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DEPARTMENT OF
WATER RESOURCES

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July 28, 2017

Shelley Keen
IDWR State Office
P.O. Box 83720
Boise, ID 83720-0098

Re: Grouse Creek Cabins, Inc. and Paradise Homeowners Association, Inc.
Water Right No. 63-10560

Dear Shelley:

As you recall, I represent Grouse Creek Cabins, Inc. ("GCC"). GCC retained me to advise them regarding an ongoing dispute between it and the neighboring Paradise Homeowners Association ("PHOA") over geothermal heating use of Water Right License No. 63-10560. Review of the water right backfile discloses a variety of activity and correspondence regarding the dispute which, in essence, relates to PHOA's refusal to deliver geothermal water to GCC for heating purposes. The parties have their reasons for their various contentions, and I will not repeat them here.

There has been more correspondence and subsequent meetings between the parties that is not reflected in the backfile, which brings me to the purpose of this letter. You may recall that earlier this year I inquired of you whether IDWR might be willing to hold a joint meeting between GCC and PHOA; an informal mediation session of sorts during which IDWR would be willing to present its view of the situation and offer potential solutions that may exist.

GCC understands that any IDWR meeting to this point would be informal and informational only (*i.e.*, if GCC sought a more formal decision it would have to do so under more traditional contested case proceedings such as a petition for administration or other analog). However, it is my understanding that based on a fairly recent meeting between the parties that both sides would appreciate IDWR's input to better guide their decision-making going forward in hopes of reaching an amicable resolution where money is better spend on system improvements rather than arguing over what the parties likely agree is a water distribution system (cold and hot water alike) that has its shortcomings, including a patchwork of water rights that are likely deficient in terms of quantity and configuration relative to on-the-ground operations both now and in the future.

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Assuming IDWR is willing to play host to such a meeting, the parties would like to schedule it in the latter half of August or the first half of September. At the risk of being presumptuous, I think I recall your tentative willingness to have such a meeting in hopes of avoiding more formal contested proceedings in the future. I think the parties are best served by exploring this more informal opportunity first.

Please advise if you and the Department are willing and able to meet, Shelley. If you are, GCC will coordinate with the PHOA from there.

Thank you for your attention to this request. I look forward to your response. In the meantime, if you have any questions, please feel free to contact me at 208-629-7447.

Very truly yours,



Andrew J. Waldera

AJW/dll

cc: Client