify that misunderstanding.

Mr. Katsilometes' request for an additional 0.5 cfs for commercial use for his business was a supplement or additional application to the 0.5 cfs permit granted in 1989 Permit No. 29-07869. Because of concerns that this use of water might injure his neighbors, the services of Thomas E. Lachmar, Ph.D., P.G. (hydrologist and professor-Utah St. Univ.) were contracted in 2005, and he determined that pumping from this third well (temperature 140 degrees F) did not affect springs or wells of Mr. Katsilometes' neighbors. Also, the study found that pumping from the third well did not affect the static water level or temperature (113 degrees F and 90 degrees F respectively) of Mr. Katsilometes' other two permitted wells within 60 feet. IDWR issued Permit No. 29-13672 for 0.5 cfs, and Mr. Katsilometes has been using 5 hp pumps and motors in each of the 3 wells to supply 5 pools, bottle water for sale, and to partially heat 2 buildings since that time. Approximately 240 gpm are pumped from these 3 wells, and have been since 2001 using the three 5 hp pumps and motors (~80gpm/well).

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Mr. Katsilometes applied for the increased beneficial use because he has plans for additional heating in existing buildings, 9 new cabins and supplying 11 dormant (empty) pools to expand his business. This expansion has been delayed as Mr. Katsilometes has attempted to comply with IDWR's insistence on pump tests, the installation of a totalizing measuring device with data logging capacities (which has been done-see attached data from the flow meter), a keeping of daily records of such, and weekly recording of water surface elevations and water temperature (which are attached and have been previously supplied to the IDWR). This flow meter is installed on the third well. Therefore, the temperature of this and the other wells is known to IDWR.

The MEMO attached to the mailing dated 02/13/2013 (File 29-7869), refers to the third well drilled in 2001 as being a REPLACEMENT of an existing well, which is not accurate. The permission to drill the 3rd well was because of the decrease in temperature and discharge volumes of Mr. Katsilometes' original wells. Mr. Katsilometes maintains that decrease is caused by the digging (drilling), mining of water, drying up of natural springs and diversion of water from the State Foundation well No. 2 across the river from his wells. Therefore, the attempt to limit the sources for existing permit No. 29-07869 down to one well is not acceptable. The MEMO statement in regards to the first two wells drawing from the same ground water source fails to mention that the temperature of water from the two wells is different, (first 113 degrees F and second 90 degrees F) and that these two wells and the water from them is critical for temperature control in Mr. Katsilometes' pools and for the total volume of water delivered from each, which makes them both crucial to the success of his business.

In the second paragraph of the MEMO under Point of Diversion, the examiner states that "The Department must ensure that no other water right holders are injured due to adding the additional well". The work of Dr. Lachmar (previously submitted to IDWR) makes this statement unnecessary as the additional well cannot affect other current water right holders when delivering the water needed under these permits. The MEMO refers to the authorized development and the completion of one hot pool. Mr. Katsilometes has built a total of 16 pools of various sizes and shapes during the period of 1989 to 1997 and currently uses 5 of these therapy pools as an adjunct to his business, which two IDWR examiners have seen (see also Item 57 within the Attorney General's final order 29-8162). They have also seen the heating systems used to partially supply heat to two of his buildings. Mr. Katsilometes plans to continue to excavate and construct diverting works until he can supply water to the additions mentioned above. These additions justify the beneficial use of 1.0 cfs of the available low temperature geothermal waters arising from all 3 wells.

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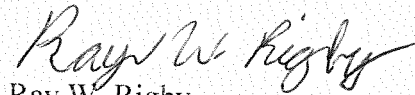
Mr. Katsilometes disputes the "Diversion Rate Findings and Conclusions" in the attached memo. He did not lower the intake and has never lowered the intake in any of the wells.

The enclosed APPLICATION FOR AMENDMENT No. 29-07869 is unacceptable as it decreases the Diversion Rate from 0.5 cfs under existing Permit No. 29-07869 to 0.18 cfs and would harm Mr. Katsilometes' business by decreasing the beneficial use of the waters rising on his properties, and thereby preventing the use of the waters for heating of buildings, adequate supply for the pools and water bottling. This decrease in cfs would also have devastating affects on his business.

Mr. Katsilometes will be satisfied with the continuance of two 0.5 cfs permits: No. 29-07869 and No. 29-13672 which will allow a total of 1.0 cfs for commercial use in his hotel business. Any decrease in the total diversion amount will not be acceptable.

Please contact us should you have any questions or comments.

Best Regards,



Ray W. Rigby
Jerry R. Rigby
Robert H. Wood

RHW/md
Enclosures

rw/KatsilometesG1.LTR