

Kastner Engineering LLC
4617 Goodnight Avenue
Pueblo, CO. 81005
(719) 242-7227
Kastner99@gmail.com

December 29, 2020

Mr. Ben Wade, Project Manager
Colorado Water Conservation Board
1313 Sherman Street, Room 718
Denver, CO 80203

Re: WSRA Grant Contract CMS No 105397, CORE No. 2018-992 – POGG1,PDAA,202000002444 -
Beaver Park Water Inc. – Upper Canal Lining Removal and Replacement – **Final Project Report**
March 1, 2020 – December 29, 2020.

Dear Mr. Wade,

The purpose of this letter report is to provide you with the final project report for the Beaver Park Water Inc. (Beaver Park) Upper Canal Lining Project. This report constitutes the final report for the project as all planned work has been completed on the Beaver Park's Upper Canal Lining Project.

Phase III Construction

The beginning of Phase III work on relining and repair of Beaver Park's Upper Canal began February 13, 2020 after Phase II funding was exhausted and continued briefly until February 24, 2020 when construction work was temporarily ended at that time. Construction work was temporarily ended at this time due to the need for Beaver Park to commence irrigation storage and diversion activities for the 2020 irrigation season. There was no new construction following February 2020 until October 2020.

Beaver Park, through its contractor (Avalanche Excavating Inc.) restarted Phase III funded work on its Upper Canal in October 2020. This work consisted of relining an additional 711 feet of the Upper Canal. This work was conducted in the same manner as all previous work in replacing damaged trapezoidal shaped concrete sections of the canal. Beaver Park additionally lined an additional 550 feet of the Upper Canal through what is locally known as the "Grand Canyon"

section of the canal. This section of the canal was an incised section with noted seepage losses. The lining of this previously unlined section consisted of the installation of 550 feet of 78 inch diameter concrete pipe. This different manner of canal lining was approved by Craig Godbout of CWCB in April 2020. This pipeline section construction work additionally included construction of entrance and exit sections and backfilling of the pipeline. Both the additional 711 feet of canal lining and the 550 feet of new pipeline were completed in November 2020. Total canal lining completed in October and November 2020 was therefore 1,261 feet.

This October-November 2020 construction work completed all sections of the canal which required replacement of damaged existing canal lining or in the case of the Grand Canyon section, installation of new concrete pipe sections. The total length of canal lining work for the entire project ended up being 4,437 feet. This distance is 98% of the originally scoped work estimate and consists of all of the currently known Upper Canal sections which were in need of lining replacement.

Beaver Park Work Summary Table				
Period	Grant Phase (funds)	Canal Length Repaired (feet)	Cummulative (feet)	Percent of Original Estimate Completed
2017-2018 (winter)	I	776	776	17%
2018-2019 (winter)	I	780	1,556	34%
2018-2019 (winter)	II	1,306	2,862	63%
2019-2020 (winter)	II-III	314	3,176	70%
2020-2020 (fall)	III	1,261	4,437	98%
Initially Scoped Work: 4,526 feet of canal lining and \$565,750 (\$125/foot).				

Phase III Funding

Following the exhaustion of Phase II funds on February 12, 2020, construction work continued until February 24, 2020 under Phase III funds. As of February 24th, construction activities were ceased for the season in order to allow Beaver Park to begin using their Upper Canal again to convey storage waters to Brush Hollow Reservoir for the upcoming irrigation season. A total of \$155,000 in project funds were available under Phase III. Phase III funding invoiced to Beaver Park during the February 13-24, 2020 period was \$10,791.73. This resulted in \$144,208.27 remaining after the 2019-2020 winter season work.

<u>Beaver Park Original Funding Summary Table</u>				
Funding Source	Phase I 2017-2018	Phase II 2018-2020	Phase III 2020-2020	Total
Local	\$ 37,500	\$ 40,000	\$ 45,000	\$ 122,500
Basin	\$ 40,250	\$ 8,000	\$ 10,000	\$ 58,250
State	\$ 77,750	\$ 80,000	\$ 100,000	\$ 257,750
Total	\$ 155,500	\$ 128,000	\$ 155,000	\$ 438,500

In the spring of 2020, Beaver Park surveyed the remaining areas of its Upper Canal that yet needed lining replacement. This review work confirmed that only approximately 700 feet of the canal remained which was still in need of the standard lining replacement work. The remaining \$144,208.27 of project funds were going to be more than sufficient to replace this remaining 700 feet of canal lining. In April 2020 Beaver Park requested and received permission from CWCB to utilize any remaining project funds to allow for the installation of the 550 feet of pipeline in the Grand Canyon section of the canal. Although it was understood that this pipeline work would exceed budgeted project costs, Beaver Park was willing to self-fund these anticipated extra project costs due to this pipeline construction work as this section of the canal was a long sought construction improvement project, Beaver Park was able to obtain a very low purchase price for the necessary length of pipe, the existing contractor was willing to perform this additional work and this contractor would already be mobilized in the general location.

Costs associated with the pipeline component of the project totaled \$135,971.43. These costs resulted in the overall Phase III costs of the project being \$229,269.95 which total was \$74,269.95 over the original \$155,000 budget amount. This over-budget amount was anticipated once the pipeline work was approved and this over budgeted amount of \$74,269.95 was fully funded by Beaver Park as Phase III invoicing to CWCB was limited to the original \$110,000 amount. This accounting is summarized in the following table.

Beaver Park Upper Canal Phase III WSRF Accounting						
Invoice Date	Work Description	Invoice Amount	WSRF Invoice Portion ¹	Local Invoice Portion	WSRF Balance	Local Balance
					\$110,000.00	\$ 45,000.00
2/24/2020	Remove/Replace Liner	\$ 8,657.65	\$ 6,144.14	\$ 2,513.51	\$103,855.86	\$ 42,486.49
3/2/2020	Haul away/dispose	\$ 2,138.97	\$ 1,517.98	\$ 620.99	\$102,337.88	\$ 41,865.50
4/16/2020	Concrete pipe purchase	\$ 8,114.95	\$ 5,759.00	\$ 2,355.95	\$ 96,578.88	\$ 39,509.54
6/3-8/2020	Transport pipe	\$ 7,003.18	\$ 4,970.00	\$ 2,033.18	\$ 91,608.88	\$ 37,476.36
6/3-8/2020	Crane unload pipe	\$ 3,542.86	\$ 2,514.29	\$ 1,028.57	\$ 89,094.59	\$ 36,447.79
10/20/2020	Pipe gasket purchase	\$ 2,258.17	\$ 1,602.57	\$ 655.60	\$ 87,492.02	\$ 35,792.19
11/16/2020	Remove/Replace Liner	\$ 82,501.89	\$ 58,549.73	\$ 23,952.16	\$ 28,942.29	\$ 11,840.03
11/16/2020	Lay 550 feet of pipe	\$ 115,052.27	\$ 28,942.29	\$ 86,109.98	\$ 0.00	\$ (74,269.95)
	Totals	\$ 229,269.95	\$ 110,000.00	\$ 119,269.95	-	-
1. WSRF invoicing factor = \$110,000/\$155,000 = 71%.						

