

DUPLICATE ORIGINAL

Amendatory Contract No. 8-07-30-W0007
Amendment No. 2

UNITED STATES
DEPARTMENT OF THE INTERIOR
BUREAU OF RECLAMATION

AMENDMENT TO
AMENDATORY CONTRACT BETWEEN THE UNITED STATES OF AMERICA
AND COACHELLA VALLEY WATER DISTRICT FOR
REPLACING A PORTION OF THE COACHELLA CANAL

1. THIS AMENDMENT dated October 10, 2003, to Amendatory Contract No. 8-07-30-W0007, dated March 14, 1978 (hereinafter called the "Canal Replacement Contract") is between the UNITED STATES OF AMERICA and COACHELLA VALLEY WATER DISTRICT.

2. The parties hereto desire to conform the Canal Replacement Contract to the provisions of Section 210 of the San Luis Rey Indian Water Rights Settlement Act (Public Law 100-675; 102 Stat. 4000 et seq., as amended).

NOW THEREFORE, in consideration of the mutual covenants herein contained, the parties hereto agree as follows:

3. Article 14(b) of the Canal Replacement Contract is amended to read:
"(b) The construction charge obligation shall be repayable without interest by the United States and the District in 40 equal annual installments over a period of 40 years beginning in the year after construction is completed as determined by the Contracting Officer, and the Contractor is so notified by the United States. The portion of the construction charge obligation

allocated to the United States, which shall be non-reimbursable, will be that portion of the total cost determined by the ratio of the number of months in the interim period (as defined in the Colorado River Basin Salinity Control Act or any amendment thereof) divided by the number of months in the repayment period (40 x 12 or 480). The Contracting Officer will notify the Contractor as to the amount of each annual repayment installment and the year the interim period ends. All annual repayment installments of the construction charge obligation after the end of the interim period shall be the obligation of the Contractor, provided, that during the period of planning, design, and construction of the works authorized by Title II of the San Luis Rey Indian Water Rights Settlement Act and during the period that the Indian Water Authority and the local entities (as defined in Section 102 of the San Luis Rey Indian Water Rights Settlement Act) receive up to 16,000 acre-feet of the water conserved by the works, the annual repayment installments shall be non-reimbursable. The Contractor's first annual repayment installment of the construction charge obligation shall be due on the first October 1 after the Contracting Officer has notified the Contractor that the interim period has ended and that the annual repayment installments are no longer non-reimbursable, and each subsequent annual repayment installment shall be due and payable by the Contractor to the United States on October 1 of each following year."

4. Except as expressly modified herein, the Canal Replacement Contract and the amendment thereto shall remain in full force and effect.

IN WITNESS WHEREOF, the parties hereto have executed this Amendment No. 2 to
Amendatory Contract No. 8-07-30-W0007.

Approved for Legal Sufficiency

By: Katherine Ott Verburg

THE UNITED STATES OF AMERICA

By: Robert W. Johnson

COACHELLA VALLEY WATER DISTRICT

By: [Signature]