

SCOPE OF WATER SYSTEM EXTENSION
PRELIMINARY ENGINEERING REPORT
FOR
BUC-EE'S LTD

A. General Information

1. The general planning area for the development will be delineated in terms of its location, size, and relation to the Town of Palmer Lake's corporate boundary. Available mapping and parcel information will be utilized as a means of defining the existing roadways and general layout of the development's parcels, the Town's corporate boundary, and the parcels between the two, which may impact the water service extension to the development.
2. Water System Mapping
 - a. A map will be developed depicting the location of the Town's water system and its components, which may include the raw water supply system, water treatment facilities, water transmission lines, distribution storage tank(s), and the water distribution system and appurtenances.
3. General topographic and climatic information will be provided.
4. Water demand projections will be developed for the water system expansion serving the development. They will include, at minimum, the water demands provided from the development in addition to demands from potentially serviceable areas that could utilize the water system expansion facilities.
5. Water demand values for the development will be coordinated with Buc-ee's representatives based on the development's intended uses, water use records of similar and comparable Buc-ee facilities, and industry standards for determining water service demands.
6. Water demands for potentially serviceable areas will be based upon both historical and potential growth for the area. Population and demand projections of potentially serviceable areas that may be added to the Town's service area due to the water system extension will be reviewed with the Town, and based on current or anticipated zoning, historical water consumption data from the Town, other area development information available to the Town, and industry standards for determining water service demands.

B. Description of Existing Facilities

1. The Town's existing water system facilities will be defined.
 - a. The existing potable water facilities shall be defined with respect to:

- (1) Water supply and associated water quality
 - (2) Water treatment facilities
 - (3) Water storage facilities
 - (4) Distribution system
 - (5) Service lines/metering
2. Historical data pertaining to water consumption will be obtained from the Town to the extent available. This data will be evaluated in terms of determining average day system demands. An evaluation will also be made to determine the maximum day and peak hour requirements associated with the water system.
 3. Historical data on the water supply's water quality will be secured to the extent available.

C. Evaluation of Existing System

1. The existing potable water storage facilities will be evaluated to determine their adequacy for service to the water system extension and what improvements and/or infrastructure should be constructed to meet the long-term service required by the water system extension.
2. The potable water system will be evaluated in terms of its ability to provide acceptable service requirements to the community while accommodating the demands of the water system extensions, taking into account such items as water system demands, adequacy of distribution mains, main sizes, condition of mains, water supply, adequacy of valving, flow control, pressure regulation, water quality and water meter requirements. Areas of deficiency will be itemized.
3. The Town's current water supply sources and treatment will be delineated and their water quality and production capabilities quantified, identifying areas of deficiency when serving the water system extension.

D. Water System Extension Improvements

1. The water system extension improvements needed to provide adequate service to the development and the potentially serviceable areas that may utilize the water system extension improvements will be identified.
2. Any improvements to the Town's existing water system or facilities that will be required to provide service for the water system extension improvements will also be identified and included in the scope of the improvements.

E. Recommended Improvements

1. New construction and facilities required to provide service to the development and the potentially serviceable areas will be addressed regarding recommended infrastructure construction. The associated needs and deficiencies defined within the evaluation of the existing water system while serving the water system extension improvements will also be addressed in terms of recommended improvements/upgrades/replacements to system infrastructure. The recommended solutions will include assessments of:

- a. Capital improvement costs
 - b. Design, administrative, and other soft costs
 - c. Long-term operation and maintenance cost impacts
 - d. Overall cost-effectiveness of the system
 - e. Flexibility, adaptability, and expandability of the system
2. The water system extension improvements will be planned as a singular project and will not be phased in terms of construction or implementation

Preliminary Engineering

Preliminary engineering on the recommended water system extension improvements will be conducted to include:

3. Location of Improvements
4. Size and Type of Improvements
5. Design Data

F. Financing

1. The financial responsibility of this Water System Extension Preliminary Engineering Report will be borne solely by Buc-ee's Ltd, with payments being made to the Town through the existing agreement for cost reimbursement between the Town and Buc-ee's Ltd. The same applies to the financial responsibility of the water system extension improvements' design, construction, and implementation of the water system extension project

G. Plan of Action

A formalized plan of action for the water system extension improvements will be created, which will address the nature and magnitude of the recommended construction, construction sequencing, and the follow-up procedures required to bring about the desired results.

The study will be conducted in close coordination with representatives of the Buc-ee's Ltd., and the Town of Palmer Lake. A draft report of the study will be prepared within approximately sixty (60) days after the Town of Palmer Lake and GMS, Inc. accept in writing the authorization to proceed issued by Buc-ee's Ltd. The draft report will be submitted to Buc-ee's Ltd. and the Town for review and comment. A workshop will be conducted with the representatives of each entity to review the draft report. Comments received will be incorporated into the final bound document as appropriate. Buc-ee's Ltd. and the Town will each be provided with three bound copies of the final report.

The report work will be undertaken on a time and materials billing basis, with an estimated fee of \$45,000 to prepare the Water System Extension Preliminary Engineering Report within the defined scope.