Conclusions

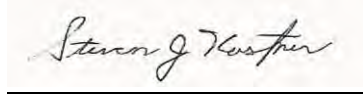
All planned work under this project and WSRF grant has now been completed. No further work is planned. In summary, Beaver Park was able to line or reline 4,437 feet of its Upper Canal under this project. This canal length was within 2% of the distance originally estimated for the project and consisted of all needed lining repairs on the canal. As part of this project Beaver Park was able to specifically place 550 feet of the canal in pipe. This now piped section was a long sought project of Beaver Park's as it was a noted seepage loss area and an area difficult to maintain.

Total funds spent on the total project were \$512,770. This amount is less than the \$583,250 originally estimated for the total cost of the project in 2017. The \$512,770 spent also equates to \$115 per linear foot of repair which is also less than the originally estimated \$125 per linear foot.

Project work was conducted principally during the winter periods to minimize negative effects on irrigation season operations. Project work was conducted generally on schedule through the project period and no significant construction issues arose. From the original WSRF grant application, this construction work was calculated to result in 1,100 acre-feet of water savings annually. This water savings amount is approximately 10% of Beaver Park's average annual diversion total and will result in a significantly greater system efficiency and improved irrigation water supply to the Beaver Park shareholders.

Please advise as to any questions or comments,

Sincerely,

A handwritten signature in black ink on a light-colored rectangular background. The signature is cursive and appears to read "Steven J. Kastner".

Steven J. Kastner P.E.
Engineer for Beaver Park Water Inc.

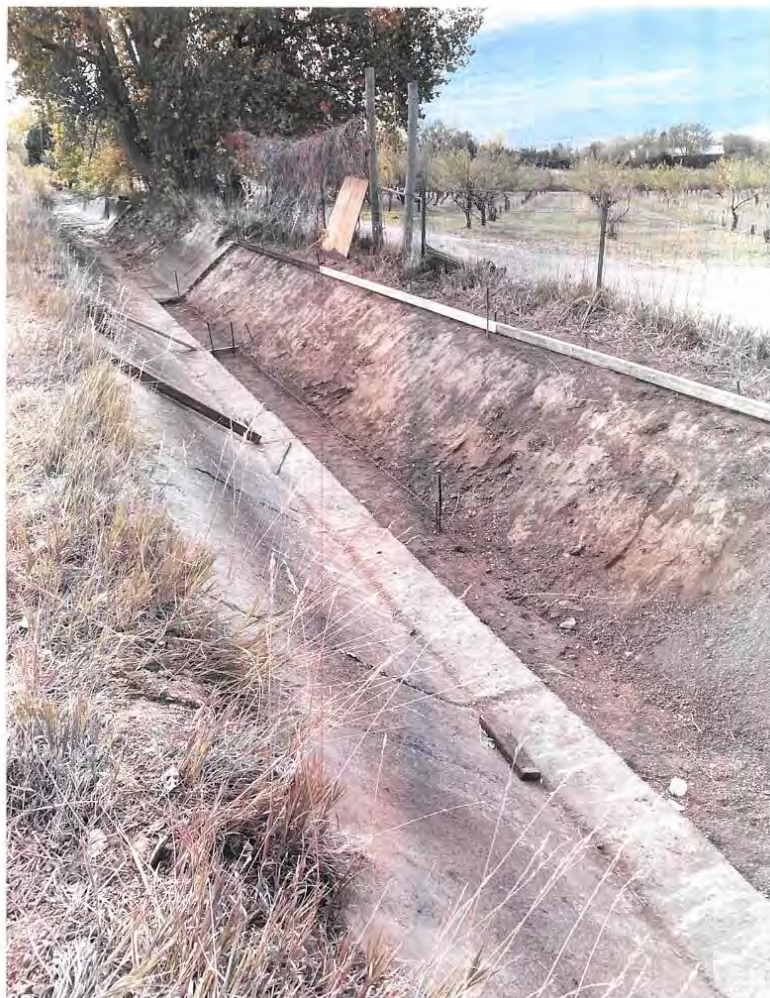
Attachments:

Phase III construction photographs
Phase III construction location map
Construction contract with Avalanche Excavating for canal relining
Construction contract with Avalanche Excavating for pipeline installation

Construction Photography from October – November 2020.



< Typical Pre-existing Upper Canal Liner Condition east of K Street.



< Damaged canal section removed. Waiting for wire mesh and new concrete.

Construction Photography from October – November 2020.



Damaged canal section removed. With wire mesh in place and formed, waiting for new concrete.



< Newly placed canal section lining.

Construction Photography from October – November 2020.



< “Grand Canyon” pipeline section being installed following excavation.



< “Grand Canyon” pipeline section being installed. Joints gasketed inside and grouted externally.

