



ECHO

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Emigration Improvement District
ATTN: EID Trustees Michael Scott Hughes,
David Bradford, Mark Stevens,

Via Hand Delivery

May 5, 2016

Reference: Immediate Termination of the Upper Freeze Creek Well (“UFC Well”)

Dear EID Trustees Hughes, Stevens and Bradford,

As you are aware, in September 2014 legal action under the Federal False Claims Act was commenced in Federal District Court against Emigration Improvement District (“**EID**” aka “**ECID**”), its current trustees and “independent contractors” including the President of the Emigration Oaks Property Owners’ Association R. Steve Creamer.

Sometime in 2014, EID commenced operation of the UFC Well despite the following facts:

- In the **1966 Master’s Thesis** presented to the University of Utah Geology Department, former EID hydrologist Jack Barnett warned against the construction of a large-diameter commercial well in Emigration Canyon;
- Under the express terms of the federally-backed 2005 Bond Agreement under the Safe Drinking Water Act, EID completed a **Environmental Assessment Report (“EAR”)** which provided for the construction of a culinary water-production well circa 2 miles from the site chosen for the UFC Well;
- The **Finding of No Significant Impact (“FONSI”)** issued by the Utah Division of Drinking Water did not allow for the construction of the UFC Well at its current location;
- Under the express terms of the aforementioned bond agreement, EID adopted a **Water Conservation and Management Plan** obligating EID to limit development to 700 residential units in order to maintain adequate stream flow for the Bonneville Cutthroat Trout -- a federally protected species;
- Despite the aforementioned, in the August 20, 2015 EID Trustee Meeting, the current EID hydrologist Don Barnett voiced no objection to the **construction of 5,000** new homes in Emigration Canyon;

- Independent review by expert hydrologist **Dr. David E. Hansen** revealed that Emigration Canyon's water availability is currently maxed-out at 677 residential units due to the fact that the Canyon's streams have not maintained adequate flow in 8 of the past 15 years (see "Hansen Report" available at <http://echo-utah.org>);
- Seven (7) Emigration Canyon Home Owners possessing superior water rights to EID's water share #57-7796 have reported substantial reduction in the capacity of their private wells since EID began drawing millions of gallons from the UFC Well in 2014 (see "Riley Report" available at <http://echo-utah.org>); and
- In April 2016, ECHO learned that EID had issued Emigration Oaks property owner Botts a Water Letter for the construction of a new home in violation of the *lis pendens* filed against EID's only available water share (#57-7796).

As EID trustees and managers have repeatedly violated the express terms of the EAR, the FONSI and EID's own Water Conservation and Management Plan, ECHO hereby demands the immediate termination of operation of the UFC Well by **May 19, 2016**.

Should EID fail to permanently encase the well opening with fine-grained sand and dismantle all production equipment prior to this date, ECHO will file amendment to the current action pending in federal district court to assess a monetary fine between **\$5,500.00 to \$11,000.00 compounded daily** under the False Claims Act as a per-diem penalty.

This correspondence provides you legal notice of the substantial fines and penalties under the Federal False Claims Act should you continue operation of the UFC Well after the aforementioned date.

Kind Regards,

Mark C. Tracy
President
- Emigration Canyon Home Owners Association