

RESOLUTION 2023-07

ST. VRAIN WATER AUTHORITY

BOULDER, LARIMER, AND WELD COUNTIES, COLORADO

A RESOLUTION OF THE BOARD OF DIRECTORS OF THE ST. VRAIN WATER AUTHORITY APPROVING AN AGREEMENT FOR SERVICES BETWEEN THE ST. VRAIN WATER AUTHORITY AND HYDRO RESOURCES – ROCKY MOUNTAIN, INC.

WHEREAS, the Board of Directors (“Board”) of the St. Vrain Water Authority (“Authority”) has the power and authority pursuant to its Establishing Agreement and C.R.S. 29-1-204.2 *et. seq.*, to enter into contracts and agreements effecting the affairs of the Authority; and

WHEREAS, the Authority will be operating a reverse osmosis water treatment plant, deep injection well, and related facilities (“Water Treatment Facilities”); and

WHEREAS, the Authority has requested and received a proposal from Hydro Resources – Rocky Mountain, Inc., a Delaware corporation (“Hydro Resources”) to perform a Step Rate Test of the Firestone SWD #1 brine injection well for the Water Treatment Facilities; and

WHEREAS, the Authority has been presented with an Agreement for Services (“Agreement”) whereby Hydro Resources will provide the services in the Scope of Work attached to the Agreement which is acceptable to the Authority; and

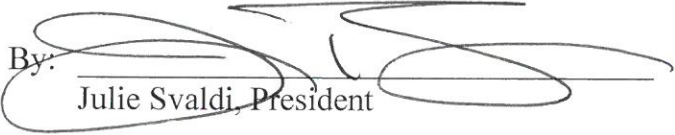
WHEREAS, the Authority’s Board, after reviewing Hydro Resources proposal and the Agreement, desires to enter into the Agreement with Hydro Resources for a Step Rate Test of the Firestone SWD #1 brine injection well for the Water Treatment Facilities.

NOW, THEREFORE, BE IT RESOLVED BY the Board of Directors of the St. Vrain Water Authority that:

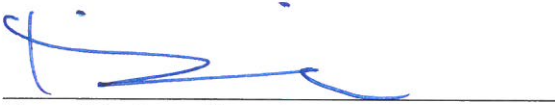
1. **Approval of Agreement.** The Agreement between the Authority and Hydro Resources in substantially the form attached hereto as Exhibit 1 is hereby approved. The Authority’s President and Secretary, or if one or both of them are unavailable, any other appropriate officer of the Authority is hereby authorized to execute the Agreement by and on behalf of the Authority.

PASSED, APPROVED AND ADOPTED this 13th day of November, 2023 by the Board of Directors of the St. Vrain Water Authority by a vote of 4 FOR and 0 AGAINST.

ST. VRAIN WATER AUTHORITY

By: 
Julie Svaldi, President

Attest:



Dave Lindsay, Secretary

AGREEMENT FOR SERVICES

THIS AGREEMENT FOR WELL STEP RATE TEST SERVICES (“Agreement”) is made and entered into this ___ day of _____, 20___, to be effective as of the ___ day of _____, 20___ (“Effective Date”), between the **ST. VRAIN WATER AUTHORITY**, a political subdivision of the State of Colorado (“Authority”), whose address is 9950 Park Avenue, Firestone, Colorado 80504 and **Hydro Resources-Rocky Mountain, Inc.**, a Delaware corporation, (“Contractor”), whose address is 13027 WCR 18, Building C, Fort Lupton, CO 80621. Authority and Contractor may hereinafter singularly be referred to as a “Party” and collectively as the “Parties.”