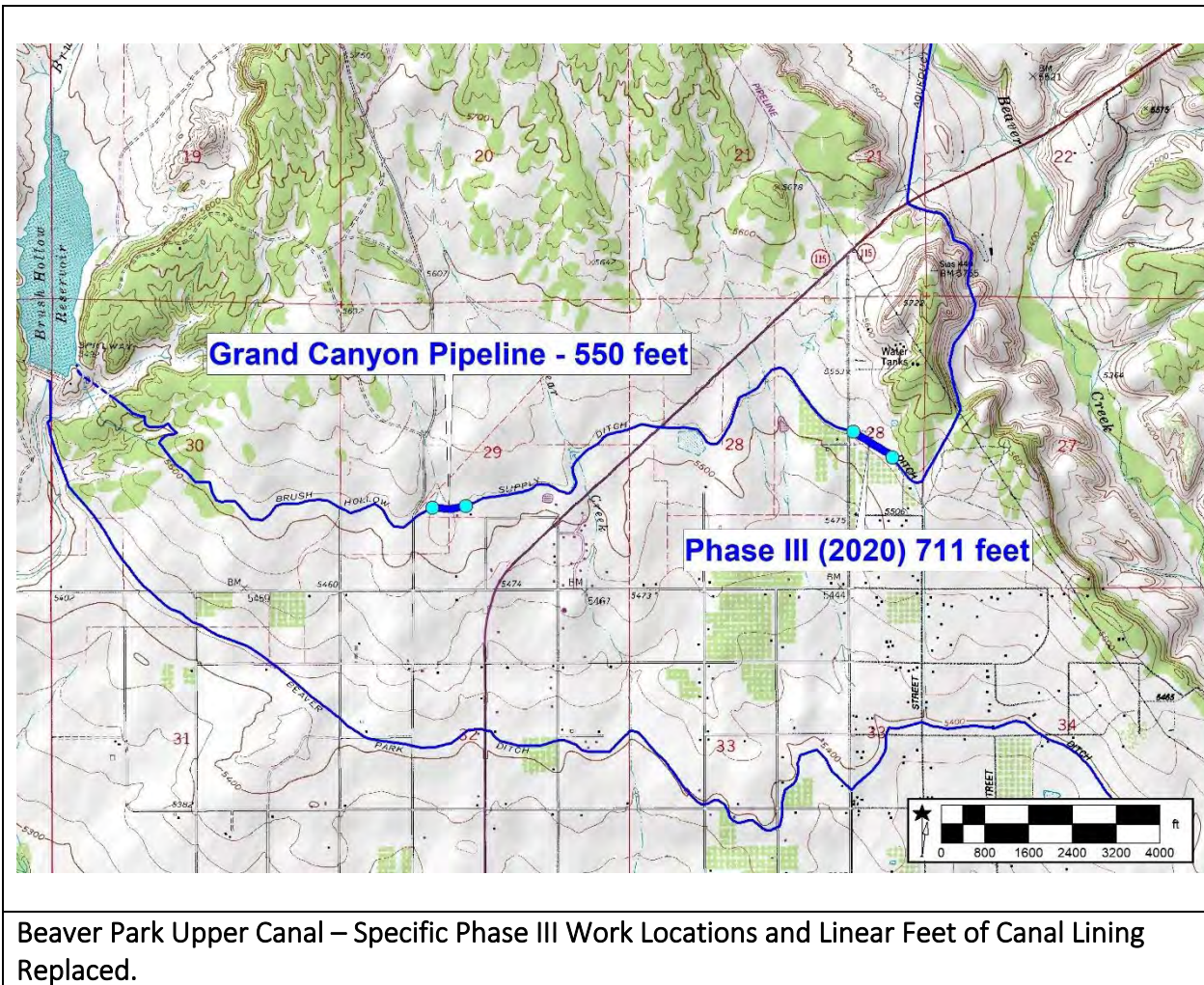
Construction Photography from October – November 2020.



< “Grand Canyon” pipeline entrance being formed.



< “Grand Canyon” pipeline exit.



Construction Contract with Avalanche Excavating for Upper Canal Relining

CONSTRUCTION CONTRACT

THIS CONSTRUCTION AGREEMENT, herein referred to the "Agreement," and being executed on September 14, 2020 by Beaver Park Water, Inc. and between ***Avalanche Excavating Inc.***, located at 1135 Red Canyon Rd. Canon City CO 81212 in the County of Fremont and whose contact number is 719-275-5304 and ***Beaver Park Water, Inc.*** located at 209 Broadway Penrose CO 81240 in the County of Fremont and whose contact number is 719-372-3664.

THEREFORE, in consideration of the mutual promises set forth below, Beaver Park Water, Inc. and Avalanche Excavating, Inc. Shall agree to the terms and conditions herein contained in this Contract and enumerated as follows:

Detailed Description of Work to Be Performed

Avalanche Excavating Inc. agrees to perform in a good and workmanlike manner, all work detailed in the Specifications Sheet which is annexed hereto as Exhibit A-1, which is incorporated herein by reference. Any modifications or alterations from the herein contained terms and conditions annexed must be done in writing.

Detailed Scope of Work

Avalanche Excavating Inc. shall provide all services, materials and labor for the removal and replacement of cement lining for approximately 700 linear ft of Beaver Park Water Inc.'s Upper Canal from K Street east toward L Street. Map of area known as worksite is attached as exhibit A-1.

Detailed Description of Materials to be Used

All materials to be used in the performance of the work herein described in the Specifications Sheet as defined in exhibit B.

In the event that the Contractor is a corporation, then a certificate that the individual executing this contract is duly authorized to sign must accompany this contract.

Price

Avalanche Excavating Inc. agrees to complete all work herein described in Specifications Sheet and Beaver Park Water, Inc. Shall pay the Contractor for the performance of this contract for the sum of \$116.00/linear Ft. (sides of canal are independently measured, as some areas will not need both sides replaced) of removed/replaced concrete liner in accordance with the terms of this contract.

Payment

Beaver Park Water, Inc. agrees to pay Avalanche Excavating Inc. payment in full within 30 days after completion of project.

Checks shall be made payable and sent to:

Avalanche Excavating Inc.
1135 Red Canyon Rd
Canon City, CO 81212

Commencement and Completion of Work

The Contractor will begin work on, or about 10/1/2020. Barring any delay caused by circumstances beyond the Contractor's control, the work shall be completed by 10/31/2020 hereby acknowledges and agrees that the scheduling dates are firm and that any delay attributable to the presence of hidden conditions or requiring additional work discovered during the course of construction, or delays due to weather conditions impacting ability to work that are not avoidable by the contractor, shall not be considered as violations of this Agreement.

Delays that extend beyond completion date

It is understood that work must be completed by 10/31/20, any delay not related to circumstances beyond the Contractors' control will postpone payment. Beaver Park Water, Inc. must receive in writing, notification within 24 hours of the commencement of any such delay.

Any materials to be supplied by **Beaver Park Water, Inc.** shall be delivered to the worksite not less than forty-eight (48) hours before the date upon which they will be required by the Contractor in order to continue the work described. Failure of Beaver Park Water, Inc. to supply such materials in a timely manner shall also not be considered to be the responsibility of the Contractor.

Insurance

The Contractor agrees to procure and maintain in full force and effect during the term of this Contract, at its own cost, the following coverage:

- Worker's Compensation Insurance as required by the Labor Code of the State of Colorado and Employer's Liability Insurance.
- Commercial General Liability Insurance with minimum combined single limits of ONE MILLION DOLLARS (\$1,000,000) each occurrence and ONE MILLION DOLLARS (\$1,000,000) general aggregate. The policy shall be applicable to all premises and operations. The policy shall include coverage for bodily injury, broad form property damage (including completed operations), personal injury (including coverage for contractual and employee acts), blanket contractual, independent contractors, products, and completed operations. The policy shall include coverage for explosion, collapse, and underground hazards.
- Automobile Liability Insurance with minimum combined single limits for bodily injury and property damage of not less than ONE MILLION (\$1,000,000) for any one occurrence, with respect to each of Contractor's owned, hired or non-owned vehicles assigned to or used in performance of the services or work under this Contract.

