

SEP 01 2004

WATER RESOURCES  
WESTERN REGION

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August 31, 2004

Lori Graves  
Department of Water Resources  
Western Regional Offices  
2735 Airport Way  
Boise, Idaho 83705-5082

Re: Application for Transfer filed by The Terteling Company, Inc.

Dear Lori:

In response to your August 13, 2004 letter requesting information related to the above referenced application to transfer water rights, I set forth your requests, together with the responsive information as follows:

1. Have the conditions of approved transfer no. 68558, involving the same water rights proposed for this transfer, been completed within the authorized time period.

Response: Yes.

2. What effects will this proposal have on the agreement reached for the approval of transfer no. 68558.

Response: The agreement reached for approval of transfer no. 68558 provides several contingencies:

A. Reactivation of Water District 63-S - this contingency has been accomplished, and the proposed transfer will have no effect on the continued viability of the District.

B. Measurement and Reporting Requirements - The Terteling Company Inc. has complied with the monitoring and reporting requirements imposed by the settlement agreement in all respects and will continue to do so in the future with respect to all wells, both existing and proposed, which divert geothermal water within Water District 63-S.

C. Volume - The Terteling Company, Inc. is entitled to divert a maximum volume of 400 acre-feet each year from the geothermal aquifer under the settlement agreement. No change in the maximum volume is proposed or expected.

D. Diversion Rate - The Terteling Company, Inc. will be entitled to divert water at the rate decreed in the SRBA for its water rights. No change in the diversion rate is proposed

or expected.

E. Protection of Silkey v. Tiegs water rights - The Terteling Company, Inc. intends to continue to take all reasonable actions to protect its senior priorities and the geothermal resource, and to continue to cooperate with the Edwards Family, LLC in that regard. Such actions shall include, as specified by the Settlement Agreement, an attempt to establish the Stewart Gulch Geothermal Aquifer as a separate source in the SRBA.

F. The Tiegs Right - this proposed transfer will not authorize diversion under the Tiegs right.

G. Heating Purposes - this proposed transfer will not change the requirement that The Terteling Company, Inc. must use water diverted under water right nos. 63-00012 and 63-00013 primarily for heating purposes.

H. Closure of Wells - If the Terteling Company, Inc., ceases use (including monitoring) of any well in the Stewart Gulch Geothermal Aquifer for a period of five consecutive years, it will still be required to close such well.

I. Aquifer Pressure - The Terteling Company, Inc., pursuant to IDWR's August 9, 2002 Amended Preliminary Order and Order Denying Petition for Reconsideration, shall continue to reserve the right to challenge in the SRBA the issue of whether or not the artesian pressure in Stewart Gulch constitutes a reasonable pumping level that is in the public interest pursuant to I.C. § 42-226.

3. Will the proposed well be drilled for hot water.

Response: Yes

4. Please submit a diagram showing how the multi-well system will be connected.

Response: Attached.

5. Please submit a plan showing how each well and the whole system can be easily monitored and controlled by the watermaster:

Response: While most of the Terteling Ranch is located within the Water District 63-S, all of the Ranch lies within the Boise Front Low-Temperature Geothermal Groundwater Management Area. As such, and in compliance with these administrations, a formal prescribed monitoring plan already exists for TTCI's water rights as they are currently configured. A copy of that monitoring

plan is attached as Appendix A (an original copy of the monitoring plan with color photographs is on file with the Water District 63-S watermaster). Additionally, The Terteling Company expects that IDWR will place a condition on the transfer that all new points of diversion must be equipped with flow and water level monitoring equipment and that the each well head be equipped with lockable control works - a condition that can be easily implemented.

Changes to the existing monitoring plan will be necessary if the proposed transfer is approved. Specifically, the transfer seeks to add five (5) existing wells and one (1) new proposed well as points of diversion for water rights Nos. 63-12, 63-13, and 63-15. The Terteling Company intends to expand its monitoring coverage to include the proposed new points of diversion. ✕

Six of the ten wells proposed as points of diversion are already covered by the attached monitoring plan and by existing controlling works with totalizing flow-meters. Monitoring, reporting, and control works for the remaining four wells are discussed below:

1) Greenhouse Well (proposed new well).

- a. This new well will be equipped with a new totalizing flow-meter.
- b. The new pump installation will include a water level monitoring tube.
- c. A lockable control valve will be part of the well head plumbing.

2) Tom's Hot Well (existing domestic geothermal well).

- a. This well will be equipped with a new in-line totalizing flow-meter.
- b. The flow-meter will be located in the existing Windsock Well pump house to facilitate easy access and measurement by the District 63-S water master who already visits the Windsock pump house monthly; therefore no additional driving or effort will be required.
- c. The flow-meter will be installed downstream of a pipe tee where Tom's domestic geothermal well and the Peaceful Cove Nursery domestic well piping join together at the Windsock Well pump house.
- d. The installed flow-meter will monitor, both, the Peaceful Cove Nursery Well and Tom's Hot Well.

3) Peaceful Cove Nursery Well (existing domestic geothermal well).

- a. This well will be equipped with a new in-line totalizing flow-meter.
- b. The flow-meter will be located in the existing Windsock Well pump house to facilitate easy access and measurement by the District 63-S water master who already visits this well monthly.
- c. The flow-meter will be installed downstream of a pipe tee where the pipes from Tom's Hot Well and the Peaceful Cove Nursery Well, to the Windsock Well pump house, join together.

- d. The installed flow-meter will monitor flow rate and water volume pumped for, both, the Peaceful Cove Nursery Well and Tom's Hot Well.
- 4) Terteling Springs Well (existing geothermal well).
  - a. The Terteling Springs Well will be equipped with a totalizing flow meter at the well head for any and all diversions under water right Nos. 63-12, 63-13, and 63-15.
  - b. The Terteling Springs well is already equipped with a monitoring tube for measuring piezometric head in the aquifer.
  - c. A lockable control valve will be installed in the pipeline (to be constructed) leaving the Terteling Springs well.

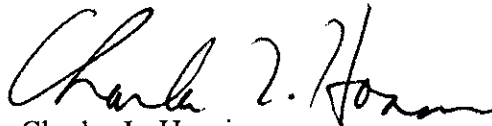
Depending on whether or not proposed transfer is approved, the existing monitoring and reporting plan will be updated and revised to include the new points of diversion. Any diversion of low-temperature geothermal waters from the new points of diversion in excess of these wells' current water rights, will be subtracted from the 400 acre-foot annual diversion volume of the transferred water rights. \*

- 6. Please discuss the consequences of incorporating water from the Motorcycle Club Hot Well into Water District 63-S:

Response: Motorcycle Club Hot Well is not within Water District 63-S. It is proposed to be used as a backup well only. Any water diverted from Motorcycle Club Hot Well will be counted against the 400 acre-foot volumetric limit to which The Terteling Company Inc.'s geothermal water rights are currently subject. Monitoring and reporting of Motorcycle Club Hot Well diversions will continue pursuant to the monitoring plan attached hereto.

I hope that this correspondence fully addresses your concerns and questions. Should you have any further questions, or a need for additional information, please contact me. Otherwise, my client and I look forward to the continued processing of this transfer application.

Sincerely,



Charles L. Honsinger

enclosures

cc: Tom Terteling  
Ed Squires