RECITALS

WHEREAS, the Authority was established for the purpose of operating potable water treatment systems and facilities that are capable of furnishing a potable water supply for the benefit of the Authority’s members, and their constituents, and end users; and

WHEREAS, in furtherance of that purpose, the Authority operates the St Vrain Water Treatment Plant, a reverse osmosis water treatment plant with a deep injection well and related facilities (“Water Treatment Facilities”) having an initial capacity of treating up to 1.5 million gallons per day of water, and having the capability of being expanded in phases in future years to a water treatment capacity of 5 million gallons per day; and

WHEREAS, the Authority is in need of performing a Step Rate Test of the Firestone SWD #1 brine injection well for the Water Treatment Facilities (“Project”); and

WHEREAS, at the request of Authority, Contractor submitted a proposal for the Project; and

WHEREAS, Contractor represents that it has the personnel and expertise necessary to perform the Project in a competent and timely manner; and

WHEREAS, the Authority’s Board of Directors, after reviewing Contractor’s proposal dated October 31, 2023, and based upon the recommendation of its consultants, the Authority has decided to retain Contractor to perform the Project upon the terms and conditions set forth in this Agreement.

NOW THEREFORE, in consideration of the promises set forth herein, Authority and Contractor agree as follows:

1. **Scope of Work.** Contractor shall perform the work, as more particularly described in **Exhibit A** (consisting of 1 page) and incorporated herein by this reference

("Scope of Work"), together with all necessary labor, materials, scheduling, procurement, and related work and services as may be necessary and reasonably inferable from the Scope of Work to complete the totality of the obligations imposed upon Contractor by this Agreement (collectively the "Services" or the "Project").

2. **Notice to Proceed.** As soon as practical, after Authority has received satisfactory certificate of insurance as required by paragraph 16 below, Authority shall issue a written Notice to Proceed to Contractor.

3. **Completion Date.** Contractor shall give this Agreement and the Services to be performed hereunder such priority as is necessary to cause the authorized Services to be timely and promptly performed in accordance with the time periods contemplated or expressly provided for in the Scope of Work and in future Work Orders. At any time during the term of this Agreement, Authority may request, and Contractor shall, within twenty (20) days of such request, submit for Authority's approval a written schedule for the completion of the work which comprises the Project. Unless delayed by acts or the failure to act of Authority or other causes beyond the control of Contractor, and without extending any deadline established elsewhere in this Agreement, all Services shall be completed to the Authority's reasonable satisfaction and all deliverables that are a part of the Project shall be delivered to the Authority no later than the dates identified in specific Work Orders.

3.1 **Deliverables.** Without in any way limiting the deliverables as described in the Scope of Work, Contractor shall provide the Authority with an electronic and one (1) hard copy of all final product documents and reports prepared by Contractor pursuant to this Agreement. In addition, all deliverables shall comply with such reasonable requirements as the Authority may establish from time to time, provided those requirements are communicated in writing to Contractor.

4. **Responsibility for Services.** The Authority shall not supervise the work of Contractor or instruct Contractor on how to perform the Services. Contractor shall be fully responsible for the professional quality, technical accuracy, timely completion, and coordination of the Services including all work and reports that are a part thereof, whether such work is performed directly by Contractor or by any subcontractor hired by Contractor and approved by Authority in accordance with paragraph 12 below. Without entitling Contractor to additional compensation and without limiting Authority's remedies, Contractor shall promptly remedy and correct any errors, omissions, or other deficiencies in the Services. Contractor warrants that all Services provided under this Agreement shall be performed with competence and in accordance with the standard of care of Contractor's profession prevailing in Colorado.

5. **Compensation.** Authority shall compensate Contractor in accordance with Contractor's proposal as set forth on **Exhibit B** (consisting of 1 page) as attached hereto and incorporated herein by this reference.

(a) Compensation for Services may be billed monthly to the Authority based on the percentage completed of the tasks identified in **Exhibit B**.

(b) The compensation to be paid Contractor under this Agreement is entire and complete and includes any and all reimbursable and other costs as set forth, and only as set forth, on **Exhibit B**. Contractor further represents and agrees that except as set forth on **Exhibit B** the reimbursable costs to Contractor together with any approved subcontractor costs are at Contractor's actual cost and do not include any additional mark-up whatsoever. It is understood and agreed that Contractor will contract with and pay directly any and all approved subcontractors retained by Contractor for any Services or portion thereof provided under this Agreement.

