PREAMBLE: THIS AMENDMENT, made this 3rd day of ___July____, 2002, hereinafter called "Amendment," pursuant to the Act of Congress approved June 17, 1902 (32 Stat. 388), and Acts amendatory thereof or supplementary thereto, and particularly pursuant to the Lower Colorado Water Supply Act approved November 14, 1986 (100 Stat. 3665), and the Boulder Canyon Project Act approved December 21, 1928 (45 Stat. 1057), all of which are commonly known and referred to as Federal Reclamation law, between the UNITED STATES OF AMERICA, hereinafter called the "United States," represented by the Secretary of the Interior, acting through the officer executing this Amendment, and the CITY OF NEEDLES, a charter city duly organized and existing under and by virtue of the laws of the State of California, hereinafter called the "Contractor"; the United States and the Contractor each being sometimes hereinafter individually called "Party," and both sometimes hereinafter collectively called "Parties";

WITNESSETH THAT:

2. EXPLANATORY RECITALS:

2.1 WHEREAS, the Lower Colorado Water Supply Act approved November 14, 1986, hereinafter called "Act," authorized the United States to construct, operate, and maintain the Lower Colorado Water Supply Project, which is a well field and appurtenant works, hereinafter called "Project," with sufficient capacity to annually supply up to 10,000 acre-feet of water to benefit
persons or entities as defined in section 2(b) of the Act;

2.2 WHEREAS, Contract No. 2-07-30-W0280 dated September 10, 1992, hereinafter called "the Contract," provided, among other things, for the Contractor to assume the administrative responsibility for Project water users within San Bernardino County who are also authorized to contract with the United States pursuant to the Act;

2.3 WHEREAS, the Parties desire to amend the Contract to enable the Contractor to extend its administrative responsibility to include other Project water users in Riverside County and Imperial County who are also authorized to contract with the United States pursuant to the Act; and

2.4 WHEREAS, the Parties desire to amend the Contract to provide more flexibility in how Mainstream Water diverted and/or pumped under the Contract is measured;

NOW, THEREFORE, in consideration of the mutual and dependent covenants contained herein, the Parties agree as follows:

3. AMENDMENT OF CONTRACT NO. 2-07-30-W0280:

3.1 Subarticle 3.3 of the Contract is hereby deleted and a revised subarticle is substituted in lieu thereof, as follows:

"3.3 California Lands are those areas of land held by persons or entities as defined in section 2(b) of the Act and located in San Bernardino, Riverside, and Imperial Counties, California, which are eligible to receive Colorado River water pursuant to the terms and conditions of this Contract."

3.2 Subarticle 3.12 of the Contract is hereby deleted and a revised subarticle is substituted in lieu thereof, as follows:

"3.12 Exhibit B is a map(s) showing the California Lands that are entitled to receive Colorado River water pursuant to the terms and conditions of this Contract or a subcontract with the Contractor. Exhibit B is attached hereto and by this reference is made a part of
3.3 Subarticle 3.22 of the Contract is hereby deleted and a revised subarticle is substituted in lieu thereof, as follows:

"3.22 Other Project Beneficiaries are those persons or entities in San Bernardino, Riverside, and Imperial Counties who are entitled to use Mainstream Water in exchange for Project water pursuant to this Contract, as listed in Exhibit C."

3.4 Article 10 of the Contract is hereby deleted and a revised Article 10 is substituted in lieu thereof, as follows:

"10. MEASUREMENT OF MAINSTREAM WATER:

10.1 All Mainstream Water diverted and/or pumped by the Contractor and the Other Project Beneficiaries shall be (1) measured at the diversion and/or well sites by measuring devices or calculations acceptable to the Contracting Officer or (2) estimated by procedures acceptable to the Contracting Officer.

10.2 All measuring and controlling devices or automatic gages shall be furnished, installed, and maintained in a manner satisfactory to the Contracting Officer and without any expense to the United States.

10.3 If for any reason the measuring devices shall, in the opinion of the Contracting Officer, fail to operate satisfactorily, the Contracting Officer will determine from the best information available the amount of Mainstream Water received by the Contractor and the Other Project Beneficiaries pursuant to this Contract.

10.4 The Contracting Officer may inspect the measuring devices to determine the accuracy and the condition of the measuring devices. The expense of the inspection shall be paid by the Contractor within thirty
(30) days following receipt of a bill of collection from the United States. If the measuring devices are found to be defective or inaccurate, the Contractor shall, upon notification by the Contracting Officer, promptly make any and all necessary repairs to or replacement of the measuring devices. If the Contractor neglects or fails to make the necessary repairs or replacement, the Contracting Officer may cause the repairs to be made and the cost thereof shall be paid by the Contractor within thirty (30) days following receipt of a bill of collection.”

