Executive Office

April 8, 2004

Richard Atwater, General Manager
Inland Empire Utilities Agency
P.O. Box 9020
Chino Hills, California 91709

Richard Hansen
General Manager/Chief Engineer
Three Valleys Municipal Water District
1021 E. Miramar Avenue
Claremont, California 91711

John Rossi, Chief Executive Officer
Chino Basin Watermaster
9641 San Bernardino Road
Rancho Cucamonga, California 91730

Dear Messrs. Atwater, Hansen and Rossi:

Amendment No. 1 to the Groundwater Storage Program Funding Agreement in the Chino Basin

Enclosed are four originals of the Amendment No. 1 to the Groundwater Storage Program Funding Agreement in the Chino Basin. The amendment allows additional time for the completion of the milestone for submittal of plans and specifications for the City of Ontario’s Ion Exchange Wellhead Treatment Plant. Please execute the four originals of the amendment on behalf of your agency and return them to Mr. James Bodnar at Metropolitan. Once all parties have executed, a complete set will be forwarded to your agency. Please direct any questions to Ms. Kathy Kunysz at (213) 217-6272 or to Mr. James Bodnar at (213) 217-6099.

Very truly yours,

[Signature]

Taichi N. Arakawa
Manager, Water Resources Management Group

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Enclosures
AMENDMENT NO. 1
TO
GROUNDWATER STORAGE PROGRAM
FUNDING AGREEMENT NO. 49960

BY AND AMONG

THE METROPOLITAN WATER DISTRICT OF SOUTHERN CALIFORNIA

AND

INLAND EMPIRE UTILITIES AGENCY

AND

THREE VALLEYS MUNICIPAL WATER DISTRICT

AND

CHINO BASIN WATERMASTER

DATED AS OF APRIL ___, 2004
AMENDMENT NO. 1 TO GROUNDWATER STORAGE PROGRAM
FUNDING AGREEMENT NO. 49960

THIS AMENDMENT NO. 1 TO GROUNDWATER STORAGE PROGRAM FUNDING AGREEMENT NO. 49960 (this “Amendment No. 1”), dated as of April ___, 2004, is entered into by and among THE METROPOLITAN WATER DISTRICT OF SOUTHERN CALIFORNIA (“Metropolitan”), a public entity of the State of California, INLAND EMPIRE UTILITIES AGENCY, a municipal water district of the State of California (“IEUA”), THREE VALLEYS MUNICIPAL WATER DISTRICT, a municipal water district of the State of California (“TVMWD”) and CHINO BASIN WATERMASTER, an entity established by the Superior Court of the State of California to manage the Chino Groundwater Basin (“Watermaster”). Hereafter, Metropolitan, IEUA, TVMWD and Watermaster may be referred to collectively as “Parties.”

RECITALS

A. In June 2003, the Parties entered into an agreement titled, “Agreement No. 49960 Groundwater Program Storage Funding Agreement” (“Agreement”) pursuant to which Metropolitan agreed to provide certain funding in support of the Chino Basin Groundwater Storage Program (“Program”) being implemented by IEUA and TVMWD.

B. Under the terms and conditions of the Agreement, Metropolitan’s obligation to provide funding is contingent upon IEUA meeting certain milestones with respect to the design, construction and completion of the various Program facilities listed in Exhibit H to the Agreement (“Facilities”). Specifically, Section IV.A.3 of the Agreement requires that IEUA deliver to Metropolitan engineering and construction plans and specifications for all such Facilities on or before September 1, 2004.

C. However, with respect to one such Facility, the City of Ontario’s Ion Exchange Wellhead Treatment Plant (“Ontario Treatment Plant”), IEUA has determined that additional time is needed to prepare the required engineering and construction plans and specifications (“Plans”). Accordingly, IEUA is requesting that the deadline for submission of such Plans to Metropolitan be extended for approximately one year.

D. Notwithstanding this extension, IEUA has indicated construction of the Ontario Treatment Plant still will be completed by no later than March 8, 2008, as required under Section IV.B.4 of the Agreement. Based upon such representation, Metropolitan is amenable to granting the requested extension.

NOW, THEREFORE, in consideration of the foregoing Recitals, and for other good and valuable consideration the receipt and adequacy of which are hereby acknowledged, the Parties hereby agree as follows:

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AMENDMENT

1. The deadline for submission of the Plans for the Ontario Treatment Plant is hereby extended from September 1, 2004 to September 20, 2005. Plans for all other Program Facilities shall be submitted by IEUA to Metropolitan on or before September 1, 2004, as required under Section IV.A.3. of the Agreement.

2. Except as, anc to the extent specifically and expressly modified by this Amendment No. 1, the Agreement is, and shall continue to be, in full force and effect. This Amendment does not constitute a waiver of any provisions, terms or conditions of the Agreement or of any failure to comply with such provisions, terms or conditions.

3. This Amendment No. 1 may be executed in multiple counterparts, all of which together shall constitute a single, integrated amendment to the Agreement.

IN WITNESS WHEREOF, the Parties have caused this Amendment No. 1 to be executed as of the date first set forth above.

THE METROPOLITAN WATER DISTRICT
OF SOUTHERN CALIFORNIA

By: ________________________________
    Ronald R. Gastelum
    Chief Executive Officer

Date: ________________________________

INLAND EMPIRE UTILITIES AGENCY

By: ________________________________
    Richard Atwater
    General Manager

Date: 4/22/09

THREE VALLEYS MUNICIPAL WATER DISTRICT

By: ________________________________
    Richard W. Hansen
    General Manager/Chief Engineer

Date: ________________________________

CHINO BASIN WATERMASTER

By: ________________________________
    John V. Rossi
    Chief Executive Officer

Date: ________________________________

APPROVED AS TO FORM:
Jeffrey Kightlinger, General Counsel
By: ________________________________
    John Schlottbeck
    Deputy General Counsel

Date: ________________________________

APPROVED AS TO FORM:
By: ________________________________
    General Counsel

Date: ________________________________

APPROVED AS TO FORM:
By: ________________________________
    Steve Kennedy
    District Counsel

Date: ________________________________

APPROVED AS TO FORM:
By: ________________________________
    Michael Fife
    General Counsel

Date: ________________________________


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THE METROPOLITAN WATER DISTRICT
OF SOUTHERN CALIFORNIA

By: Ronald R. Gastehum
Chief Executive Officer

Date: ____________________________

INLAND EMPIRE UTILITIES AGENCY

By: Richard Atwater
General Manager

Date: 4/22/09

THREE VALLEYS MUNICIPAL WATER DISTRICT

By: Richard W. Hansen
General Manager/Chief Engineer

Date: ____________________________

CHINO BASIN WATERMASTER

By: John V. Rossi
Chief Executive Officer

Date: ____________________________

APPROVED AS TO FORM:
Jeffrey Kightinger, General Counsel

By: John Schlotterbeck
Deputy General Counsel

Date: ____________________________

APPROVED AS TO FORM:

By: ____________________________
General Counsel

Date: ____________________________

APPROVED AS TO FORM:

By: ____________________________
District Counsel

Date: ____________________________

APPROVED AS TO FORM:

By: ____________________________
General Counsel

Date: ____________________________