- Contractor shall procure and maintain, and shall cause any Subcontractor of the Contractor to procure and maintain, the minimum insurance coverage listed herein. Such coverage shall be procured and maintained with forms and insurers acceptable to the Company/Client. All coverage shall be continuously maintained to cover all liability, claims, demands, and other obligations assumed by the Contractor pursuant. In the case of any claims-made policy, the necessary retroactive dates and extended reporting periods shall be procured to maintain such continuous coverage.
- A Certificate of Insurance shall be completed by the Contractor's Insurance Agent(s) as evidence that policies providing the required coverage, condition, and minimum limits are in full force and effect and shall be subject to review and approval by the Company/Client prior to commencement of any services under this Contract. The Certificate shall identify this Contract and shall provide that the coverage afforded under the policies shall not be cancelled, terminated or materially changed until at least thirty (30) days prior written notice has been given to the Company/Client. The Certificate shall name Company/Client, its officers, and its employees as additional insured with respect to the General Liability Insurance. The completed Certificate of Insurance shall be sent to:

Beaver Park Water, Inc.
209 Broadway
Penrose, CO 81240

- Failure on the part of the Contractor or Subcontractor to procure or maintain policies providing the required coverage, conditions, and minimum limits shall constitute a material Breach of Contract upon which the Company/Client may immediately terminate this Contract, or at its discretion, the Company/Client may procure or renew any such policy or any extended reporting period thereto and may pay any and all premiums in connection therewith, and all monies so paid by the Company/Client shall be repaid by Contractor to the Company/Client upon demand, or Company/Client may offset the cost of the premium against any monies due to Contractor from the Company/Client.
- Company/Client reserves the right to request and receive a certified copy of any policy and any endorsement thereto. Contractor agrees to execute any and all documents necessary to allow the Company/Client access to any and all insurance and endorsements pertaining to this particular job.
- Every policy required above shall be primary insurance, and any insurance carried by the Company/Client, its officers, or its employees shall be excess and not contributory insurance to that provided by the Contractor. The Contractor shall be solely responsible for any deductible losses under the policies required above.
- The Contractor shall not be relieved of any liability, claims, demands, or other obligations assumed pursuant to this Contract by reason of its failure to procure and maintain

insurance, or by reason of its failure to procure or maintain insurance in sufficient amounts, duration or types.

- As an independent contractor the Contractor is not entitled to Worker's Compensation benefits under the Company/Client plan. Furthermore, the Contractor is obligated to pay federal and state income tax on any monies earned pursuant to this contractual relationship.
- The parties hereto understand and agree that the Company/Client, its officers, and its employees, are relying on, and do not waive or intend to waive by any provision of this Contract, the monetary limitation or any other rights, immunities, and protections provided by state and federal laws.

Subcontracting

Contractor agrees that, notwithstanding, any agreement for materials and/or labor between the Contractor and a third party, Contractor is responsible to Beaver Park Water, Inc. for completion of all work described in a timely and workmanlike manner.

Construction-Related Permits

The following construction-related permits will not be necessary in order to complete the scope of the work included in this Agreement:

Modification

This Agreement, including the provisions relating to price and payment schedule cannot be changed except by a written statement signed by both Beaver Park Water, Inc. And Avalanche Excavating, Inc. However, cancellation by Beaver Park Water, Inc. is allowed in accordance with the Notice of Cancellation as outlined under Rights to Cancellation below.

Rights to Cancellation

The Company/Client has the right to cancel the Contract Agreement, without any penalty or obligation within three (3) business days after signing the contract by ordinary posted mail, by telegram or certified mail, not later than midnight of the third business day of the signing of this agreement.

Warranties

The Contractor agrees to warrant the finished project for one year beginning from the date of completion for one year following. The Contractor will not be held liable for material provided by Beaver Park Water, Inc. Beaver Park Water, Inc. shall notify the Contractor of a defect as soon as the defect is discovered. All notices of defect shall be in writing and shall state with specificity, the defect discovered.

No employee, agent, or subcontractor is authorized to make any representation or warranty on behalf of the Contractor other than those contained in this Agreement. This warranty is non-transferable.

Miscellaneous Provisions

This Contract is governed by the laws of **Colorado**.

Contractor shall not assign this contract. The provisions of the Contract are binding on the heirs, successors or assignees of the parties.

The rights and remedies available under this Contract shall be in addition to any rights and remedies allowed by law.

No failure to enforce any provision of this Contract on account of any breach thereof shall be considered as a waiver of any right to enforce provisions of this Contract concerning any subsequent or continuing breach.

The terms of this Agreement shall remain in full force and effect following final payment.

Completeness of Agreement for Execution

Avalanche Excavating, Inc. is hereby advised they should not sign this Agreement unless all blank sections have been filled in or marked as void, delete or as not being applicable, and until all exhibits and related or referenced documents that are incorporated herein and attached hereto.

Copy of Agreement to Be Given to Company/Client

This Agreement is governed by current state and federal laws. It must be executed in duplicate, and an original signed copy hereof given to the Company/Client at the time of execution. No work under this Agreement shall begin prior to the signing of this Agreement and transmitted to the Company/Client of copy thereof.

Agreement to Arbitrate in the Extent of Dispute

The Contractor and the Company/Client hereby mutually agree in advance that in the event that the Contractor has a dispute concerning this contract, the contractor may submit such dispute to either the American Arbitration Association or to such other private arbitration service which has been approved by the secretary of the Executive of Consumer Affairs and Business Regulations and the consumer shall be required to submit to such arbitration as provided under current state and federal laws. The decision and award of the arbitrator shall be final. The costs of such proceedings shall be borne equally by both parties.

Severability Clause

The provisions of the Contract shall be deemed to be severable, and if any term, condition, phrase or portion of the Contract shall be determined to be unlawful or otherwise unenforceable, the remainder of the Contract shall remain in full force and effect, so long as the clause severed does not affect the intent of the parties.

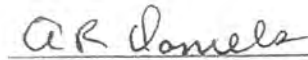
Indemnification

The contractor agrees to indemnify and hold harmless Beaver Park Water, Inc. and its employees, from and against all liability, claims, demands, and expenses, including court costs and attorney fees, on account of any injury, loss or damage, which may arise out of or are in any manner connected with the work to be performed under this Contract, if any such injury, loss or damage is caused in whole or in part by, or is claimed to be caused in whole or in part by, the negligent acts, errors, or omissions of the Contractor, any Subcontractor of the Contractor, or any officer, employee, or agent of the Contractor. The obligations of this Section shall not apply to damages which **Avalanche Excavating, Inc.** Shall become liable by final judgment to pay to a third party as the result of the negligent act, error or omission of contractor, any sub-contractor of the contractor, or any employee, officer or agent of the contractor.

I executed as our free act and deed on Sept. 21, 2020.



(Contractor Signature)



9/17/20

(Client Company Signature)

(Client Company Signature)

This contract shall be considered null and void if it is not signed and returned to _____ within ten (10) business days from the date of the contract.

EXHIBIT A
SPECIFICATIONS SHEET

WORK DESCRIPTION

Complete work as described in work specifications "Exhibit A (scope of work)"

ENGINEERING

All questions related to engineering processes must be addressed to Beaver Park Water, Inc.'s Superintendent, Connie Johnson. Contact Number is 719-371-4312

LANDCLEARING

Remove the desired trees and shrubbery from the site of canal replacement. Any trees, shrubs or bushes growing on the canal lining site shall be dug up and removed from work area.

