

AGREEMENT TO PAY ALL COSTS OF ANNEXATION

THIS AGREEMENT TO PAY ALL COSTS OF ANNEXATION (the "Agreement") made and executed this _____ day of _____, 20____, by and between the Town of Calhan, Colorado, _____ (the "Town") and _____ (hereinafter referred to as "Petitioner");

WHEREAS, the Petitioner is the owner of certain real property, which real property Petitioner seeks to have annexed into the Town pursuant to the Colorado Municipal Annexation Act of 1965, C.R.S. § 31-12-101, *et seq.*, the Town of Calhan Municipal Code ("Town Code"), and other applicable Colorado law;

WHEREAS, Section 15.01.040 of the Town Code requires Petitioner to pay all fees incurred by the Town in reviewing and evaluating Petitioner's project; and

WHEREAS, the parties wish to set forth their agreement as to the payment of all such costs in this Agreement.

NOW THEREFORE, for good and valuable consideration, the sufficiency of which is acknowledged, the parties do hereby agree as follows:

1. Pursuant to Section 15.01.040 of the Town Code, Petitioner shall pay to the Town all costs incurred by the Town in connection with the annexation of Petitioner's real property into the Town, including, but not limited to, application fees, notice and publication costs, and professional and consulting services such as legal, engineering and hydrological services. Specifically, without limiting Petitioner's obligation to pay all fees incurred by the Town in reviewing, evaluating, and processing Petitioner's annexation application, Petitioner shall pay to the Town all costs incurred by the Town for the work performed by Moore Engineering as set forth in Exhibit A, by Colorado Pump Service and Supply as set forth in Exhibit B, and the current outstanding invoices as set forth in Exhibit C.

2. Within five (5) days of mutual execution of this Agreement, Petitioner shall pay a deposit to the Town in the amount of \$50,000.00 towards the fees the Town will incur in association with Petitioner's annexation petition. The Town shall use this deposit solely to pay Town expenses permitted by this Agreement and shall provide Petitioner evidence of such upon request by Petitioner. If, as anticipated, the deposit is depleted and additional funds are needed to pay costs incurred by the Town, the Town shall notify Petitioner and within five (5) days of such notice, Petitioner shall provide additional funds to the Town in an amount reasonably anticipated to cover further Town costs. Upon completion of the Town's review of Petitioner's annexation petition, the unused portion, if any, will be returned to Petitioner.

3. In the event of a breach of this Agreement by Petitioner's failure to timely pay the sums due, Petitioner does specifically empower Town to record against the Petitioner's property a statement of costs incurred, which statement, when recorded, shall become a lien upon said property. In addition, in the event Petitioner fails to pay said sums when due, the Town may

EXHIBIT A - Scope of Services

In accordance with Paragraph I. Agreement for Professional Services Between Owner and Engineer – dated March 20, 2026 ("Agreement"), Owner and Engineer agree as follows:

BACKGROUND DATA:

- | | |
|----------------------------------|----------------------------------------------------|
| A. Effective Date of Task Order: | March 20, 2026 |
| B. Owner: | Town of Calhan, CO |
| C. Engineer: | Moore Engineering, Inc. |
| D. Specific Project (title): | Infrastructure Capacity & Annexation Impact Report |

BACKGROUND

The Town of Calhan (Town) owns and operates public water, wastewater, stormwater, and transportation infrastructure serving its current residents and businesses. The Town is evaluating a proposed annexation that could significantly increase its population and system demands. To responsibly assess this growth, the Town seeks a comprehensive Infrastructure Capacity and Annexation Impact Report to evaluate system capabilities and identify improvements necessary to support expansion in a financially responsible manner.

GENERAL DESCRIPTION OF PROJECT

Moore Engineering (Moore) will evaluate the Town's existing utility infrastructure systems to determine their ability to serve the proposed annexation area. The Study will analyze current infrastructure performance, project future demands at buildout, identify capacity limitations, and develop phased capital improvement recommendations. The Report will evaluate existing Town roadways proposed to provide access to the planned development and assess their capacity and condition to accommodate anticipated traffic increases. The final report will provide a practical framework to guide annexation decisions and long-term infrastructure planning.

PROJECT OBJECTIVES

The objective of this Report is to provide the Town with clear technical and cost implications to support informed annexation decisions. The Report will:

- Assess capacity of water, wastewater, stormwater, and transportation systems in relation to the proposed development.
- Identify improvements needed to maintain service levels and regulatory compliance.
- Develop planning-level cost estimates and any phased implementation strategies.

This effort will position the Town to manage growth while maintaining reliable infrastructure and protecting public investment.

