September 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

Sheri Rojo  
Chino Basin Watermaster  
9641 San Bernardino Road  
Rancho Cucamonga, California 91730

Dear Messrs. Atwater, Hansen and Ms. Rojo:

Amendment No. 2 to the Groundwater Storage Program Funding Agreement in the Chino Basin:

Enclosed are executed originals of Amendment No. 2 to the Groundwater Storage Program Funding Agreement in the Chino Basin. Note that the signatures for Inland Empire Utilities Agency and Chino Basin Watermaster are located on the same agreement. The amendment allows additional time for the completion of the milestone for submittal of plans and specifications. Please direct any questions to Ms. Kathy Kunysz at (213) 217-6272 or to Mr. James Bödnar at (213) 217-6099.

Very truly yours,

[Signature]

Stephen N. Arakawa  
Manager, Water Resources Management Group

JB:adminwm
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Enclosures
AMENDMENT NO. 2
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 AUGUST 31, 2004
AMENDMENT NO. 2 TO GROUNDWATER STORAGE PROGRAM  
FUNDING AGREEMENT NO. 49960

THIS AMENDMENT NO. 2 TO GROUNDWATER STORAGE PROGRAM  
FUNDING AGREEMENT NO. 49960 (this “Amendment No. 2”), dated as of August 1st, 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” (the “Agreement”) pursuant to which  
Metropolitan agreed to provide certain funding in support of the Chino Basin  
Groundwater Storage Program (the “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 (the “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 many of the facilities, IEUA has determined that additional  
time is needed to prepare the required engineering and construction plans and  
specifications (the “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 facilities will still  
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:

AMENDMENT

1. The deadline for submission of the Plans for the Facilities, as required under Section IV A.5 of the Agreement, is hereby extended from September 1, 2004 to September 20, 2005.

2. Except as, and to the extent specifically and expressly modified by this Amendment No. 2, the Agreement is, and shall continue to be, in full force and effect.

3. This Amendment No. 2 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. 2 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: 8/17/04

THREE VALLEYS MUNICIPAL WATER DISTRICT

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

Date: ________________

CHINO BASIN WATERMASTER

By: __________________________
Chief Executive Officer

Date: 8/17/04

APPROVED AS TO FORM:
Jeffrey Kightlinger, General Counsel

By: __________________________
Setha E. Schlang
Deputy General Counsel

Date: ____________________

APPROVED AS TO FORM:
Jean E. Kingman
General Counsel

Date: 8/18/04

APPROVED AS TO FORM:

By: __________________________
Steve Kennedy
District Counsel

Date: ____________________

APPROVED AS TO FORM:

By: __________________________
Michael Fife
General Counsel

Date: 8/17/04

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Amendment No. 2 to Groundwater Storage Program Funding
IN WITNESS WHEREOF, the Parties have caused this Amendment No. 2 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: ______________________________

THREE VALLEYS MUNICIPAL
WATER DISTRICT

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

Date: ______________________________

CHINO BASIN WATERMASTER

By: ________________________________
    Chief Executive Officer

Date: ______________________________

APPROVED AS TO FORM:
Jeffrey Kightlinger, General Counsel

By: ________________________________
    Setha E. Schlang
    Deputy General Counsel

Date: ______________________________

APPROVED AS TO FORM:

By: ________________________________
    Jean Cihigoyenetone
    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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Amendment No. 2 to
Groundwater Storage
Program Funding

Agreement No. 49960
IN WITNESS WHEREOF, the Parties have caused this Amendment No. 2 to be executed as of the date first set forth above.

THE METROPOLITAN WATER DISTRICT
OF SOUTHERN CALIFORNIA

By: [Signature]
Ronald R. Gastelum
Chief Executive Officer

Date: 8/31/04

INLAND EMPIRE UTILITIES AGENCY

By: [Signature]
Richard Atwater
General Manager

Date: ______________________

THREE VALLEYS MUNICIPAL
WATER DISTRICT

By: [Signature]
Richard W. Hansen
General Manager/Chief Engineer

Date: ______________________

CHINO BASIN WATERMASTER

By: [Signature]
Chief Executive Officer

Date: ______________________

APPROVED AS TO FORM:
Jeffrey Kightlinger, General Counsel

By: [Signature]
Setha E. Schlang
Deputy General Counsel

Date: 8/31/04

APPROVED AS TO FORM:
Jean Cihigoyenetone
General Counsel

Date: ______________________

APPROVED AS TO FORM:
Steve Kennedy
District Counsel

Date: ______________________

APPROVED AS TO FORM:
Michael Fife
General Counsel

Date: ______________________

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Amendment No. 2 to
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Agreement No. 49960