SITE WORK

Work site is owned by Beaver Park Water, Inc. . It does however exist on several private land owners properties with an easement on the upper ditch of 60 ft. Beaver Park Water Inc. possesses easements throughout the upper ditch within the entire irrigation water system.

EXHIBIT C
CORPORATION CERTIFICATE OF AUTHORIZATION

We, Beaver Park Water, Inc. Presiding Officer, A.R. Daniels, President of the meeting of the Board of Directors held on 9/15/2020, a quorum being present, said committee, by via email
approvals

majority vote of the members present, did resolve and authorize that A.R. Daniels as President of the Board of Directors, is authorized and directed to execute and deliver the Agreement on behalf of the Corporation and to do and perform all acts and things which he deems to be necessary or appropriate to carry out the terms of the Agreement and documents contemplated by the Agreement.

The undersigned further certifies that A.R. Daniels now holds the office of President and he has held that office since March 10, 2020.

IN WITNESS WHEREOF, the undersigned has executed this Certificate of Authority on

President of Board of Directors: A.R. Daniels 09/17/20

UPPER CANAL CONCRETE LINING REMOVAL AND REPLACEMENT

EXHIBIT A

Scope of Work

1. REMOVE EXISTING DAMAGED CONCRETE CANAL LINING, CEMENT TO BE REPLACED HAS BEEN DESIGNATED WITH GREEN MARKING ON THE CANAL FOR REPLACEMENT FROM K STREET EAST TOWARDS L STREET. A MAP OF WORK AREA IS ATTACHED AS A SEPARATE DOCUMENT A-1).
2. REMOVE TREES, SHRUBS OR BUSHES IN THE IMMEDIATE CANAL AREA AND HAUL AWAY TO AN APPROPRIATE DISPOSAL SITE.
3. ALL REMOVED DAMAGED CONCRETE LINING MUST BE HAULED AWAY TO APPROPRIATE DISPOSAL SITE.
4. FORM AND INSTALL NEW CANAL CONCRETE LINING. NEW LINING MUST BE PER SPECIFICATIONS AS INDICATED. GRADE AND PREPARE SOIL FOR INSTALLATION OF NEW CONCRETE LINING. FORM AND PLACE NEW REINFORCED CONCRETE CANAL HALF SECTIONS.
5. FINISH GRADE SURROUNDING SOILS. IMPORT ADDITIONAL SOILS AS NECESSARY TO FILL ANY VOIDS ON THE BACK SIDE AND TOP OF THE NEW CONCRETED LINED SECTIONS. PLACE AND COMPACT THIS ADDITIONAL SOIL AS APPROPRIATE TO PREVENT INFILTRATION OF ANY SURFACE WATERS BEHIND NEW CONCRETE CANAL SECTIONS. GRADE AND FINISH SOILS AT NEW CANAL SECTIONS TO PROPER GRADE FOR CORRECT DRAINAGE.

Exhibit A 7



K St

K St

100 K Street

Happy Apple Farm

Brush Hollow Supply Ditch

1st St

EXHIBIT B

SPECIFICATIONS FOR COMPOSITION OF CONCRETE MATERIAL USED FOR LINING

1. CONCRETE MUST BE A MINIMUM OF 4000 PSI WITH FIBER SUPPORTED WITH WIRE MESH AND REBAR.
2. LINING MUST MAINTAIN THE MINIMUM CONSISTENCY OF THICKNESS OF 4-6 INCHES THROUGHOUT THE ENTIRE PROCESS OF APPROXIMATELY 700 FEET OF LINING.
REMOVAL/REPLACEMENT WILL PRIMARILY BE ON THE SOUTH SIDE OF THE CANAL. SOME SECTIONS MAY REQUIRE THE NORTH SIDE OF THE CANAL TO BE REPLACED ALSO.

Construction Contract with Avalanche Excavating for Pipeline Installation

CONSTRUCTION CONTRACT

THIS CONSTRUCTION AGREEMENT, herein referred to the "Agreement," and being executed on September 8, 2020 by Beaver Park Water, Inc. and between **Avalanche Excavating Inc.**, located at 1135 Red Canyon Rd, Canon City CO 81212 in the County of Fremont and whose contact number is 719-275-5304 and **Beaver Park Water, Inc.** located at 209 Broadway Penrose CO 81240 in the County of Fremont and whose contact number is 719-372-3664.

THEREFORE, in consideration of the mutual promises set forth below, Beaver Park Water, Inc. and Avalanche Excavating, Inc. Shall agree to the terms and conditions herein contained in this Contract and enumerated as follows:

Detailed Description of Work to Be Performed

Avalanche Excavating Inc. agrees to perform in a good and workmanlike manner, all work detailed in the Specifications Sheet which is annexed hereto as Exhibit A-1, which is incorporated herein by reference. Any modifications or alterations from the herein contained terms and conditions annexed must be done in writing.

Detailed Scope of Work

Avalanche Excavating Inc. shall provide all services, materials and labor for the construction of placing 550 linear ft of 78 inch pipe within the existing earthen of Beaver Park Water Inc.'s Upper Canal also known as "Grand Canyon" on the property located at Section 29, Township 18S, Range 68 W, 6th pm with an address of 180 E Street Penrose CO 81240 located in Fremont County CO hereinafter referred to as the "Worksite."

Detailed Description of Materials to be Used

All materials to be used in the performance of the work herein described in the Specifications Sheet, which has been annexed, must be in writing.

In the event that the Contractor is a corporation, then a certificate that the individual executing this contract is duly authorized to sign must accompany this contract.

Price

Avalanche Excavating Inc. agrees to complete all work herein described in Specifications Sheet and Beaver Park Water, Inc. Shall pay the Contractor for the performance of this contract for the total sum of \$115,000.00 dollars in accordance with the terms of this contract.

Payment

Beaver Park Water, Inc. agrees to pay Avalanche Excavating Inc. payment in full within 30 days after completion of project.

Checks shall be made payable and sent to:

Avalanche Excavating Inc.
1135 Red Canyon Rd
Canon City, CO 81212

Commencement and Completion of Work

The Contractor will begin work on, or about 10/1/2020. Barring any delay caused by circumstances beyond the Contractor's control, the work shall be completed by 10/31/2020 hereby acknowledges and agrees that the scheduling dates are firm and that any delay attributable to the presence of hidden conditions or requiring additional work discovered during the course of construction, or delays due to weather conditions impacting ability to work that are not avoidable by the contractor, shall not be considered as violations of this Agreement.

Delays that extend beyond completion date

It is understood that work must be completed by 10/31/20, any delay not related to circumstances beyond the Contractors' control will postpone payment. Beaver Park Water, Inc. must receive in writing, notification within 24 hours of the commencement of any such delay.