SCOPE OF SERVICES

The specific services to be provided or furnished by Engineer under this Task Order are as follows:

1. Project Initiation and Kickoff Meeting

- a. Conduct a kickoff meeting with Town administration, public works staff, and planning representatives to review the proposed annexation area, development assumptions, and known infrastructure concerns.
- b. Confirm population projections, land use assumptions, anticipated phasing, and future service requirements.
- c. Establish study criteria and coordination.

2. Data Collection and Existing Infrastructure Review

- a. Obtain available records, plans, GIS data, mapping, utility as-builts, previous studies, roadway data, treatment plant information, water modeling data, and capital improvement information from the Town, Kimley Horn and other consultants.
- b. Review and analyze collected data to identify gaps requiring clarification or supplemental field review.
- c. Conduct limited site visits to review key infrastructure facilities including water storage and treatment facilities, wastewater treatment and lift stations, major drainageways, and primary road access points.
- d. Develop a base map identifying existing infrastructure and the proposed annexation service area.

3. Infrastructure Capacity Evaluation

- a. Water System Evaluation & Treatment
 - Compile existing water system data including supply, storage, pumping, distribution infrastructure, and water treatment facility capacity.
 - Evaluate system and treatment plant capacity to accommodate projected average day, maximum day, and peak hour demands at buildout.
 - Review hydraulic model prepared by Kimley Horn to evaluate pressures, fire flow availability, and system performance.
 - Identify required improvements, expansions, or upsizing to serve the annexation area.
- b. Wastewater System Evaluation & Treatment
 - Evaluate sanitary sewer collection system capacity, lift stations, and wastewater treatment plant capabilities.
 - Project wastewater flows based on anticipated land use and population growth.
 - Identify downstream capacity limitations and recommend required improvements or expansions to both collection and treatment systems.

- c. Stormwater and Drainage Evaluation
 - Review existing drainage patterns, storm sewer infrastructure, and outfall conditions.
 - Identify potential downstream impacts associated with annexation area development.
 - Recommend conveyance, detention, and regional drainage improvements as needed.
- d. Transportation Assessment
 - Evaluate existing Town roadways proposed to provide access to the annexation area.
 - Assess roadway capacity, condition, and any intersection considerations to serve new development area.
 - Identify necessary roadway improvements to safely accommodate growth.
 - Review traffic studies prepared by other consultants to aid in the assessment.

4. Opinions of Probable Cost

- a. Prepare planning-level Opinions of Probable Construction Cost for infrastructure improvements identified in this Report.
- b. Develop phased implementation scenarios aligned with anticipated development timing.

5. Interim Review Meeting

- a. Conduct an intermediate meeting with Town staff to review preliminary findings and confirm direction prior to finalizing recommendations.

6. Preparation of Infrastructure Capacity Study & Annexation Impact Report

- a. Prepare a draft report summarizing existing conditions, demand projections, system capacity evaluations, and recommended improvements.
- b. Identify infrastructure deficiencies and future system expansion needs.
- c. Provide detailed planning-level cost estimates and a recommended prioritization strategy.
- d. Submit draft report for Town review and incorporate comments into a final report suitable for use in annexation proceedings and capital planning.

7. Presentation of Findings

- a. Attend one (1) Town meeting to present findings and recommendations.
- b. Provide supporting exhibits and respond to questions to assist the Town in making informed annexation and infrastructure planning decisions.

8. Optional Funding Assistance (If Authorized)

- a. Assist the Town in identifying potential funding opportunities including grants and loans.
- b. Prepare preliminary funding application materials, if requested.
- c. Assist with public meeting support related to infrastructure funding discussions.

DELIVERABLES

1. Draft Report summarizing findings and recommendations
2. Final Report of Infrastructure Capacity and Annexation Impact

BASIS OF PROPOSAL

The following items form the basis of this Proposal:

- Town of Calhan will make available copies of existing maps and drawings for use by Moore for execution of this Scope of Work.
- Developer's consultant will provide previously collected records and base maps created in AutoCad format to alleviate duplication of work.
- Records and reports for water usage, well pump log sheets, maintenance records, service history, records of breaks/leaks, history of complaints (pressure or quality) and any other pertinent water usage information from City staff will be made available to Moore for the purpose of incorporating that data into this analysis.
- Water system modeling will be completed by the Developer's consultant and reviewed by Moore Engineering.
- Records and reports for sewer usage, lift station run meter times, treatment discharge records, property deeds, maintenance history and any other pertinent sewer usage information from City staff will be made available to Moore for the purpose of incorporating that data into this analysis.
- Televising sanitary sewer would be completed separately by a televising contractor and the cost of televising sanitary sewer infrastructure is not part of this proposal.
- This scope does not include any Subsurface Utility work.
- This scope does not include any survey work.

