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Public Works

January 31, 2012

Jeff Peppersack, Administrator
State of Idaho
Department of Water Resources
322 E Front Street
Boise, ID 83720-0098

Boise Warm Springs Water District
c/o Bruce Smith
Moore, Smith, Buxton & Turcke
950 W. Bannock, Ste 520
Boise, ID 83702

Edwards Family LLC
c/o Dana Hofstetter
608 W. Franklin Street
Boise, ID 83702

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

RECEIVED

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DEPARTMENT OF
WATER RESOURCES

63-9138
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State of Idaho Department of Water
Resources
c/o Administrator Water Resources
322 E Front Street
Boise, ID 83720-0098

The Terteling Co Inc
c/o Charles L. Honsinger
Ringert Clark Chartered
PO Box 2773
Boise, ID 83701-2773

State of Idaho, Department of Lands
c/o Harriet A. Hensley
Deputy Attorney General
Natural Resources Division
Office of the Attorney General
PO Box 83720
Boise, ID 83720-0010

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 calendar year 2012, as follows:

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

Water Year	Production (mmg)	Injection (mmg)
2010	200.91	192.86
2011	218.32	197.83

The average production for water years 2010 and 2011 is 210 mmg.
("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, and we look forward to receiving it from IDWR.

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 after IDWR issues their monitoring summary report.

Since the City average production for the past two water years is 210 mmg, we calculate that the City production limit that the Parties will review with IDWR under the Section II.6 criteria is 250 mmg/year (210 mmg plus 40 mmg), under Section II.7 of the Agreement. If the City has additional information for the IDWR and other Parties to consider for IDWR to determine whether a production limit increase to 250 mmg/year meets the criteria in Section II.6.b. of the Agreement, we plan to provide it to you prior to or at the meeting, in accordance with Section II.6.b.

If you have any questions, please contact me by phone at 384-3900 or email jtensen@cityofboise.org.

Sincerely,



John D. Tensen, P.E.
City Engineer

JDT/cvs

- c: Boise Warm Springs Water District, Jack Johnson, 2440 Old Penitentiary Road, Boise, ID 83712
Edwards Greenhouse, Garnette Edwards, 4106 W Sand Creek St, Boise, ID 83703
State of Idaho Dept of Admin, Div of Public Wks, Tim Mason, Administrator, PO Box 83720, Boise, ID 83720
The Terteling Co Inc, 4988 Peaceful Cove, Boise, ID 83714
State of Idaho, Dept of Lands, Eric Wilson, Idaho Attorney General's Office, PO Box 83720, Boise, ID 83720
Perkins Coie LLP, Robert A. Maynard, 1111 W Jefferson St, Ste 500, Boise, ID 83702
SF Geothermal Aquifer Issues