CITY OF BELLFLOWER
AGREEMENT FILE NO. 320.4 - AMENDMENT NO. 6
(Refer Resolution No. 06-40)

SIXTH AMENDMENT TO AGREEMENT TO OPERATE CITY WATER SYSTEM

This Amendment No. 6 to the Agreement to Operate City Water System is made and entered into as of September 15, 2014, between the City of Bellflower, a general law city ("City") and Bellflower-Somerset Mutual Water Company, a California corporation operated as a mutual water company under California law ("Operator"). City and 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 City’s municipal water system.

B. The Operating Agreement has been amended by the First Amendment to the Operating Agreement dated June 25, 2007; the Second Amendment to the Operating Agreement dated February 20, 2008; the Third Amendment to the Operating Agreement dated August 22, 2008; the Fourth Amendment to the Operating Agreement dated November 14, 2011; and the Fifth Amendment to the Operating Agreement, dated June 20, 2012. The Operating Agreement and the First, Second, Third, Fourth, and Fifth Amendments are hereinafter referred to as the “Amended Operating Agreement.”

C. City is currently in the process of replacing a water main on Bellflower Boulevard.

D. The Replaced Main (as defined below) serves the twelve (12) Replaced Main Properties (as defined below).

E. Operator currently maintains a 10” distribution main on Bellflower Boulevard, by which Operator serves properties to the north and south of the Replaced Main Properties.

F. City and Operator now desire to enter into an agreement under which City will instead serve the Replaced Main Properties by use of the Bellflower Boulevard Main (as defined below), in accordance with the terms and conditions set forth in this Agreement.

G. This Amendment No. 6 is authorized without consent of the State Department of Public Health pursuant to Section 116550 of the Health and Safety Code for the State of California.
NOW, THEREFORE, it is agreed by and between City and Operator the Amended Operating Agreement is further amended as provided below:

1. Unless otherwise expressly stated herein or the context requires otherwise, all terms shall be as defined in the Amended Operating Agreement.

2. **Definitions.** The following definitions are added, in correct alphabetical order to Section 1 of the Amended Operating Agreement, entitled "**DEFINITIONS:**"

   “Bellflower Boulevard Main” shall mean Operator’s 10” distribution main on Bellflower Boulevard, which currently serves the properties to the north and south of the Replaced Main Properties and which will permanently serve the Replaced Main Properties by way of this Agreement.

   “Replaced Main” shall mean the City’s water main, located on Bellflower Boulevard, which City is currently replacing.

   “Replaced Main Properties” shall mean the properties served by the Replaced Main, as more particularly set forth in Attachment G, hereto, which, by way of this Agreement, shall subsequently be served by the Bellflower Boulevard Main.

3. **Wheeling of Water to Replaced Main Properties.** Operator shall wheel water to the City to be provided to the Replaced Main Properties pursuant to the Amended Operating Agreement, as may be further amended, and the following conditions:

   (a) Operator shall hire a qualified contractor to install New Service Connections and Meters and be reimbursed by City.

   (b) Service by the Well. The services described herein for the wheeling of water to the Replaced Main Properties shall be deemed to be from the Well.

   (c) Reading of Meters. Meters measuring water production for the Replaced Main Properties shall be read by Operator on a monthly basis, pursuant to the following provisions:

      i. By the tenth (10th) day of each month following the commencement of service of the Replaced Main Properties by the Bellflower Boulevard Main, Operator shall cause each of the meters for the Replaced Main Properties to be read.

      ii. Operator shall notify City in writing of the quantity of water produced by the Well that was provided to the Replaced Main Properties.
iii. By the fifteenth (15th) day of each month following the commencement of service of the Replaced Main Properties by the Bellflower Boulevard Main, Operator shall invoice City for the charges of wheeling water to the Replaced Main Properties. All invoices issued pursuant to this Section 3 shall be due and payable within thirty (30) days after the date of the invoice, subject to the provisions of Section 3(d), below.

(d) Meter Dispute Resolution. If within five (5) days after its receipt of an invoice under Section 3(c)(iii), above, City disputes the accuracy of an invoice it received with respect to the quantities of water set forth thereon, then the Parties shall meet and confer to determine the accuracy of the invoice. The Parties may thereafter test the subject meter to determine the accuracy of the meter. If the quantity of water recorded by the meter measures above 102 percent, or below 98 percent, of the actual water passing through the meter, then the invoice shall be adjusted accordingly and the Parties shall equally divide all costs incurred in testing the meter. If the meter is found to be accurate, i.e., if the quantity of water recorded by the meter does not measure above 102 percent, or below 98 percent, of the actual water passing through the meter, then the Party that disputed the bill shall bear all costs incurred in testing the meter. If City does not dispute an invoice within five (5) days after receipt, then the quantities set forth on that invoice are deemed correct and City waives any right to later dispute that invoice.

4. Compensation to the Operator. Same as the basic agreement.

5. The term of this Amendment shall be the same as the basic Agreement.

6. Authority. Each person executing this Amendment No. 6 represents he/she has full power and authority to do so and the respective governing body of each Party has approved this Amendment No. 6 and authorized its execution, and further represent that, to the best of their respective knowledge, entering into this Amendment No. 6 does not violate any agreement to which either is a party.

7. Continuation of Amended Operating Agreement. Except as expressly provided or the context requires otherwise, all terms and conditions of the Amended Operating Agreement shall remain in full force and effect.

8. Effective Date. The effective date of this Amendment No. 6 shall be the date first stated above.
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

ATTEST:

Jeffrey L. Stewart, City Manager

Debra D. Bauchop, City Clerk

Approved As To Form:

Joseph W. Pannone, City Attorney

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

By: Tom Coleman

Its: EXECUTIVE DIRECTOR

Approved As To Form:

James D. Ciampa, Legal Counsel
ATTACHMENT G

DESCRIPTION OF REPLACED MAIN PROPERTIES

The Replaced Main Properties are identified by the following addresses on Bellflower Boulevard:

15123, 15127, 15133, 15137, 15143, 15147, 15151, 15159, 15303, 15307, 15313 and 15319.