SCHEDULE

Engineer will perform the Scope of Work listed above in accordance with the following schedule:

- Task 1 and 2 of the Scope of Work within 1 month of notification to proceed.
- Task 3, 4, and 5 within 3 months of notification to proceed.
- Task 6 of the Scope of Work within 1 month of the completion of Tasks 5 of this Scope of Work.
- Task 7 of the Scope of Work within 1 month of the completion of Tasks 1-6 of this Scope of Work.

FEE

Moore will perform the Scope of Work on a Category Billing Rate basis using the actual hours worked multiplied by the applicable billing rates, plus reimbursable expenses, in accordance with Moore's Standard Terms and Conditions. Category Billing Rates are attached to this proposal. Category Billing Rates and expense costs listed are valid through the end of the current year. On January 1 in each subsequent year, Category Billing Rates and reimbursable expenses may be adjusted to meet market conditions.

Milestone Billing Type Fee

Task 1 & 2 Project Initiation & Data Collection/Review- Time & Materials	\$28,500.00
Task 3 Infrastructure Capacity Evaluation - Time & Materials	\$42,000.00
Task 4 & 5 Opinions of Probable Costs & Interim Meeting - Time & Materials	\$17,500.00
Task 6 & 7 Preparation of Report & Presentation of Findings -Time & Materials	<u>\$25,000.00</u>
TOTAL COMPENSATION	\$113,000.00

Based on our current understanding of the work, we estimate the overall fee for this project to be One Hundred Thirteen Thousand dollars (\$113,000). MEI will not exceed this amount without written authorization by the Town of Calhan.

MOORE ENGINEERING, INC.
2026 BILLING SCHEDULE
Effective January 1, 2026

NOTE: Rates contained in this Billing Schedule are valid until December 31, 2026. After December 31, 2026, Hourly Billing Rates will be escalated annually and direct expenses may be adjusted to meet market conditions

Description	Billing Rate Per Hour	Description	Billing Rate Per Hour	Description	Billing Rate Per Hour
Admin Assistant 1	\$75.00	Project Manager 1	\$175.00	Specialist 1	\$114.00
Admin Assistant 2	\$85.00	Project Manager 2	\$200.00	Specialist 2	\$129.00
Admin Assistant 3	\$96.00	Project Manager 3	\$225.00	Specialist 3	\$146.00
Admin Assistant 4	\$106.00	Project Manager 4	\$238.00	Specialist 4	\$163.00
Admin Assistant 5	\$119.00	Project Manager 5	\$268.00	Specialist 5	\$175.00
		Project Manager 6	\$296.00	Specialist 6	\$184.00
				Specialist 7	\$225.00
				Specialist 8	\$263.00
Technician 1	\$88.00			Specialist 9	\$324.00
Technician 2	\$110.00	Surveyor 1	\$147.00	Specialist 10	\$365.00
Technician 3	\$124.00	Surveyor 2	\$169.00		
Technician 4	\$147.00	Surveyor 3	\$189.00		
Technician 5	\$167.00	Surveyor 4	\$200.00	GIS Professional 1	\$105.00
Technician 6	\$171.00	Surveyor 5	\$220.00	GIS Professional 2	\$125.00
Technician 7	\$189.00			GIS Professional 3	\$143.00
				GIS Professional 4	\$158.00
				GIS Professional 5	\$172.00
				GIS Professional 6	\$203.00
Construction Manager 1	\$152.00	Scientist 1	\$125.00		
Construction Manager 2	\$175.00	Scientist 2	\$143.00	Senior Advisor 1	\$275.00
Construction Manager 3	\$188.00	Scientist 3	\$161.00	Senior Advisor 2	\$300.00
Construction Manager 4	\$200.00	Scientist 4	\$179.00	Senior Advisor 3	\$325.00
		Scientist 5	\$200.00	Senior Advisor 4	\$345.00
Engineer 1	\$125.00	Scientist 6	\$225.00		
Engineer 2	\$137.00			Managing Advisor 1	\$143.00
Engineer 3	\$146.00	Hydrogeologist 1	\$125.00	Managing Advisor 2	\$192.00
Engineer 4	\$156.00	Hydrogeologist 2	\$143.00	Managing Advisor 3	\$219.00
Engineer 5	\$167.00	Hydrogeologist 3	\$161.00	Managing Advisor 4	\$231.00
Engineer 6	\$179.00	Hydrogeologist 4	\$172.00	Managing Advisor 5	\$263.00
Engineer 7	\$197.00	Hydrogeologist 5	\$184.00	Managing Advisor 6	\$284.00
Engineer 8	\$219.00	Hydrogeologist 6	\$203.00	Managing Advisor 7	\$324.00
Engineer 9	\$240.00	Hydrogeologist 7	\$225.00		
Engineer 10	\$253.00				
Project Administrator 1	\$105.00				
Project Administrator 2	\$119.00				
Project Administrator 3	\$134.00				
Project Administrator 4	\$156.00				