6. **Method of Payment.** Contractor shall provide an invoice no later than the tenth (10th) day of each month for Services completed through the last day of the preceding month. Each invoice shall be submitted only for those Services actually performed during the period for which the invoice is submitted. Contractor shall submit with each invoice such supporting documentation as Authority may reasonably request. Each invoice submitted by Contractor shall constitute a representation to Authority that the Services are completed to the point as represented in the billing invoice. Unless Contractor does not properly perform the Services, invoices will be paid within thirty (30) to forty-five (45) days after receipt. Authority shall have the right to refuse to pay all or any portion of an invoice that is inconsistent with this Agreement. Authority may delay payment until it can verify the accuracy of an invoice, obtain releases or waivers with respect to Services covered in the invoice, or resolve a dispute with Contractor regarding an invoice.

7. **Conflict of Interest.** Contractor agrees that it shall not accept any employment during the term of this Agreement that creates a potential conflict of interest or compromises the effectiveness of Contractor or otherwise interferes with the ability of Contractor to perform the Services required by this Agreement.

8. **Records and Audits.** Contractor shall at all times maintain a system of accounting records in accordance with its normal billing procedures, together with supporting documentation for all work, purchases, Services and billings under this Agreement. Contractor shall make available for audit and reproduction by Authority all records, in whatever form, related to the Services. Contractor shall provide such availability during the term of this Agreement and for two (2) years after final payment. Contractor shall refund to Authority any charges determined by Authority's audit to be inconsistent with this Agreement.

9. **Confidentiality of Information.** Except as required by law or as is necessary for the performance of the Services, Contractor shall retain in strictest confidence all information furnished by Authority and the results of any reports or studies conducted as a result of this Agreement, along with all supporting work papers and any

other substantiating documents. Contractor shall not disclose such information to others without the prior written consent of Authority's representative. Notwithstanding the foregoing, Contractor shall have no confidentiality obligation with respect to information that: (i) becomes generally available to the public other than as a result of disclosure by Contractor or its agents or employees; (ii) was available to Contractor on a non-confidential basis prior to its disclosure by Authority; and (iii) becomes available to Contractor from a third party who is not, to the knowledge of Contractor, bound to retain such information in confidence.

10. **Ownership of Work Product and Documents.** All printed materials and electronic documents produced as a result of the Services performed under this Agreement shall be the sole property of Authority after payment to Contractor and may not be used, sold or disposed of in any manner without prior written consent of Authority's representative. All documents applicable to the work identified in the Scope of Work shall be delivered and turned over to Authority as and when such work is completed; provided, however, that under no circumstances shall any printed or electronic material, or other documents produced as a result of the Services performed under this Agreement be retained by Contractor from and after the date Contractor has been paid in full all monies due Contractor hereunder. Notwithstanding the foregoing, Contractor may retain a copy of all printed material, electronic or other documents prepared under this Agreement.

11. **Changes in Services.** The Authority shall have the right to order non-material additions, deletions, or changes in the Services at any time, so long as such changes are within the Scope of Work covered by this Agreement. Requests for material changes in the Services may be made by Authority's representative orally or in writing; provided, however, that oral requests shall be confirmed by a written request within ten (10) days after the oral request. If Authority directs Contractor to proceed with the material change, Contractor shall be paid for the change as agreed to by the Parties.

12. **Approval of Subcontractors.** Contractor shall not employ any subcontractor without the prior written approval of Authority's representative, nor shall Contractor assign any rights or obligations under this Agreement in whole or in part without the Authority's prior written approval which may be withheld for any reason. Contractor shall be responsible for the coordination, accuracy, and completeness of all Services in accordance with generally accepted principles and practices of Contractor's profession, regardless of whether the Services are performed by Contractor or one or more subcontractors. Contractor shall endeavor to bind any of its approved subcontractors, if any, to the terms of this Agreement. In the event that any subcontractor is unwilling or unable to comply with any term or provision of this Agreement, Contractor will inform Authority of the specific term or provision at issue. Authority may accept the lack of compliance to the terms of this Agreement on the part of the subcontractor or may request that a different subcontractor be retained. This Agreement

may be terminated by Authority if subcontracted or assigned, either in whole or in part, by Contractor without the express written consent of Authority's representative.

