

UNITED STATES  
DEPARTMENT OF THE INTERIOR  
BUREAU OF RECLAMATION

Franklin, Superior-Courtland, and Courtland Units,  
Bostwick Division,  
Pick-Sloan Missouri River Basin Program, Kansas

AMENDATORY CONTRACT BETWEEN THE UNITED STATES OF AMERICA  
AND THE KANSAS-BOSTWICK IRRIGATION DISTRICT NO. 2  
FOR REPAYMENT EQUALIZATION AND RESERVE FUNDS CONTRIBUTION  
EXTENSION

THIS AMENDATORY CONTRACT, made this \_\_\_\_\_ day of \_\_\_\_\_, 2007, between the UNITED STATES OF AMERICA, hereinafter called the "United States", acting through the Secretary of the Interior, pursuant generally to the Act of June 17, 1902 (32 Stat. 388), and acts amendatory thereof or supplementary thereto, particularly, but not limited to Sec. 9(d) of the Act of August 4, 1939 (53 Stat. 1187), as amended and supplemented, the Act of December 22, 1944 (58 Stat. 887), and the Act of July 2, 1956 (70 Stat. 483), all collectively known as the Federal Reclamation laws, and the KANSAS-BOSTWICK IRRIGATION DISTRICT NO. 2, an irrigation district organized and existing pursuant to the laws of the State of Kansas, with its principal place of business in Courtland, Kansas, hereafter called the "District".

WITNESSETH, THAT:

The following statements are made in explanation:

EXPLANATORY RECITALS

WHEREAS, by Contract No. 009D6B0120 dated July 25, 2000, the District contracted with the United States for the use of and repayment for the water supply and distribution works, in accordance with Reclamation Law; and

WHEREAS, Public Law 109-386 (P.L. 109-386) provides that the Secretary of the Interior may equalize the annual total repayment obligation under the Contract for the distribution works construction charge and the water supply repayment obligation for the remaining water supply repayment period. The base for equalization of the total payments is the current annual water supply repayment obligation. P.L. 109-386 also allows the Secretary to delay the scheduled increase to the annual reserve fund deposits for ten years; and

WHEREAS, the District has requested that the Contract be amended to implement the provisions of P.L. 109-386; and

WHEREAS, in order to implement the provisions of Public Law 109-386, the United States agrees to amend the existing Contract.

NOW THEREFORE, in consideration of the mutual and dependent covenants herein contained, it is agreed between the parties hereto as follows:

1. Article 5b is deleted in its entirety and replaced with the following:

“ b. The District made annual water supply payments of \$21,250 in 2001, 2002, and 2003. The 2004 and 2005 annual payments were deferred. The District shall make water supply payments of \$21,841 beginning in 2006 and continuing through 2015, \$96,512 for 2016 and 2017, \$85,591 in 2018 and continuing through 2039, with a final installment of \$85,564 in 2040. The parties agree that any base payments that are in excess of the calculated ability to pay of the District are made in part in consideration of the conversion of Part A of the 1951 contract to a repayment contract pursuant to Subsection 9(d) of the Reclamation Project Act of 1939. The parties agree that notwithstanding the future determinations regarding ability to pay, the payments set forth in (b) herein shall not be reduced.”

2. Article 5c is deleted in its entirety and replaced with the following:

“ c. The District shall also repay such additional sums against the water supply works cost as may be within the District’s ability to pay as determined by the Contracting Officer in accordance with Reclamation policy; Provided, that such additional payment shall not be assessed unless and until the District’s ability to pay exceeds the base payment called for in (b) above, at which time the District’s annual water supply payment shall be the sum of the base payment called for in (b) above plus an ability-to-pay payment which shall be the net amount by which the District’s determined ability to pay exceeds the District’s base payment in (b) above. This additional sum against the water supply works cost does not affect the annual obligation or total obligation due for the distribution works construction obligation provided for in Article (6) of this Contract.”

3. Article 6a is deleted in its entirety and replaced with the following:

“ a. The United States has made reimbursable expenditures of \$13,995,401 for construction of distribution works. The District, under the 1951 contract, has repaid \$8,651,955.66 of this amount. In addition, the District made scheduled annual distribution works payments of \$376,640 in 2001, 2002, and 2003. The 2004 and 2005 annual payments were deferred. The District made a distribution works payment of \$83,273 in April 2006. The District shall repay to the United States the remaining unpaid balance of \$4,130,252.34 in accordance with the payment schedule in Attachment A, which is attached hereto and made a part hereof. The November 2006 billing will be revised to show a balance due of \$83,273 and payable within 30 days of execution of this amendment.”

4. Article 7b is deleted in its entirety and replaced with the following:

“ b. The District shall make annual deposits into the water supply reserve fund of \$8,500 in 2006 and continuing through 2025. Beginning in the year 2026, annual deposits to the fund shall be \$93,500.”

5. Article 7d is deleted in part and replaced with the following:

“ d. ... the ceiling amount of \$2,465,000.” is deleted from the first sentence and replaced with the following.

“ d. ... the ceiling amount of \$1,615,000.”

6. Article 8b is deleted in its entirety and replaced with the following:

“ b. The District shall make annual deposits into the distribution works reserve fund of \$4,250 in 2006 and continuing through 2025. Beginning in the year 2026, annual deposits to the fund shall be \$89,250.”

7. Article 8d is deleted in part and replaced with the following:

“ d. ... the ceiling amount of \$2,335,000.” is deleted from the first sentence and replaced with the following.

“ d. ... the ceiling amount of \$1,485,000.”

8. All terms and conditions of the existing Contract between the parties hereto shall remain in full force and effect except as they are specifically modified by this amendatory contract.

IN WITNESS WHEREOF, the parties hereto have signed their names the day and year first above written.

THE UNITED STATES OF AMERICA

By \_\_\_\_\_  
Regional Director

KANSAS-BOSTWICK IRRIGATION  
DISTRICT NO. 2

By \_\_\_\_\_  
President

ATTEST:

\_\_\_\_\_  
Secretary

**ATTACHMENT A**

**ANNUAL DISTRIBUTION WORKS CONSTRUCTION CHARGE  
OBLIGATION PAYMENTS**

<u>YEAR</u>	<u>AMOUNT</u>	<u>YEAR</u>	<u>AMOUNT</u>
2006	\$166,546	2024	\$102,796
2007	\$166,546	2025	\$102,796
2008	\$166,546	2026	\$102,796
2009	\$166,546	2027	\$102,796
2010	\$166,546	2028	\$102,796
2011	\$166,546	2029	\$102,796
2012	\$166,546	2030	\$102,796
2013	\$166,546	2031	\$102,796
2014	\$166,546	2032	\$102,796
2015	\$166,546	2033	\$102,796
2016	\$91,875	2034	\$102,796
2017	\$91,875	2035	\$102,796
2018	\$102,796	2036	\$102,796
2019	\$102,796	2037	\$102,796
2020	\$102,796	2038	\$102,796
2021	\$102,796	2039	\$102,796
2022	\$102,796	2040	\$102,803.34 (final payment)
2023	\$102,796		