Any materials to be supplied by **Beaver Park Water, Inc.** shall be delivered to the worksite not less than forty-eight (48) hours before the date upon which they will be required by the Contractor in order to continue the work described. Failure of Beaver Park Water, Inc. to supply such materials in a timely manner shall also not be considered to be the responsibility of the Contractor.

Insurance

The Contractor agrees to procure and maintain in full force and effect during the term of this Contract, at its own cost, the following coverage:

- Worker's Compensation Insurance as required by the Labor Code of the State of Colorado and Employer's Liability Insurance.
- Commercial General Liability Insurance with minimum combined single limits of ONE MILLION DOLLARS (\$1,000,000) each occurrence and ONE MILLION DOLLARS (\$1,000,000) general aggregate. The policy shall be applicable to all premises and operations. The policy shall include coverage for bodily injury, broad form property damage (including completed operations), personal injury (including coverage for contractual and employee acts), blanket contractual, independent contractors, products, and completed operations. The policy shall include coverage for explosion, collapse, and underground hazards.
- Automobile Liability Insurance with minimum combined single limits for bodily injury and property damage of not less than ONE MILLION (\$1,000,000) for any one occurrence, with respect to each of Contractor's owned, hired or non-owned vehicles assigned to or used in performance of the services or work under this Contract.

- Contractor shall procure and maintain, and shall cause any Subcontractor of the Contractor to procure and maintain, the minimum insurance coverage listed herein. Such coverage shall be procured and maintained with forms and insurers acceptable to the Company/Client. All coverage shall be continuously maintained to cover all liability, claims, demands, and other obligations assumed by the Contractor pursuant. In the case of any claims-made policy, the necessary retroactive dates and extended reporting periods shall be procured to maintain such continuous coverage.
- A Certificate of Insurance shall be completed by the Contractor's Insurance Agent(s) as evidence that policies providing the required coverage, condition, and minimum limits are in full force and effect and shall be subject to review and approval by the Company/Client prior to commencement of any services under this Contract. The Certificate shall identify this Contract and shall provide that the coverage afforded under the policies shall not be cancelled, terminated or materially changed until at least thirty (30) days prior written notice has been given to the Company/Client. The Certificate shall name Company/Client, its officers, and its employees as additional insured with respect to the General Liability Insurance. The completed Certificate of Insurance shall be sent to:

Beaver Park Water, Inc.
209 Broadway
Penrose, CO 81240

- Failure on the part of the Contractor or Subcontractor to procure or maintain policies providing the required coverage, conditions, and minimum limits shall constitute a material Breach of Contract upon which the Company/Client may immediately terminate this Contract, or at its discretion, the Company/Client may procure or renew any such policy or any extended reporting period thereto and may pay any and all premiums in connection therewith, and all monies so paid by the Company/Client shall be repaid by Contractor to the Company/Client upon demand, or Company/Client may offset the cost of the premium against any monies due to Contractor from the Company/Client.
- Company/Client reserves the right to request and receive a certified copy of any policy and any endorsement thereto. Contractor agrees to execute any and all documents necessary to allow the Company/Client access to any and all insurance and endorsements pertaining to this particular job.
- Every policy required above shall be primary insurance, and any insurance carried by the Company/Client, its officers, or its employees shall be excess and not contributory insurance to that provided by the Contractor. The Contractor shall be solely responsible for any deductible losses under the policies required above.
- The Contractor shall not be relieved of any liability, claims, demands, or other obligations assumed pursuant to this Contract by reason of its failure to procure and maintain

insurance, or by reason of its failure to procure or maintain insurance in sufficient amounts, duration or types.

- As an independent contractor the Contractor is not entitled to Worker's Compensation benefits under the Company/Client plan. Furthermore, the Contractor is obligated to pay federal and state income tax on any monies earned pursuant to this contractual relationship.
- The parties hereto understand and agree that the Company/Client, its officers, and its employees, are relying on, and do not waive or intend to waive by any provision of this Contract, the monetary limitation or any other rights, immunities, and protections provided by state and federal laws.

Subcontracting

Contractor agrees that, notwithstanding, any agreement for materials and/or labor between the Contractor and a third party, Contractor is responsible to Beaver Park Water, Inc. for completion of all work described in a timely and workmanlike manner.

Construction-Related Permits

The following construction-related permits will not be necessary in order to complete the scope of the work included in this Agreement:

Modification

This Agreement, including the provisions relating to price and payment schedule cannot be changed except by a written statement signed by both Beaver Park Water, Inc. And Avalanche Excavating, Inc. However, cancellation by Beaver Park Water, Inc. is allowed in accordance with the Notice of Cancellation as outlined under Rights to Cancellation below.

Rights to Cancellation

The Company/Client has the right to cancel the Contract Agreement, without any penalty or obligation within three (3) business days after signing the contract by ordinary posted mail, by telegram or certified mail, not later than midnight of the third business day of the signing of this agreement.

Warranties

The Contractor agrees to warrant the finished project for one year beginning from the date of completion for one year following. The Contractor will not be held liable for material provided by Beaver Park Water, Inc. Beaver Park Water, Inc. shall notify the Contractor of a defect as soon as the defect is discovered. All notices of defect shall be in writing and shall state with specificity, the defect discovered.

No employee, agent, or subcontractor is authorized to make any representation or warranty on behalf of the Contractor other than those contained in this Agreement. This warranty is non-transferable.

Miscellaneous Provisions

This Contract is governed by the laws of **Colorado**.

Contractor shall not assign this contract. The provisions of the Contract are binding on the heirs, successors or assignees of the parties.

The rights and remedies available under this Contract shall be in addition to any rights and remedies allowed by law.

No failure to enforce any provision of this Contract on account of any breach thereof shall be considered as a waiver of any right to enforce provisions of this Contract concerning any subsequent or continuing breach.

The terms of this Agreement shall remain in full force and effect following final payment.

Completeness of Agreement for Execution

Avalanche Excavating, Inc. is hereby advised they should not sign this Agreement unless all blank sections have been filled in or marked as void, delete or as not being applicable, and until all exhibits and related or referenced documents that are incorporated herein and attached hereto.

Copy of Agreement to Be Given to Company/Client

This Agreement is governed by current state and federal laws. It must be executed in duplicate, and an original signed copy hereof given to the Company/Client at the time of execution. No work under this Agreement shall begin prior to the signing of this Agreement and transmitted to the Company/Client of copy thereof.

Agreement to Arbitrate in the Extent of Dispute

The Contractor and the Company/Client hereby mutually agree in advance that in the event that the Contractor has a dispute concerning this contract, the contractor may submit such dispute to either the American Arbitration Association or to such other private arbitration service which has been approved by the secretary of the Executive of Consumer Affairs and Business Regulations and the consumer shall be required to submit to such arbitration as provided under current state and federal laws. The decision and award of the arbitrator shall be final. The costs of such proceedings shall be borne equally by both parties.