3.5 Subarticle 18.1 of the Contract is hereby deleted and a revised subarticle is substituted in lieu thereof, as follows:

“18. ADMINISTRATIVE RESPONSIBILITIES OF THE CONTRACTOR:

18.1 The Parties agree that the Contractor shall assume the administrative responsibility for the Other Project Beneficiaries, except for federally administered and Indian lands. The Contractor agrees that it shall submit in a timely manner, on behalf of itself and the Other Project Beneficiaries, all required charges and fees, water schedules, water reports, and other required information requested by the United States.”

4. OTHER PROVISIONS UNAFFECTED: Except as expressly modified by this Amendment No. 1, all other terms and provisions of Contract No. 2-07-30-W0280 remain in full force and effect.
IN WITNESS WHEREOF, the Parties have caused this Amendment No. 1 to Contract No. 2-07-30-W0280 to be executed the day and year first written above.

LEGAL REVIEW AND APPROVAL

By Katherine Ott Varburg
Field Solicitor
Phoenix, Arizona

ACTING FOR

THE UNITED STATES OF AMERICA

By William E. Rima
Regional Director
Lower Colorado Region
Bureau of Reclamation
P.O. Box 61470
Boulder City, Nevada 89006-1470

CITY OF NEEDLES

By Pete Dwyer
Title Mayor
817 Third Street
Needles, California 82363

ATTEST:

Daneen Kenna
City Clerk
Title
CERTIFICATE

I, _______Daneen Kenna______, certify that I am the ______City Clerk_______ of the City of Needles; that ______Pete Dwyer_______, who signed Amendment No. 1 to Contract No. 2-07-30-W0280 on behalf of the City of Needles was then ______Mayor______; and that said Contract was duly signed for and in behalf of the City of Needles by authority of its governing body and is within the scope of its corporate powers.

CITY OF NEEDLES

(Signature)

817 Third Street
Needles, California 82363

Date __________________________

SEAL
RESOLUTION

BE IT RESOLVED by the City Council of the City of Needles that the Mayor of the City of Needles be and is hereby authorized to execute for and on behalf of the City of Needles, the attached Amendment No. 1 to Contract No. 2-07-30-W0280 for delivery of water with the UNITED STATES OF AMERICA, which Contract was duly presented to the City Council of the City of Needles and which Contract is hereby approved.

State of California )
 )ss
County of San Bernardino )

I, Daneen Kenna, the duly appointed and qualified City Clerk of the City of Needles, do hereby certify that the foregoing is a true, accurate, and complete copy of a Resolution duly passed and adopted at a regular meeting of the City Council of the City of Needles held on April, 2002.

Dated: April 23, 2002

By: Daneen Kenna
Title: City Clerk

(SEAL)
CALIFORNIA LANDSENTITLED TO RECEIVE COLORADO RIVER PURSUANT TO THE CONTRACT OR A SUBCONTRACT WITH THE CONTRACTOR

1. This Exhibit B, made this 3rd day of July, 2002, to be effective under and as a part of Contract No. 2-07-30-W0280 dated September 10, 1992, hereinafter called "Contract," shall become effective on the date of its execution, shall remain in effect until superseded by another Exhibit B, and shall supersede and replace the original Exhibit B dated September 10, 1992, executed by the Parties; Provided, That this Exhibit B or any superseding Exhibit B shall terminate by the expiration of the Contract.

2. The first map shows the lands within San Bernardino County, California, that are entitled to receive Colorado River water pursuant to the Contract or a subcontract with the Contractor.

3. The second map shows the lands within Riverside County, California, that are entitled to receive Colorado River water pursuant to a subcontract with the Contractor.

4. The third map shows the lands within Imperial County, California, that are entitled to receive Colorado River water pursuant to a subcontract with the Contractor.
IN WITNESS WHEREOF, the Parties have caused this Exhibit B to Contract No. 2-07-30-W0280 to be executed the date first written above.

THE UNITED STATES OF AMERICA

By

William E. Rinne,
Regional Director
Lower Colorado Region
Bureau of Reclamation
P.O. Box 61470
Boulder City, Nevada 89006-1470

ACTING FOR

BUREAU OF RECLAMATION

CITY OF NEEDLES

By

Pete Dwyer
Mayor

817 Third Street
Needles, California 82363

ATTEST:

Daneen Kenna
City Clerk

Title

APPROVED AS TO FORM:

Bob Hargreaves, City Attorney