

MODIFICATION OF PAYMENT SCHEDULES
PURSUANT TO THE
QUANTIFICATION SETTLEMENT AGREEMENT
JOINT POWERS AUTHORITY
CREATION AND FUNDING AGREEMENT

This Modification of Payment Schedules Pursuant to the Quantification Settlement Agreement Joint Powers Authority Creation and Funding Agreement (“Modification”) is dated for reference this 25 day of April, 2007 by and among the State of California acting by and through the Department of Fish and Game (“State”), Coachella Valley Water District (“CVWD”), Imperial Irrigation District (“IID”) and San Diego County Water Authority (“SDCWA”). The State, CVWD, IID and SDCWA are sometimes referred to herein individually and collectively as the “Party” or “Parties.”

RECITALS

- A. The Parties executed that certain Quantification Settlement Agreement Joint Powers Authority Creation and Funding Agreement dated October 10, 2003 (“Agreement”). [A copy of the Agreement is attached hereto as Exhibit “A” and by this reference incorporated herein.]
- B. The Agreement provides that certain of the Parties would make payments to the Authority (as that term is defined in the Agreement) in accordance with the schedules attached as Exhibits C-1, C-2 and C-3 thereto (“Payment Schedules”).
- C. The Commission (as that term is defined in the Agreement) has adopted a long term financing plan referred to in Section 10.2 of the Agreement.
- D. Pursuant to Section 9.5 of the Agreement, the Parties desire to modify and adjust the Payment Schedules attached to the Agreement to conform to the long term financing plan, on the terms and conditions set forth herein.

NOW, THEREFORE, IN CONSIDERATION OF THE MUTUAL COVENANTS CONTAINED HEREIN, THE PARTIES AGREE TO MODIFY THE PAYMENT SCHEDULES AS FOLLOWS:

1. All of the Recitals are hereby incorporated by reference as though set forth herein in full.
2. The Parties agree that the Payment Schedules attached to the Agreement as Exhibits C-1, C-2 and C-3 are hereby deleted in their entirety. Payments shall be made by CVWD, IID and SDCWA in accordance with the schedules attached hereto as Exhibits “C-4,” “C-5” and “C-6” and by this reference incorporated herein, unless paid in advance or credited in accordance with Section 9.5 of the Agreement.

3. Except for the modification of the Payment Schedules as described in Section 2 above, the terms and conditions of the Agreement shall remain in full force and effect. Notwithstanding the immediately preceding sentence, the Agreement shall be interpreted in a manner consistent with the intent of this Modification.

4. This Modification shall not operate to validate or invalidate any Party's right to maintain an action or cause of action with respect to the interpretation of any provision contained in the Agreement, including, without limitation, Section 9.5 thereof. In particular, nothing in this Modification is intended to act as a waiver or abandonment of any right, claim or defense with respect to the legal effect of any provision in the Agreement, and each Party hereby preserves any such right, claim or defense which existed prior to the execution of this Modification. In addition thereto, this Modification shall not be used as evidence of a waiver in any action or cause of action.

5. Each individual executing this Modification hereby represents and warrants that he or she has the full power and authority to execute the Modification on behalf of the named Parties.

6. This Modification may be executed in any number of counterparts, each of which shall be an original, but all of which taken together shall constitute one and the same instrument.

IN WITNESS WHEREOF, the Parties have caused this Modification to be executed as of the day and year first above written.


STATE OF CALIFORNIA, acting by and through
the Department of Fish and Game

By 
Title DIRECTOR

Approved as to Form and Content:

By 

COACHELLA VALLEY WATER DISTRICT,
a California county water district

By 
Steven Robbins
Its General Manager/Chief Engineer

Approved as to Form and Content

REDWINE AND SHERRILL

By *[Signature]*

IMPERIAL IRRIGATION DISTRICT,
a California irrigation district

By *Charles J. Haskin*
Its *General Manager*

By _____
Its _____

Approved as to Form and Content

By *[Signature]*

SAN DIEGO COUNTY WATER AUTHORITY

By *[Signature]*
Its *GENERAL MANAGER*

By _____
Its _____

Approved as to Form and Content

By *James J. Taylor*
Asst. General Counsel

QUANTIFICATION SETTLEMENT AGREEMENT
JOINT POWERS AUTHORITY
CREATION AND FUNDING AGREEMENT
EXHIBIT C-4: CVWD JPA Payments

Calendar Year	Original Payments ¹	FY 2007-08 Advance		FY 2008-09 Advance		Total CY Payments
		Advance Payments ²	Adjustments for Advances ¹	Advance Payments ³	Adjustments for Advances ¹	
0	2003	\$ 1,645,504				\$ 1,645,504
1	2004	\$ 726,170				\$ 726,170
2	2005	\$ 773,682				\$ 773,682
3	2006	\$ 924,507				\$ 924,507
4	2007	\$ 1,058,375	\$ 2,878,752			\$ 3,937,127
5	2008	\$ 1,546,371		\$ 1,521,623		\$ 3,067,994
6	2009	\$ 5,724,756				\$ 5,724,756
7	2010	\$ 1,947,996				\$ 1,947,996
8	2011	\$ 2,169,002				\$ 2,169,002
9	2012	\$ 2,458,299				\$ 2,458,299
10	2013	\$ 3,688,032				\$ 3,688,032
11	2014	\$ 3,720,930				\$ 3,720,930
12	2015	\$ 4,272,431				\$ 4,272,431
13	2016	\$ 5,803,865				\$ 5,803,865
14	2017	\$ 7,182,291		\$ (1,650,692)		\$ 5,531,599
15	2018	\$ 11,875,345		\$ (3,874,730)	\$ (2,805,099)	\$ 5,195,516
16	2019	\$ 745,350				\$ 745,350
17	2020	\$ 738,869				\$ 738,869
18	2021	\$ 2,697,555				\$ 2,697,555
19	2022	\$ 2,706,745				\$ 2,706,745
20	2023	\$ 6,953,711				\$ 6,953,711
21	2024	\$ 2,748,523				\$ 2,748,523
22	2025	\$ 1,446,565				\$ 1,446,565
23	2026					
24	2027					
25	2028					
26	2029					
27	2030					
28	2031					
29	2032					
30	2033					
31	2034					
32	2035					
33	2036					
34	2037					
35	2038					
36	2039					
37	2040					
38	2041					
39	2042					
40	2043					
41	2044					
42	2045					
43	2046					
44	2047					
45	2048					
Nominal Total:	\$ 73,554,872	\$ 2,878,752	\$ (5,525,422)	\$ 1,521,623	\$ (2,805,099)	\$ 69,624,726
PV Total (@ 6.0%):	\$ 36,717,791	\$ 2,346,892	\$ (2,346,892)	\$ 1,170,470	\$ (1,170,470)	\$ 36,717,791

¹ Paid 12/31

² Paid 7/2/2007

³ Paid 7/1/2008

**QUANTIFICATION SETTLEMENT AGREEMENT
JOINT POWERS AUTHORITY
CREATION AND FUNDING AGREEMENT
EXHIBIT C-5: IID JPA Payments**