13. **Independent Contractor.** In the performance of the Services, Contractor shall be, for all purposes, an independent contractor and not an employee or agent of Authority. Contractor and its employees and subcontractors shall in no way represent themselves to third parties as agents or employees of Authority.

14. **No Unemployment Insurance or Workers' Compensation Benefits.** Contractor agrees that it is not entitled to unemployment insurance or workers' compensation benefits as a result of performance of the Services for Authority. Contractor is required to provide workers' compensation and unemployment insurance benefits for its employees and/or subcontractors as required by law.

15. **Payment of Taxes.** Contractor is solely liable for any federal, state, and local income and withholding taxes, unemployment taxes, FICA taxes and workers' compensation payments and premiums applicable to the performance of the Services under this Agreement. Contractor shall indemnify Authority for any liability resulting from nonpayment of such taxes and sums.

16. **Insurance.** Neither Contractor nor any subcontractor, agent, or employee thereof, shall continue work on any Services until the following minimum insurance coverages have been obtained:

(a) **Workers' Compensation Insurance.** Contractor and each subcontractor, if any, shall carry workers' compensation insurance to cover liability under the laws of the State of Colorado in connection with the Services performed pursuant to this Agreement. Contractor and each subcontractor shall carry separate policies.

(b) **Commercial General Liability Insurance.** Contractor and each subcontractor, if any, shall carry commercial general liability insurance, which shall include blanket contractual liability coverage. Such insurance shall be in an amount \$5,000,000 per occurrence for bodily injury and property damage.

(c) **Automobile Liability Insurance.** Contractor and each subcontractor, if any, shall carry automobile liability insurance to include owned, non-owned and hired vehicles used in the performance of Services under this Agreement. Such insurance shall be in the amounts \$2,000,000 per occurrence for bodily injury and property damage.

17. **Compliance with Laws and Workers Without Authorization.** In performing this Agreement, Contractor shall comply with all applicable laws, rules and regulations, including but not limited to all federal, state and local laws.

18. **Communications.** It is understood by Authority and Contractor that successful progress under this Agreement requires frequent, concise, and documented communication between the Party's representatives. Authority hereby designates Dave Lindsay (Secretary of the Board of Directors), as Authority's representative, who may give information to and receive information from Contractor. Authority may change its designated representative or add additional representatives from time to time.

Contractor hereby designates Fred Rothauge, as Contractor's representative who may give information to and receive information from Authority and may separately bind Contractor. Contractor may change its designated representative only with the prior written approval of Authority. Each designated representative shall have full authority to not only accept and receive information but also to accept notices, give approvals and to fully represent its respective Party for all purposes under this Agreement.

19. **Liability.** Contractor agrees to provide a defense and pay any damages and costs for any liability or claim of whatsoever kind or nature arising in any way out of this Agreement, to the extent caused by any negligent or wrongful act or omission of Contractor, or Contractor's officers, agents, or employees, or any of Contractor's Subcontractors, or their officers, agents or employees. This paragraph 19 shall survive termination of this Agreement.

20. **Acceptance Not a Waiver.** The Authority's approval of studies, drawings, designs, plans, specifications, reports, computer programs and other work or material shall not in any way relieve Contractor of responsibility for the technical accuracy of the Services. The Authority's approval or acceptance of, or payment for, any Services shall not be construed to operate as a waiver of any rights under this Agreement, or of any cause of action arising out of the performance of this Agreement.

21. **Termination or Suspension.** The Authority reserves the exclusive right to terminate or suspend all or a portion of the Services under this Agreement by giving fourteen (14) days written notice to Contractor. If any portion of the Services shall be terminated or suspended, the Authority shall pay Contractor equitably for all services properly performed pursuant to this Agreement. If the work is suspended and Contractor is not given an order to resume work within sixty (60) days from the effective date of the suspension, this Agreement will be considered terminated. Upon termination, Contractor shall immediately deliver to the Board any documents then in existence, that have been prepared by Contractor pursuant to this Agreement.