Severability Clause

The provisions of the Contract shall be deemed to be severable, and if any term, condition, phrase or portion of the Contract shall be determined to be unlawful or otherwise unenforceable, the remainder of the Contract shall remain in full force and effect, so long as the clause severed does not affect the intent of the parties.

Indemnification

The contractor agrees to indemnify and hold harmless Beaver Park Water, Inc. and its employees, from and against all liability, claims, demands, and expenses, including court costs and attorney fees, on account of any injury, loss or damage, which may arise out of or are in any manner connected with the work to be performed under this Contract, if any such injury, loss or damage is caused in whole or in part by, or is claimed to be caused in whole or in part by, the negligent acts, errors, or omissions of the Contractor, any Subcontractor of the Contractor, or any officer, employee, or agent of the Contractor. The obligations of this Section shall not apply to damages which **Avalanche Excavating, Inc.** Shall become liable by final judgment to pay to a third party as the result of the negligent act, error or omission of contractor, any sub-contractor of the contractor, or any employee, officer or agent of the contractor.

Executed as our free act and deed on _____.

(Contractor Signature)

_____)

(Client/Company Signature)

A.R. Daniels
Sept 09, 20
_____)

(Client/Company Signature)

_____)

This contract shall be considered null and void if it is not signed and returned to _____ within ten (10) business days from the date of the contract.

EXHIBIT A
SPECIFICATIONS SHEET

WORK DESCRIPTION

Complete work as described in work specifications "Exhibit A-1"

ENGINEERING

All questions related to engineering processes must be addressed to Beaver Park Water, Inc.'s Superintendent, Connie Johnson, Contact Number is 719-371-4312

LANDCLEARING

Remove the desired trees and shrubbery from the site; all branches shall be left on site. Any tree stumps shall be dug up and removed from work area.

EXCAVATION

Excavating details are described in work specification "Exhibit A-1" _____

SITE WORK

Work site is owned by a private individual that Beaver Park Water, Inc. has an easement agreement with, however work performed is on Beaver Park Water, Inc.'s upper ditch with a 60 ft. easement throughout the upper ditch within the irrigation water system.

EXHIBIT B
CORPORATION CERTIFICATE OF AUTHORIZATION

We, Beaver Park Water, Inc. Presiding Officer, A.R. Daniels, President of the meeting of the Board of Directors held on Sept. 8th, 2020, a quorum being present, said committee, by majority vote of the members present, did resolve and authorize that A.R. Daniels as President of the Board of Directors, is authorized and directed to execute and deliver the Agreement on behalf of the

Corporation and to do and perform all acts and things which he deems to be necessary or appropriate to carry out the terms of the Agreement and documents contemplated by the Agreement.

The undersigned further certifies that A.R. Daniels now holds the office of President and he has held that office since March 10, 2020.

IN WITNESS WHEREOF, the undersigned has executed this Certificate of Authority on
9/9/2020

President of Board of Directors: A R Daniels Sept 09, 2020

Exhibit A-1

7/14/2020

Beaver Park Water Inc.
209 Broadway
P.O. Box 286
Penrose, CO 81252
(719) 372-3664

Beaver Park Water Inc. - Upper Canal Piping Project – "Grand Canyon Project"

Bid Terms

Project is to place 550 linear feet of 78 inch diameter pipe within the existing earthen Beaver Park Water Inc. Upper Canal "Grand Canyon" section and to construct two pipeline to ditch transition sections.

Construction location, Penrose, Colorado, Section 29, Township 18 South, Range 68 West, 6th P.M.

Construction period: October 1, 2020 – October 31, 2020.

Bid Solicitation Notice: Week of July 20, 2020.

Bid packets may be picked up at Beaver Park Water Inc. office 7:30 am – 12, 1 – 4:30, Monday – Friday.

Job Site Inspection, August 3, 2020 (or by appointment that week).

Bids due August 10, 2020.

Bid opening August 11, 2020, 7:30 pm at Beaver Park Water Inc. office.

Bids should include contractor's bonding and insurance status.

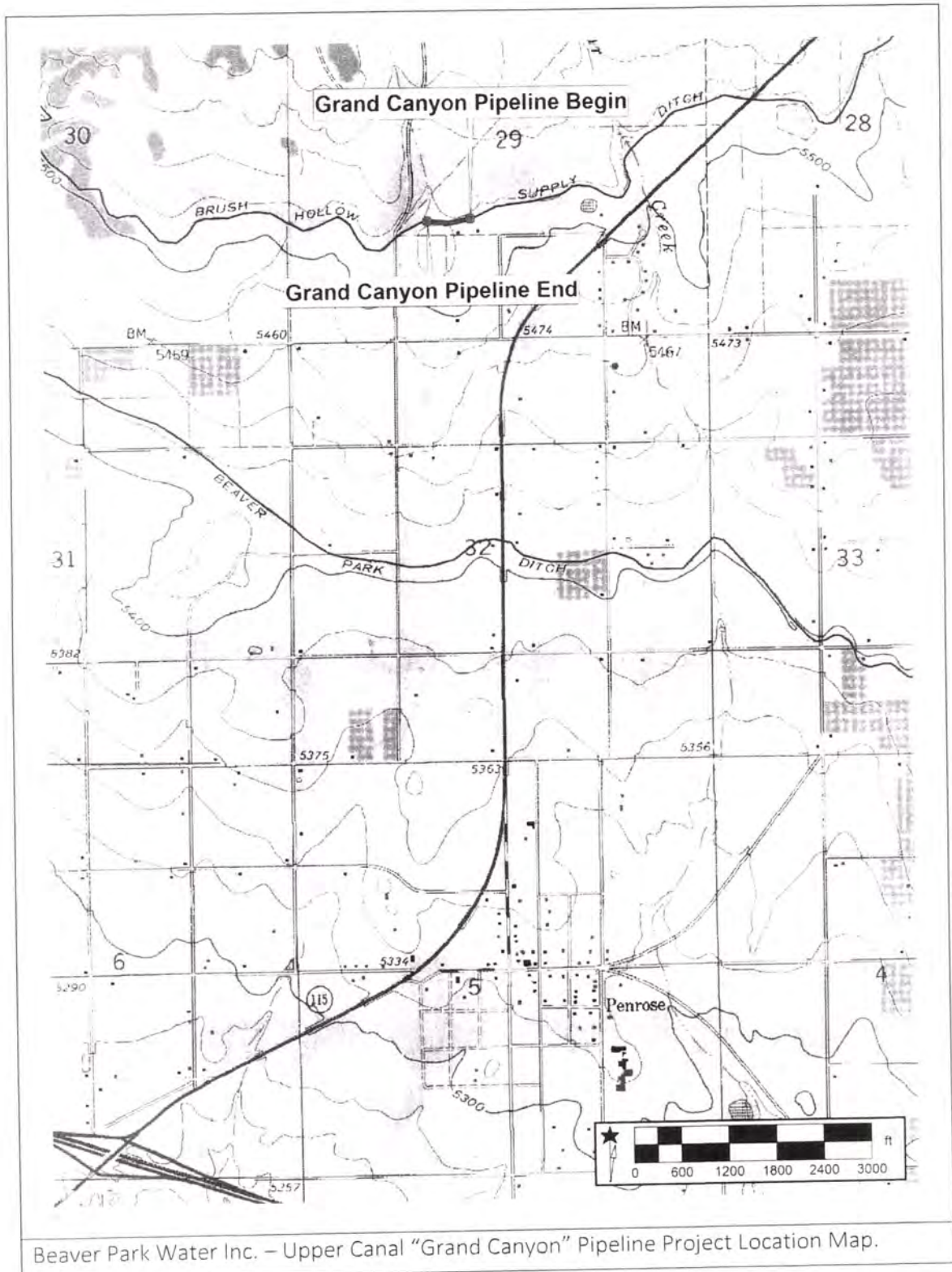
Beaver Park Water Inc. reserves the right to refuse any and all bids.

