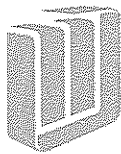
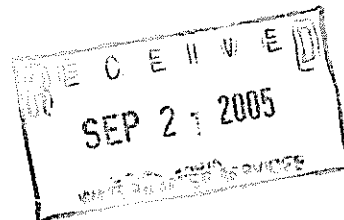


1cm, SK, JW



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: _____

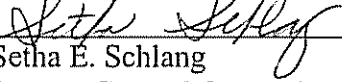
CHINO BASIN WATERMASTER

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

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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 Cihigoyenotone
Jean Cihigoyenotone
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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- 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

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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: _____

APPROVED AS TO FORM:

By: _____
Jean Cihigoyenetone
General Counsel

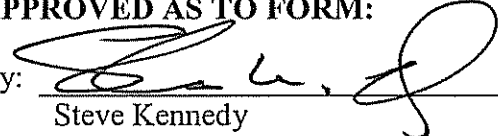
Date: _____

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

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:

AMENDMENT

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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

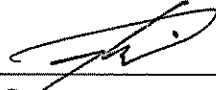
Date: _____

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

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
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