22. **Default.** Each and every term and condition of this Agreement shall be deemed to be a material element of this Agreement. In the event either Party shall fail or refuse to perform according to the material terms of this Agreement, such Party may be declared in default by the other Party by a written notice.

23. **Remedies.** In the event a Party has been declared in default, such defaulting Party shall be allowed a period of fifteen (15) days within which to correct or commence correcting the default. In the event that the default has not been corrected or begun to be corrected, or the defaulting Party has ceased to pursue the correction with due diligence, the Party declaring default may elect to (i) terminate this Agreement and seek damages; (ii) treat the Agreement as continuing and require specific performance; or (iii) avail itself of any other remedy at law or in equity. In the event Contractor fails or neglects to perform the Services in accordance with this Agreement, the Authority may elect to correct such deficiencies and charge Contractor for the full cost of the corrections.

24. **Term.** Unless sooner terminated in accordance with the provisions of paragraph 21 above, this Agreement shall remain in effect until the Services are fully performed, at which time the Agreement shall terminate and be of no further force and effect, except as to those provisions which expressly survive termination, including but not limited to paragraphs 8, 9, 10, and 19.

25. **Force Majeure.** The Parties shall not be responsible for any failure or delay in the performance of any obligations under this Agreement caused by acts of God, flood, fire, war or public enemy or the failure of Authority to furnish timely information or to approve or disapprove Contractor's instruments of service within a reasonable period of time.

26. **Assignment.** Subject to the provisions of paragraph 12, this Agreement shall bind and inure to the benefit of the Parties and their respective successors and assigns. This Agreement is intended to benefit only the Parties and neither subcontractors nor suppliers of Contractor nor any other person or entity is intended by the Parties to be a third-party beneficiary of this Agreement.

27. **Governing Law.** This Agreement shall be governed by and construed under the laws of the State of Colorado.

28. **Notice.** All notices required or given under this Agreement shall be in writing and shall be deemed effective: (i) when delivered personally to the other Party; or (ii) seven (7) days after being deposited in the United States mail, first-class postage prepaid, properly addressed as follows; or (iii) when sent by facsimile transmission and receipt is confirmed by return facsimile transmission.

If to Contractor:

Fred Rothauge
Hydro Resources – Rocky Mountain, Inc.
13027 WCR 18, Building C
Fort Lupton, CO 80621

With a copy to:

If to Authority:

Dave Lindsay, Secretary
St. Vrain Water Authority
9950 Park Avenue
Firestone, Colorado 80504

And a copy to:

Timothy J. Flynn
Collin Cole Flynn Winn Ulmer, PLLC
165 South Union Boulevard, Suite 785
Lakewood, Colorado 80228

Or such other persons or addresses as the Parties may designate in writing.

29. **Governmental Immunity.** The Parties understand and agree that the Authority is relying upon, and has not waived, the monetary limitations of \$424,000 per person, \$1,195,000 per occurrence, and all other rights, immunities and protections provided by the Colorado Governmental Immunity Act § 24-10-101 *et seq.*, C.R.S., as it may be amended from time to time.

30. **Entire Agreement.** This Agreement constitutes the entire agreement between the Authority and Contractor and replaces all prior written or oral agreements and understandings. It may be altered, amended, or repealed only by a duly executed written instrument.

31. **Effective Date.** This Agreement shall be effective as of the date and year set forth above.

AUTHORITY:

ST. VRAIN WATER AUTHORITY, a political subdivision of the State of Colorado

By: _____
Julie Svaldi, President

This Agreement is accepted by:

CONTRACTOR:

Hydro Resources-Rocky Mountain, Inc., a Delaware corporation

By: _____
Name: _____
Title: _____
Date: _____

By execution, signer certifies that he/she is authorized to accept and bind Contractor to the terms of this Agreement.

EXHIBIT A

SCOPE OF WORK

Contractor shall perform a Step Rate Test on the Firestone SWD #1 injection well subject to the procedure outlined in EPA Permit CO12413-11960. The test shall be performed, and the data logged, in such a manner as to be compliant with EPA requirements and protocols and with expectation that the data collected will be submitted to EPA by the Authority as part of an application to increase the Maximum Allowable Injection Pressure for the well.