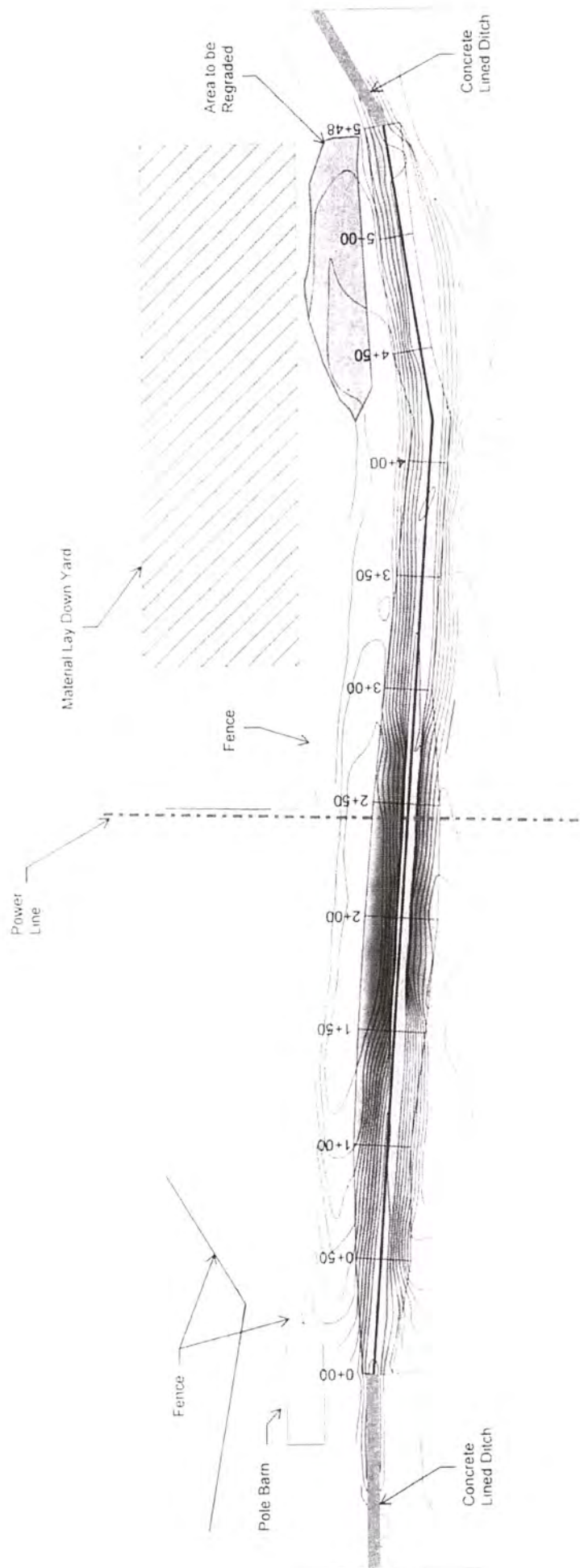
Bid Specifications

1. Mobilization.

2. Pipe sections are at job site. Pipe is steel with 6 inch concrete coating material, 66 inch ID, 78 inch OD, 20 foot lengths. Pipeline total length is approximately 550 feet.

3. Site preparation for construction work.
a. Cleaning and Grubbing. Remove any fences, trees, rock for construction access to project location.
b. Grade construction site as necessary for equipment access to ditch course.
4. Excavate soil and rock in existing ditch course as necessary for bedding and installation of pipe. Minimum trench width of 104 inches ($D_o/6 \times 2 + D_o$). Estimated volume of excavation material is 986 cubic yards. Bottom of excavation elevation needs to account for foundation bedding material thickness (minimum 6 inches) and pipe thickness. Pipe placement elevation at both the upstream and downstream termini should create no damming or obstruction effects to ditch flows.
5. Grade pipeline course for constant grade between upstream and downstream pipeline termini.
6. Place pipe bedding material in ditch course sufficient to prevent construction damage or future uneven settlement of pipe. Bedding material to be $\frac{3}{4}$ " gravel. Estimated pipe bedding material volume is 280 cubic yards. Bedding foundation thickness not to be less than 6 inches ($D_o/12$ for rock foundations). Bedding material is not to be compacted.
7. Place and join pipe. Cut pipe joints or further excavate sides of trench as may be necessary to reasonably maintain existing ditch course and provide for proper joining of pipe sections.
8. Grout, outside concrete collar (27 collars at 1.5 cubic yards each) or otherwise seal all pipe section joints to make pipeline watertight.
9. Place embedment bedding material along pipe up to the pipe springline ($1/2$ diameter height, 39 inches) for the length of the pipeline. Embedment material must be placed to at least 29 inches above the bottom of the pipe ($0.37 \times D_o$). Estimated embedment material volume required 490 cubic yards. Embedment material to be minus 3 inch aggregate.
10. Back fill remainder of fill area around pipe to 2 feet above the top of the pipe. Maximum back fill material of minus 3 inch size within 12 inches of pipe. No backfill material greater than 18 inches in size. Back fill material may be excavated material.
11. Construct in-place new concrete ditch transition sections at both the upstream and downstream pipeline termini to smoothly transition existing trapezoidal ditch flows into and out of new pipeline. Contact area between transition section and pipeline should be sealed to prevent leakage at this material joint. Transition sections should be at least 10 feet in length. Estimated concrete volume 5 cubic yards each.
12. Remove all unused excavation materials from construction site. Local dump site may be available. TBD.
13. Final grading to finish construction site.
14. Clean up. Remove all construction equipment and materials.





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