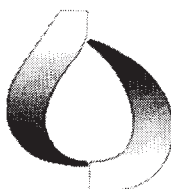


ORIGINAL**Inland Empire**
UTILITIES AGENCY

**AMENDMENT NUMBER 2
TO
LOCAL AGENCY AGREEMENT
AND CUCAMONGA VALLEY WATER DISTRICT
FOR
GROUNDWATER STORAGE AGREEMENT NO. 49960**

This Amendment is made and entered into this 11th day of July 2005, by and between the Inland Empire Utilities Agency and Cucamonga Valley Water District of Rancho Cucamonga, California, encompassing all the terms and conditions contained in the Local Agency Agreement and Amendment Number 1, except as modified herein.

REVISE THE FOLLOWING:

1. Remove from Exhibit A, the Reservoir 3 IX – Apricot Street & Amethyst Avenue and replace with two additional Chino Basin Wells (Numbers 44 & 45) which shall be located at 9591 San Bernardino Road and 9673 San Bernardino Road, respectfully, in the city of Rancho Cucamonga. Exhibit A is hereby amended, as attached.

ALL OTHER PROVISIONS OF THE AGREEMENT REMAIN UNCHANGED.

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:

Richard W. Atwater 6/6/05
Richard W. Atwater Date
Chief Executive Officer
General Manager

CUCAMONGA VALLEY WATER DISTRICT:

Robert A. DeLoach 7-11-05
Robert A. DeLoach Date
Chief Executive Officer
General Manager

EXHIBIT A

LOCAL AGENCY FACILITIES

CUCAMONGA VALLEY WATER DISTRICT

AMOUNT OF FUNDING CVWD WILL RECEIVE:

\$8,395,433

WELLS TO BE INSTALLED:

RESERVOIR 1C SITE

East Avenue & I-15

2 – 2,000 gpm wells

RESERVOIR 1B SITE

Cleveland Avenue & 7th Street

2 – 2,000 gpm wells

WELL NUMBER 44

9591 San Bernardino Road, Rancho Cucamonga

2,500 gpm well

WELL NUMBER 45

9673 San Bernardino Road, Rancho Cucamonga

2,500 gpm well