

**FIRST AMENDMENT TO
AGREEMENT REGARDING THE TRANSFER OF EMERGENCY WATER
and to
ADDENDUM TO AGREEMENT REGARDING THE TRANSFER OF EMERGENCY
WATER**

**By and Between
THE CITY OF COLTON
and
TERRACE WATER COMPANY**

This First Amendment to the Agreement Regarding the Transfer of Emergency Water and to Addendum to Agreement Regarding the Transfer of Emergency Water ("First Amendment") by and between the **CITY OF COLTON** ("Colton"), a California municipal corporation, and **TERRACE WATER COMPANY** ("Terrace Water"), a California corporation, is entered into this 2nd, of June 2021. The above parties may be individually referred to as "Party" and collectively as the "Parties."

RECITALS

A. The Parties entered into that certain Agreement Regarding the Transfer of Emergency Water from The City of Colton to Terrace Water Company, dated December 19, 2013 ("Emergency Water Agreement") whereby Colton agreed to provide water to Terrace Water in the event of an emergency, at a price equal to \$1.85 per CCF of water and a \$525 fee for any month during which Terrace Water uses emergency water;

B. Section 3.1 of the Emergency Water Agreement provides that the agreement may be terminated by either Party upon provision to the other Party of a 6-month termination notice;

C. The Parties augmented the Emergency Water Agreement by entering into that certain Addendum to Agreement Regarding the Transfer of Emergency Water from The City of Colton to Terrace Water Company, dated June 4, 2019 ("Non-Emergency Water Agreement") whereby Colton agreed to provide Terrace Water non-emergency water following Terrace Water's loss of production from its Well No. 2 at a price equal to \$260 per acre-foot;

D. Section 3.1 of the Non-Emergency Water Agreement provides that the agreement is for a term of 24 months, expiring on June 3, 2021;

E. Terrace Water is in the process of evaluating the possibility of consolidating its system with another public water system;

F. The Parties wish to amend the terms of the Emergency Water Agreement and Non-Emergency Water Agreement to continue the provision of water to Terrace Water during the consolidation and to revise the price at which Colton would provide water to Terrace Water to the rate currently in effect within Colton.

AGREEMENT

In consideration of the mutual promises in this First Amendment and for other consideration, the receipt and adequacy of which is hereby acknowledged, the Parties agree as follows:

I. Term. The term of each of the Emergency Water Agreement and Non-Emergency Water Agreement is hereby amended to expire on the earlier to occur of: (i) June 30, 2022; or (ii) the date on which Terrace Water’s consolidation with another system becomes effective.


II. Cost of Water. The price at which Colton shall provide water under the Emergency Water Agreement and Non-Emergency Water Agreement is hereby amended to \$1.69 for up to 18 centum cubic feet (“CCF”) delivered to Terrace Water, and \$2.47 for amounts delivered to Terrace Water in excess to 18 CCF (approximately \$1,061.89 per acre-foot). Terrace Water hereby agrees to pay Colton the amended price specified herein for water provided by Colton as of the date of this First Amendment.

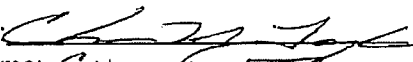
Except as expressly modified by this First Amendment, all other provisions of the Emergency Water Agreement and Non-Emergency Water Agreement shall remain unchanged and in full force and effect.

IN WITNESS WHEREOF, the Parties hereto have executed this First Amendment as of the date first herein written above.

CITY OF COLTON, a municipal corporation

TERRACE WATER COMPANY, a California corporation

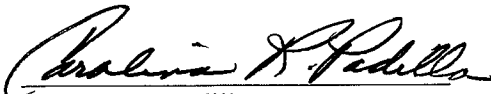
By: 
William R. Smith
City Manager

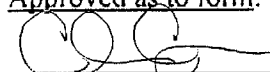
By:  **See Attached Notarized Document**
Name: CHRIS M. TAYLOR
Title: PRESIDENT T.W.C.

Date: 2 Jul. 2021

Date: 6-1-2021

ATTEST:


Carolina R. Padilla
City Clerk

Approved as to form:

Carlos Campos, City Attorney