Expense	Survey Vehicle Mileage	\$1.00	per mile
	Personal Vehicle Mileage	IRS rate	per mile
	Moore Vehicle Mileage	\$0.88	per mile
	ATV / Snowmobile / Boat	\$30.00	per hour
	Per Diem	\$70.00	per day
	GIS Field Collector (GPS Camera)	\$25.00	per hour
Miscellaneous	Subconsultants	cost*1.15	
	Out of Pocket Expenses	at cost	
	UAS (Photo/Video)	\$25.00	per hour

CLOSING

Should you find this Proposal acceptable, please have an authorized representative of the Town of Calhan sign the Acceptance portion of this Scope of Service Proposal below and return one (1) fully executed copy of this Proposal to me. Receipt of a fully executed copy of this Proposal will serve as our Agreement and our Notice to Proceed.

We appreciate the opportunity to submit this Proposal to the Town of Calhan, and we look forward to working with you on this Project. Should you have any questions or need additional information, please contact me by phone at **701.373.5486** or by e-mail at **kent.ritterman@mooreengineeringinc.com**.

Sincerely,



Kent Ritterman
Project Manager



Tyson Hajicek, PE
Chief Operating Officer

Enclosure: As noted,

ACCEPTANCE FOR TOWN OF CALHAN:

I hereby authorize Moore Engineering, Inc. to proceed with the work described above.

Signature: _____

Name: _____

Title: _____

Date: _____

Address for giving notices: _____

Exhibit B

Colorado Pump Service & Supply
511 South Gilbert Street Unit C
Castle Rock CO. 80104
Ph 303-688-6462 Fax 303-688-7565

March 25, 2026

To: Town of Calhan Rev. 1
 Attention: Dan Row
 Subject: Production testing on wells 9692-F and 24166-FP

Scope of Work and Pricing: Estimate

Item	Description	Pricing
Well 9692-F		
1	Mob and install test pumping equipment estimated flow 50 to 100GPM. test pump will be set approximately 44ft to bottom of motor. Transducer will be taped to drop pipe. Mob and set up generator and VFD.	\$8,495.00
	24-hour test The cost to add labor for a full 24Hr constant rate test. This option is an adder to item 3.	\$6,825.00
	Lump Sum total for well 9692-F testing:	\$15,320.00
Well 24166-FP		
1	Mob CPSS will mob rig to site lift off pitless. Install transducer beside existing equipment. After test is complete pull transducer and set equipment back on pitless. de mob rig.	\$4,580.00
2	6Hr step test 6 hours of pumping at engineer's flow points. While recording flow and water level. Overnight well level recovery logged.	\$2,110.00
3	8Hr constant rate test. 8Hr constant rate test at engineers designed flow rate. Estimated to be within existing equipment limitations. Overnight well level recovery logged.	\$4,145.00
4	Installation of PVC tube. This option will be added if transducer gets stuck on the way in or out. Pull equipment estimated depth of 1028ft. Install 1 1/4" PVC tube. Set equipment. Price includes new PVC tube.	\$10,995.00
	Lump sum total for well 24166-FP testing	\$21,830.00
Notes	It is highly recommended to install PVC tube on well 24166-FP.	

Terms & Conditions:

1. Standard liability and workmen's comp insurance is included with our proposal. No bonding costs are included, but bonding is available if required at additional cost.
2. Rock, sandstone, poor soil conditions, tree stumps, unknown dump sites, blasting, jackhammering, archeological items, existing or abandoned construction elements, water or any other condition encountered in excavation may incur added costs to excavation and or repair.
3. Colorado Pump accepts no responsibility for surrounding landscaping.
4. Our Proposal Includes only equipment listed above, any additional equipment or material used will be charged at additional cost.
5. CONTRACTOR does not guarantee the condition, function, operation, or suitability of the existing owner equipment, or the quality of water produced by the system.
6. OWNER shall furnish right of ingress and egress to well site for our equipment, snow removal before and during entire project time at no charge to CONTRACTOR.
7. Colorado Pump assumes no responsibility as to condition of well water, casing or cave-ins, private property including landscaping, due to work done on well, pump or system. Work done on an hourly basis unless otherwise stated. Equipment or materials sold only under Manufacturer's Warranty. We retain ownership of all equipment and material sold until paid for in full. Warranty is void if invoice is not paid within 30 days & causes products to be sold as is with all faults. If account becomes past due or delinquent in any way all warranties are void.
8. Progress Payments: Owner shall make progress payments on account of the contract price on the basis of contractor's applications for payment. Initial payment will be required as an advance which will include the

bulk of equipment which will be ordered as soon as submittals are approved, at this time payment for materials are due before release of purchase orders. Required Equipment Deposit Required \$ 0.00 if all equipment is ordered. Required Deposit is required due to items quoted here are custom engineered products. As such, order cancelations will result in a 100% restocking fee.

