

May 11, 2007

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MAY 15 2007

Department of Water Resources
Eastern Region

State of Idaho
Department of Water Resources,
Eastern Region
Idaho Falls, Idaho 83402

Reference: Notice of Protest, Receipt No. EO32680
Subject: Wells 10 and 11 for the City of Ammon

Gentlemen:

On March 13, 2007, I filed a Notice of Protest concerning a well the City of Ammon wants to drill a short distance from my property.

On May 10, 2007, at the request of Mr. Bruce Rose, on behalf of the City of Ammon, my wife and I met with Mr. Rose and Mr. Lee Bean, to discuss the Notice of Protest. A Water Service Agreement prepared by the City of Ammon was presented to us for our review, discussion, and signature. Following a brief summary of the Agreement by the City's representatives and some questions from us, it was clear that we could not agree to the City of Ammon's Water Service Agreement for the following reasons:

1. We have a 1905 water right for our well for domestic and stockwater use. By signing the Agreement, that water right would be transferred to the City of Ammon. We must maintain control of our water right.
2. Our property does not abut either 21st South or 52nd East. Access is by a roadway easement. No easement exists through which the City of Ammon could run a water supply line.

Therefore, the Notice of Protest, filed on March 13, 2007, remains in effect and will not be withdrawn.

Sincerely,



W. Harvey Olson
1965 South 52nd East
Idaho Falls, Idaho 83401

Enclosure: Water Service Agreement from the City of Ammon

cc: B. Ard, Mayor, City of Ammon

WATER SERVICE AGREEMENT

THIS WATER SERVICE AGREEMENT ("Agreement") is made this ____ day of May 2007 by and between THE CITY OF AMMON ("City"), an Idaho City, and WILLIAM HARVEY OLSEN and GLENNYS LYNN OLSON as Trustees of THE OLSON FAMILY TRUST, W. HARVEY OLSON AND G. LYNN OLSON, Trustor and/or Trustees ("Trust"):

Recitals

Whereas the Trust owns a residence located at 1965 S. 52nd E., Idaho Falls, Idaho 83406 and more fully described in Exhibit "A" attached hereto; and

WHEREAS the Trust has a personal well located at the above referenced address, which provides water only for culinary and household purposes for the residence located at such address; and

WHEREAS the Trust wishes to maintain a continuous flow of water for culinary and household purposes to the residence referenced at or above levels sufficient for the safety, welfare and maintenance of such residence; and

WHEREAS City has passed a Water Bond for certain improvements to its water supply system including two new wells ("Well 10") ("Well 11"); and

WHEREAS Well 11 is located in proximity to the Trust's well; and

WHEREAS it is uncertain as to the effect that Well 11 will have on the ground water level at the site of the Trust's well; and

WHEREAS W. Harvey Olson has filed a protest with the Idaho Department of Water Resources against the transfer of water rights to Wells 10 and 11; and

WHEREAS the parties wish to enter into an agreement where the Trust can maintain a continuous flow of water to the residence for culinary and household purposes and the City can continue unfettered to construct Wells 10 and 11,

NOW THEREFORE, based on the Recitals (which are hereby incorporated into and made part of the Agreement by this reference), and for other good and valuable consideration, the receipt of which are hereby acknowledged, the parties enter into the Agreement below.

AGREEMENT

1. After such time as the City has constructed Well 11 and at such time as the Trust is unable to pump water from their existing well in sufficient quantity for the safety, welfare and maintenance of the residence located on the property, which such inability to pump is as a result of an insufficient ground water level and not from any mechanical problems or defect in the existing well, the City agrees to the following:
 - a. City shall only verify that there are no mechanical problems or defects in the existing well preventing a sufficient water supply to be pumped. It shall also verify the amount of water being pumped. It shall not verify or asked to be verified ground water levels.
 - b. At City's expense, a new service line from the City's water system will be run to the Trust's property and will be connected to the now

existing service line running to the residence from their well. Such new service line will be equal to the size of the service line currently running from well to the residence, but in no case will such new service line exceed 1 inch. City will not be responsible for any improvements within the residence, which may need to be modified to accommodate being connected to the City's water system.

- c. City will waive any connection fees associated with connecting to the City's water system.
- d. The Trust will pay to the City its monthly service fee for water service.
- e. The Trust waives any claim, which He/She/They may have against the City for loss of water, water rights, or other claims in any way related to water or water supply.
- f. Upon hook up to the City, the Trust shall assign all water rights associated with the Trust's property to the City.

Based upon the foregoing agreement, the Trust agrees to immediately and unequivocally withdraw the protest filed with the Idaho Department of Water Resources and agree not to file additional protests against Well 10 or Well 11, and waives all rights related thereto.

This Agreement shall be effective immediately upon execution by both parties and is binding upon the parties hereto and any successors, assigns, or purchasers of said property.

IN WITNESS WHEREOF, the parties have executed this agreement as of the dates below written.

CITY OF AMMON

By Bruce Ard, Mayor

WILLIAM HARVEY OLSON

GLENNYS LYNN OLSON

By William Harvey Olson, Trustee

W. HARVEY OLSON

By Glennys Lynn Olson, Trustee

G. LYNN OLSON

By W. Harvey Olson, Trustee

G. Lynn Olson, Trustee

STATE OF IDAHO)
 :SS.
County of BONNEVILLE)

On this _____ day of _____, before me, the undersigned Notary Public in and for said County and State, personally appeared, Bruce Ard, known or identified to me to be the Mayor of the City of Ammon and subscribed to the within and foregoing instrument, and acknowledged to me that he executed the same on behalf of and with the authority of his office as Mayor.

SUBSCRIBED AND SWORN TO before me this _____ day of _____.

NOTARY PUBLIC
Residing at:
My commission expires:

STATE OF IDAHO)
 :SS.
County of BONNEVILLE)

On this _____ day of _____, before me, the undersigned Notary Public in and for said County and State, personally appeared, William Harvey Olson, known or identified to me to be a Trustee of The Olson Family Trust and the person whose name is subscribed to the within and foregoing instrument, and acknowledged to me that she executed the same.

SUBSCRIBED AND SWORN TO before me this _____ day of _____.

NOTARY PUBLIC
Residing at:
My commission expires:

STATE OF IDAHO)
 :SS.
County of BONNEVILLE)

On this _____ day of _____, before me, the undersigned Notary Public in and for said County and State, personally appeared, Glennys Lynn Olson, known or identified to me to be a Trustee of The Olson Family Trust and the person whose name is subscribed to the within and foregoing instrument, and acknowledged to me that she executed the same.

SUBSCRIBED AND SWORN TO before me this _____ day of _____.

NOTARY PUBLIC
Residing at:
My commission expires:

STATE OF IDAHO)
 :SS.
County of BONNEVILLE)

On this _____ day of _____, before me, the undersigned Notary Public in and for said County and State, personally appeared, W. Harvey Olson, known or identified to me to be a Trustee of The Olson Family Trust and the person whose name is subscribed to the within and foregoing instrument, and acknowledged to me that she executed the same.

SUBSCRIBED AND SWORN TO before me this _____ day of _____.

NOTARY PUBLIC
Residing at:
My commission expires:

STATE OF IDAHO)
 :SS.
County of BONNEVILLE)

On this _____ day of _____, before me, the undersigned Notary Public in and for said County and State, personally appeared, G. Lynn Olson, known or identified to me to be a Trustee of The Olson Family Trust and the person whose name is subscribed to the within and foregoing instrument, and acknowledged to me that she executed the same.

SUBSCRIBED AND SWORN TO before me this _____ day of _____.

NOTARY PUBLIC
Residing at:
My commission expires: