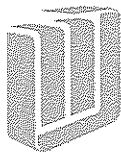
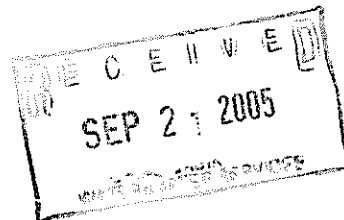


1cm, SK, JW



**MWD**  
METROPOLITAN WATER DISTRICT OF SOUTHERN CALIFORNIA



Executive Office

September 20, 2005

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

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

Mr. Ken Manning  
Chief Executive Officer  
Chino Basin Watermaster  
9641 San Bernardino Road  
Rancho Cucamonga, CA 91730

Dear Messrs. Atwater, Hansen and Manning:

Amendment No. 3 to the Groundwater Storage Program Funding Agreement in the Chino Basin

Enclosed are executed originals of Amendment No. 3 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. Please direct any questions to Ms. Kathy Kunysz at (213) 217-6272 or to Mr. James Bodnar at (213) 217-6099.

Very truly yours,

Stephen N. Arakawa  
Manager, Water Resources Management

JB:adminwrm  
O:\s\c\JB\_Amendmt No. 3 Chino CUP-transmittal.doc

Enclosures

AMENDMENT NO. 3

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 16, 2005

**AMENDMENT NO. 3 TO GROUNDWATER STORAGE PROGRAM  
FUNDING AGREEMENT NO. 49960**

THIS AMENDMENT NO. 3 TO GROUNDWATER STORAGE PROGRAM FUNDING AGREEMENT NO. 49960 (this "Amendment No. 3"), dated as of August 16, 2005, 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 20, 2005.
- 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 ("Plans"). Accordingly, IEUA is requesting that the deadline for submission of such Plans to Metropolitan be extended for approximately fifteen months.
- 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.

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.3. of the Agreement, is hereby extended from September 20, 2005 to December 31, 2006.
2. Except as, and to the extent specifically and expressly modified by this Amendment No. 3, the Agreement is, and shall continue to be, in full force and effect.
3. This Amendment No. 3 may be executed in multiple counterparts, all of which together shall constitute a single, integrated amendment to the Agreement.

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IN WITNESS WHEREOF, the Parties have caused this Amendment No. 3 to be executed as of the date first set forth above.

**THE METROPOLITAN WATER DISTRICT  
OF SOUTHERN CALIFORNIA**

By:   
Dennis B. Underwood  
CEO/General Manager

Date: 9/12/05

**INLAND EMPIRE UTILITIES AGENCY**

By: \_\_\_\_\_  
Richard Atwater  
General Manager

Date: \_\_\_\_\_

**THREE VALLEYS MUNICIPAL  
WATER DISTRICT**

By: \_\_\_\_\_  
Richard W. Hansen  
General Manager/Chief Engineer

Date: \_\_\_\_\_

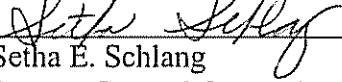
**CHINO BASIN WATERMASTER**

By: \_\_\_\_\_  
Ken Manning  
Chief Executive Officer

Date: \_\_\_\_\_

**APPROVED AS TO FORM:**

Jeffrey Kightlinger, General Counsel

By:   
Setha E. Schlang  
Deputy General Counsel

Date: 8/16/05

**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: \_\_\_\_\_

In quadruplicate

AMENDMENT NO. 3

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 16, 2005

**AMENDMENT NO. 3 TO GROUNDWATER STORAGE PROGRAM  
FUNDING AGREEMENT NO. 49960**

THIS AMENDMENT NO. 3 TO GROUNDWATER STORAGE PROGRAM FUNDING AGREEMENT NO. 49960 (this "Amendment No. 3"), dated as of August 16, 2005, 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 20, 2005.
- 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 ("Plans"). Accordingly, IEUA is requesting that the deadline for submission of such Plans to Metropolitan be extended for approximately fifteen months.
- 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.

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.3. of the Agreement, is hereby extended from September 20, 2005 to December 31, 2006.
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IN WITNESS WHEREOF, the Parties have caused this Amendment No. 3 to be executed as of the date first set forth above.

**THE METROPOLITAN WATER DISTRICT  
OF SOUTHERN CALIFORNIA**

By: \_\_\_\_\_  
Dennis B. Underwood  
CEO/General Manager

Date: \_\_\_\_\_

**INLAND EMPIRE UTILITIES AGENCY**

By: Richard Atwater  
Richard Atwater  
General Manager

Date: JULY 28, 2008

**THREE VALLEYS MUNICIPAL  
WATER DISTRICT**

By: \_\_\_\_\_  
Richard W. Hansen  
General Manager/Chief Engineer

Date: \_\_\_\_\_

**CHINO BASIN WATERMASTER**

By: \_\_\_\_\_  
Ken Manning  
Chief Executive Officer

Date: \_\_\_\_\_

In quadruplicate

**APPROVED AS TO FORM:**  
Jeffrey Kightlinger, General Counsel

By: \_\_\_\_\_  
Setha E. Schlang  
Deputy General Counsel

Date: \_\_\_\_\_

**APPROVED AS TO FORM:**

By: Jean Cihigoyenetone  
Jean Cihigoyenetone  
General Counsel

Date: 8-8-05

**APPROVED AS TO FORM:**

By: \_\_\_\_\_  
Steve Kennedy  
District Counsel

Date: \_\_\_\_\_

**APPROVED AS TO FORM:**

By: \_\_\_\_\_  
Michael Fife  
General Counsel

Date: \_\_\_\_\_

AMENDMENT NO. 3

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 16, 2005

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FUNDING AGREEMENT NO. 49960**

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- 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 ("Plans"). Accordingly, IEUA is requesting that the deadline for submission of such Plans to Metropolitan be extended for approximately fifteen months.
- 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.

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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IN WITNESS WHEREOF, the Parties have caused this Amendment No. 3 to be executed as of the date first set forth above.

**THE METROPOLITAN WATER DISTRICT OF SOUTHERN CALIFORNIA**

By: \_\_\_\_\_  
Dennis B. Underwood  
CEO/General Manager

Date: \_\_\_\_\_

**APPROVED AS TO FORM:**  
Jeffrey Kightlinger, General Counsel

By: \_\_\_\_\_  
Setha E. Schlang  
Deputy General Counsel

Date: \_\_\_\_\_

**INLAND EMPIRE UTILITIES AGENCY**

By: \_\_\_\_\_  
Richard Atwater  
General Manager


Date: \_\_\_\_\_

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General Counsel

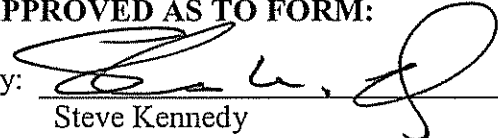
Date: \_\_\_\_\_

**THREE VALLEYS MUNICIPAL WATER DISTRICT**

By:  \_\_\_\_\_  
Richard W. Hansen  
General Manager/Chief Engineer

Date: 8/5/05

**APPROVED AS TO FORM:**

By:  \_\_\_\_\_  
Steve Kennedy  
District Counsel

Date: 8/2/05

**CHINO BASIN WATERMASTER**

By: \_\_\_\_\_  
Ken Manning  
Chief Executive Officer

Date: \_\_\_\_\_

**APPROVED AS TO FORM:**

By: \_\_\_\_\_  
Michael Fife  
General Counsel

Date: \_\_\_\_\_

In quadruplicate

AMENDMENT NO. 3

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

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DATED AS OF August 16, 2005

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IN WITNESS WHEREOF, the Parties have caused this Amendment No. 3 to be executed as of the date first set forth above.

**THE METROPOLITAN WATER DISTRICT  
OF SOUTHERN CALIFORNIA**

By: \_\_\_\_\_  
Dennis B. Underwood  
CEO/General Manager

Date: \_\_\_\_\_

**INLAND EMPIRE UTILITIES AGENCY**

By: \_\_\_\_\_  
Richard Atwater  
General Manager

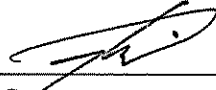
Date: \_\_\_\_\_

**THREE VALLEYS MUNICIPAL  
WATER DISTRICT**

By: \_\_\_\_\_  
Richard W. Hansen  
General Manager/Chief Engineer

Date: \_\_\_\_\_

**CHINO BASIN WATERMASTER**

By: \_\_\_\_\_  
  
Ken Manning  
Chief Executive Officer

Date: 8/5/05

**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: 8/8/05

In quadruplicate