9. This agreement contains all understandings between the parties, and no other oral agreements shall contravene or modify this agreement unless the same are in writing on a standard change order from and signed by both the customer and the contractor if unit quantities or the system design changes, additional materials and labor may be required and they will be billed as an additional charge via an approved change order, signed by both parties.
10. All accounts are due upon completion. A service charge of 1.3/4% PER MONTH,(21% annual percentage rate) commencing on billing date, will be charged, starting at 30 days after the completion date, on all past-due accounts. After sixty (60) days, unpaid accounts will be considered delinquent and liens will be filed on the real property. If collection of this account is necessary, the CUSTOMER agrees to pay, in addition to the contract price and charges, cost of collection, which shall include a reasonable amount for attorney's fees.
11. A. Indemnification: To the Fullest extent permitted by law, Water district - Owner shall indemnify and hold harmless the Contractor, and the Contractors officers, directors, managers, employees legal counsel and consultants, from and against all claims, damages, losses, and expenses, including attorney fees, arising out of or resulting solely from performance of the Work under this agreement by Contractor, including but not limited to any and all claims, damage, loss, or expense attributable to bodily injury, sickness, disease, or death, or to injury or destruction of tangible property, including loss of use resulting therefrom, caused in whole or in part by the negligent acts of Contractor, Contractors sub-contractors, anyone directly or indirectly employed by them or anyone for whose acts they may be liable, regardless of whether or not such claim, damage, loss, or expense is caused in part by a party indemnified hereunder. Such obligation shall not be construed to negate, abridge, or otherwise reduce other rights or obligations of indemnity which would otherwise exist as to a party described in this paragraph.
B. Colorado Pump Service & Supply Co Group shall be responsible for and shall save, indemnify, defend, and hold harmless the owner from and against all claims, losses, damages, cost, expenses, and liabilities in respect of : subject to 11c below, loss of or damage to property of the Colorado pump Service & Supply Co. Group whether owned, hired, leased, or otherwise provided by the Colorado Pump Group arising from or relating to the performance of the agreement; personal injury, including death or disease, to any person employed by the Colorado Group arising from or relating to the performance of Agreement; and subject to 11c below, personal injury, including death or disease, or loss of or damage to the property of any third party to the extent that any such injury, low, or damage is cause by the negligence or breach of duty (whether statutory or otherwise) of the Colorado Group.
C. Owner/Client shall be responsible for and shall save, indemnify, defend, and hold harmless Colorado Pump Group from and against all claims, losses, damage, costs expenses, and liabilities in respect of; loss of or damage to property of the Owner/Client group, whether: owned by the owner/client group, or hired, leased or otherwise provided by or for the owner/client group and personal injury including death or disease to any person employed by the owner/client group arising from relating to or in connection with the performance or non-performance of the agreement; subject to any other express provisions of the agreement, personal injury, including death or disease or loss of or damage to the property of any third party and or the owners/clients facility operator to the extent that any such injury, low, or damage is caused by the negligence or breach of duty (whether statutory or otherwise) of the owner group; at Colorado Pump group option, either the repair or replacement or reimbursement of the full cost of Colorado pumps equipment, tools and/or instruments which are lost or damaged down hole in the owners well during the provision of services or are lost or damaged due to abrasion or corrosion occasioned by well effluents unless such loss or damage is due to the sole negligence of Colorado Pump group.
12. Unknown Conditions: Owner shall be liable for any unknown conditions, which may cause delays, damages, or affect performance of the water well, pumping equipment, or appurtenance involved in completion of the project.
13. Pricing on materials is not guaranteed due to volatility in the markets and will be adjusted up or down when parts are ordered and confirmed. Labor pricing is good for 30 days.

Acceptance of Proposal:

The above prices, specifications and conditions are satisfactory and are hereby accepted. You are authorized to do the above work and order equipment as specified. Payment will be made as outlined above.

Date

Authorized Signature

Print

Please sign and return

Thank you for the opportunity
Sincerely,
Josh Wood

