

**FIRST AMENDMENT
TO
PURCHASE AGREEMENT FOR IMPORTED WATER TO BE PROVIDED BY
WEST BASIN MUNICIPAL WATER DISTRICT**

PURCHASER: [California American Water Co.](#)

BASE ALLOCATION: [1,700](#) acre-feet

TIER 1 ANNUAL MAXIMUM (90% of Base Allocation): [1,530](#) acre-feet

PURCHASE COMMITMENT : [6,540](#) acre-feet

TERM: 5 years from [January 1, 2003](#)

EFFECTIVE DATE: [December 1, 2006](#)

THIS AMENDMENT TO THE PURCHASE AGREEMENT FOR IMPORTED WATER TO BE PROVIDED BY WEST BASIN MUNICIPAL WATER DISTRICT, dated as of December 1, 2006, is entered into on _____, 2006 between West Basin Municipal Water District and [California American Water Co.](#)

It is mutually agreed that the following changes and additions are hereby made to the Agreement:

- A. Base Allocation is decreased from [2,500](#) acre-feet to [1,700](#) acre-feet, as shown above under "BASE ALLOCATION"
- B. Tier 1 Annual Maximum is decreased from [2,250](#) acre-feet to [1,530](#) acre-feet, as shown above under TIER 1 ANNUAL MAXIMUM (90% of Base Allocation)"
- C. Purchase Commitment is decreased from [7,500](#) acre-feet to [6,540](#) acre-feet, as shown above under "PURCHASE COMMITMENT"
- D. Term is five (5) years from January 1, 2003, as shown above under "TERM" to clarify that the term of the original agreement has not changed.
- E. Effective date of the increases in Base Allocation, Tier 1 Annual Maximum and Purchase Commitment is [December 1, 2006](#), as shown above under "EFFECTIVE DATE".

WEST BASIN MUNICIPAL
WATER DISTRICT

CALIFORNIA AMERICAN WATER CO.

By: _____
Richard Nagel
General Manager

By: _____
Title: _____

Date: _____

Date: _____

Exhibit 1
Imported Water Purchase Agreement
DEFINITIONS

“Base Allocation” means the Purchaser’s share of the District’s base amount with Metropolitan (defined as the “Initial Base Demand” in the District’s purchase order with Metropolitan). The Purchaser’s Base Allocation is used to calculate both the Tier 1 Annual Maximum (90% of Base Allocation) and the Purchase Commitment (60% of Base Allocation times five). Initially, the Base Allocation is determined as the five-year average of Purchaser’s non-surplus imported water purchases from District, from fiscal years ending 1997 through 2001, plus a prorated adjustment to account for the District’s Initial Base Demand. As described in the Adjustments and Renewals section above, Base Allocation may be increased or decreased if the District can accommodate a Purchaser’s request.

“Imported Water” means imported water supplied by Metropolitan and sold by the District to Purchaser. Imported Water does not include Long-Term Seasonal Storage Service and other surplus categories of supplies.

“Purchaser” means a customer of the District that has entered into a Purchase Agreement with the District.

“Purchase Commitment” means the amount of Imported Water that Purchaser agrees to purchase from District. Deliveries of surplus imported water supplies, including but not limited to Long-Term Seasonal Storage Service, will not count towards the Purchase Commitment.

“Term” means the term of this Purchase Agreement as specified above.

“Tier 1 Annual Maximum” means an amount equal to 90% of the Base Allocation.

“Tier 1 Rate” means the price charged by the District for deliveries of Imported Water to Purchaser in an amount up to the Tier 1 Annual Maximum. The initial Tier 1 Rate is \$547 per acre-foot.

“Tier 2 Rate” means the price charged by the District for deliveries of Imported Water to Purchaser in an amount greater than the Tier 1 Annual Maximum. The initial Tier 2 Rate is \$643 per acre-foot.

“Tier 1 Supply Rate” means Metropolitan’s per acre-foot Tier 1 Supply Rate, as determined from time to time by Metropolitan’s Board of Directors. The initial Tier 1 Supply Rate is \$73 per acre-foot.

“Tier 2 Supply Rate” means Metropolitan’s per acre-foot Tier 2 Supply Rate, as determined from time to time by Metropolitan’s Board of Directors. The initial Tier 2 Supply Rate is \$169 per acre-foot.