Contractor shall remove the existing fiberglass shelter that protects the well head. The Authority will disconnect all of the interior conduits cabling, and anchors. When the work is completed, the Contractor shall reinstall the fiberglass shelter over the well head. The Authority shall reinstall the conduits, cabling, and anchors.

Contractor shall provide and install down hole pressure gages at the bottom of the well that shall include instantaneous surface readout and data logging at 1 second intervals or less.

Contractor shall supply frac tanks and injection fluid, injection pumps, and associated plumbing to perform the step rate test at the rates and volumes identified in the Contractors Proposal, attached as Exhibit B to this Agreement. Contractors' equipment shall meter and continuously log flow rates and volumes of injected fluid.

- In connection with the above, contractor shall ensure that the step rate test may be conducted at a rate of 40 barrels per minute with 4,500 psig of pressure.
- Contractor, post step rate test and retrieval of gauges, shall acidize well with 10,000 gallons of 15% equivalent HCl concentration of non-corrosive synthetic acid. (Enviro-SYN® HCR-7000-WL-FRTM Modified Acid). Acid shall be displaced at a rate of 40 barrels per minute.

Work shall be coordinated with IPT Well Services to ensure that all of data required for submittal to the EPA is collected and logged. Prior to the start of the work, Contractor, IPT, and the Authority will meet to review the work plan.

Contractor shall NOT be responsible for revegetation of the work area but is to restore the surface grade to pre-construction grades if they are disturbed to eliminate ruts or low areas that would hold water.

EXHIBIT B

CONTRACTOR'S PROPOSAL

(see attached 1 page)



Hydro Resources - Rocky Mountain Inc.
 13027 CR 18
 Fort Lupton Colorado 80621
 (303) 857-7540 Fax: (303) 857-3826
 Contractors License Colorado 1469

Customer			Town of Firestone	Quote #:	110923
Address			151 Grant Ave	Job #:	
			Firestone , Colorado 80520	Date:	11/09/23
				State	Zip
Contact:			David B. Lindsay, PE	Co	
Project:			Firestone SWD1 SRT	Phone:	970 290-1092
			SW 1/4 SW1/4 Sec 31-3N-67W	Fax:	
Amount	Unit	Part Number	Description	Price Each	Total Price
1			Provide equipment and services to perform SRT of 12 steps at 30 minutes per step.		
2					
3			Step 2 1 bpm 1,260 gal		
4			Step 3 2 bpm 2,520 gal		
5			Step 4 4 bpm 5,040 gal		
6			Step 5 6 bpm 7,560 gal		
7			Step 6 8 bpm 10,080 gal		
8			Step 7 12 bpm 15,120 gal		
9			Step 8 16 bpm 20,160 gal		
10			Step 9 20 bpm 25,200 gal		
11			Step 10 25 bpm 31,500 gal		
12			Step 11 30 bpm 37,800 gal		
13			Step 12 40 bpm 50,400 gal		
14			Total Est Volume 207,270 gal		
			10 frac tanks with manifold and hoses will be set and filled prior to the start of the SRT		
15					
16			Production Logging services will set up and install down hole gauges to record bottom hole pressure with surface read out.		
17					
			Liberty Well Service will set up and pump the 12 steps while providing surface pressure and volume data.		
18					
19			A rental manlift will be used to rig up and rig down the lubricator		
20					
21			This test requires 10 frac tanks, 4 pump trucks, Data truck, Service truck and other needed equipment which requires adequate space. Hydro will not be responsible for damage to grass or landscape beyond our control.		
22					
23			10,000 gallons of Halliburton Green (Safe) acid to be pumped following SRT and retrieving pressure transducers		
			Quote good for 30 days		
					\$198,840.00
				Total	\$198,840.00

This bid must be signed and returned to Hydro Resources in order to be placed on the schedule.

Quote good for 30 days
 Terms of sale are governed by Hydro Resources - Rocky Mountain, Inc.

Signed: _____

Date: _____