CITY OF BELLFLOWER
AGREEMENT FILE NO. 320.4
(Refer Resolution No. 06-40)
AMMENDMENT NO. 1
(Refer Resolution No. 07-26)

AMMENDMENT TO AGREEMENT TO OPERATE CITY WATER SYSTEM

This Amendment No. 1 to the Agreement to Operate City Water System is made and entered into this 25th day of June, 2007, between the City of Bellflower, a general law city (hereinafter referred to as the “City”) and Bellflower-Somerset Mutual Water Company, a California corporation operated as a mutual water company under California law (hereinafter referred to as the “Operator”). The City and the Operator are each a “Party” and are collectively, the “Parties.”

RECITALS

A. City and Operator have previously entered into the Agreement to Operate City Water System (Agreement File No. 320.4, the “Operating Agreement”) pursuant to which Operator operates the City’s municipal water system.

B. Paragraph 13 of the Operating Agreement required the City to advance Initial Operating Capital in the sum of Two Hundred Fifty Thousand Dollars ($250,000) to the Operator for the payment of work, labor, services, materials and supplies in connection with the Facilities Operations under the Agreement, which advance has been made.

C. Said Paragraph 13 further contemplated that such advance might not be sufficient for initial capital needs, and as provided therein, the City has negotiated with the Operator concerning the Operator’s request for additional initial capital necessary for the payment of such work, labor, services, materials and supplies.

NOW, THEREFORE, it is agreed by and between City and the Operator that:

1. Additional Operating Capital. City agrees to advance the additional sum of Fifty Thousand Dollars ($50,000) to Operator to be used as provided in paragraph 13 of the Operating Agreement. Said sum shall be subject to all requirements applicable to the original Initial Operating Capital.

2. Authority. Each person executing this Agreement represents that he/she has full power and authority to do so and that the respective governing body of each party has approved this Agreement and authorized its execution. The parties each represent that they have the power and authority to enter into this Agreement, and that, to the best of their respective knowledge, entering into this Agreement does not violate any agreement to which either is a party.
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Page 2 of 2

IN WITNESS WHEREOF, the parties hereto have executed this Agreement as of the day and year first set forth above.

CITY OF BELLFLOWER
A general law city

Michael J. Egan, City Manager

ATTEST

Debra D. Bauchop, City Clerk

Bellflower-Somerset Mutual Water Company, a California mutual water company

Cheryl Harris, President

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