



Inland Empire
UTILITIES AGENCY

**AMENDMENT NUMBER 1
TO
LOCAL AGENCY AGREEMENT
AND
CUCAMONGA VALLEY WATER DISTRICT
FOR
GROUNDWATER STORAGE AGREEMENT NO. 49960**

This Amendment is made and entered into this 1st day of September, 2004, by and between the Inland Empire Utilities Agency and Cucamonga Valley Water District of Rancho Cucamonga, California, encompassing all terms and conditions contained in the Local Agency Agreement, except as modified herein.

Revise the following:

1. All references identifying The Local Agency as "Cucamonga County Water District" (CCWD) shall be changed to reference "Cucamonga Valley Water District" (CVWD).
2. Page 5, Section 7, Paragraph (e), Notices, shall be amended to reflect IEUA's and Chino Basin Watermaster's new addresses as follows:

(e) If to IEUA: Inland Empire Utilities Agency
6075 Kimball Avenue, Building A
Chino, California 91710
Attention: Richard W. Atwater
Chief Executive Officer/General Manager


If to Watermaster: Chino Basin Watermaster
9641 San Bernardino Road,
Rancho Cucamonga, CA 91730
Sheri Rojo, Acting General Manager

3. Exhibits A and B are amended as attached.

IN WITNESS WHEREOF, the parties hereto have caused this Agreement to be entered as of the day and year written above.

INLAND EMPIRE UTILITIES AGENCY:

CUCAMONGA VALLEY WATER DISTRICT:


Richard W. Atwater
Chief Executive Officer
General Manager

9/1/04
Date


Robert A. DeLoach
General Manager/CEO

9/13/04
Date

EXHIBIT A
LOCAL AGENCY FACILITIES
CUCAMONGA VALLEY WATER DISTRICT

AMOUNT OF FUNDING CVWD WILL RECEIVE:

\$8,395,433

CVWD NEW WELLS TO BE INSTALLED:

RESERVOIR 1C SITE
East Avenue & I-15 Freeway
2 – 2,000 gpm wells

RESERVOIR 1B SITE
Cleveland Avenue & 7TH Street
2 – 2,000 gpm wells

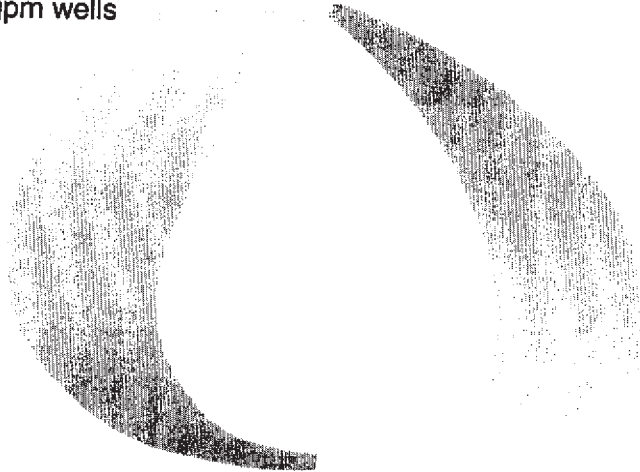


EXHIBIT B

PERFORMANCE TARGETS

Example

Cucamonga Valley Water District

Dry Year Shift obligation of 11,353 AF over 12-month period

11,353 AF reduced imported water reduction

11,353 AF pumped from MWD storage account

11,353 AF increase in CVWD overall local supply production

All three criteria must be met plus or minus 10 percent

Failure to perform would result in CVWD being charged a rate equal to two times the Tier 2 MWD full service untreated rates or comparable rate in the future in effect at such time for each AF of the Dry Year Shift obligation not met.