Calendar Year	Original Payments ^{1,2}	FY 2007-08 Advance		FY 2008-09 Advance		Total CY Payments	
		Advance Payments ³	Adjustments for Advances ¹	Advance Payments ⁴	Adjustments for Advances ¹		
0	2003	\$ 402,069				\$ 402,069	
1	2004	\$ -				\$ -	
2	2005	\$ 418,191				\$ 418,191	
3	2006	\$ 574,316				\$ 574,316	
4	2007	\$ 739,432	\$ 1,658,950			\$ 2,398,382	
5	2008	\$ 761,615		\$ 876,872		\$ 1,638,487	
6	2009	\$ 941,356				\$ 941,356	
7	2010	\$ 1,131,196				\$ 1,131,196	
8	2011	\$ 1,331,579				\$ 1,331,579	
9	2012	\$ 1,542,967				\$ 1,542,967	
10	2013	\$ 1,765,841				\$ 1,765,841	
11	2014	\$ 1,818,816				\$ 1,818,816	
12	2015	\$ 1,873,380				\$ 1,873,380	
13	2016	\$ 1,929,582				\$ 1,929,582	
14	2017	\$ 1,987,469				\$ 1,987,469	
15	2018	\$ 2,661,221		\$ (400,000)		\$ 2,261,221	
16	2019	\$ 3,373,610		\$ (900,000)		\$ 2,473,610	
17	2020	\$ 4,126,346		\$ (1,400,000)		\$ 2,726,346	
18	2021	\$ 4,473,828		\$ (888,713)	\$ (700,000)	\$ 2,885,115	
19	2022	\$ 4,608,043			\$ (1,298,803)	\$ 3,309,240	
20	2023	\$ 4,746,284				\$ 4,746,284	
21	2024	\$ 4,888,673				\$ 4,888,673	
22	2025	\$ 5,035,333				\$ 5,035,333	
23	2026	\$ 5,186,393				\$ 5,186,393	
24	2027	\$ 5,341,985				\$ 5,341,985	
25	2028	\$ 5,502,244				\$ 5,502,244	
26	2029	\$ 5,667,311				\$ 5,667,311	
27	2030	\$ 5,837,331				\$ 5,837,331	
28	2031	\$ 6,012,451				\$ 6,012,451	
29	2032	\$ 6,192,824				\$ 6,192,824	
30	2033	\$ 6,378,609				\$ 6,378,609	
31	2034	\$ 6,569,967				\$ 6,569,967	
32	2035	\$ 6,767,066				\$ 6,767,066	
33	2036	\$ 6,970,078				\$ 6,970,078	
34	2037	\$ 7,179,181				\$ 7,179,181	
35	2038	\$ 7,394,556				\$ 7,394,556	
36	2039	\$ 7,616,393				\$ 7,616,393	
37	2040	\$ 7,844,884				\$ 7,844,884	
38	2041	\$ 8,080,231				\$ 8,080,231	
39	2042	\$ 8,322,638				\$ 8,322,638	
40	2043	\$ 8,572,317				\$ 8,572,317	
41	2044	\$ 8,829,487				\$ 8,829,487	
42	2045	\$ 9,094,371				\$ 9,094,371	
43	2046	\$ 9,367,202				\$ 9,367,202	
44	2047	\$ 9,449,266				\$ 9,449,266	
45	2048						
Nominal Total:		\$ 209,307,932	\$ 1,658,950	\$ (3,588,713)	\$ 876,872	\$ (1,998,803)	\$ 206,256,238
PV Total (@ 6.0%):		\$ 44,061,350	\$ 1,352,453	\$ (1,352,453)	\$ 674,512	\$ (674,512)	\$ 44,061,350

¹ Paid 12/31

² Scheduled amount for 2003 was \$131,395, but \$402,069 was amount paid. Scheduled amount for 2004 was \$270,674, but \$0 was paid. To maintain PV total of \$44,061,350, scheduled payment for 2047 has been reduced from \$9,648,218 to \$9,449,266.

³ Paid 7/2/2007

⁴ Paid 7/1/2008

**QUANTIFICATION SETTLEMENT AGREEMENT
JOINT POWERS AUTHORITY
CREATION AND FUNDING AGREEMENT
EXHIBIT C-6: SDCWA JPA Payments**

Calendar Year	Original Payments ^{1,2}	FY 2007-08 Advance		FY 2008-09 Advance		Total CY Payments
		Advance Payments ³	Adjustments for Advances ¹	Advance Payments ⁴	Adjustments for Advances ¹	
0	2003	\$ 2,340,273				\$ 2,340,273
1	2004	\$ 1,032,775				\$ 1,032,775
2	2005	\$ 1,100,347				\$ 1,100,347
3	2006	\$ 1,314,855				\$ 1,314,855
4	2007	\$ 1,505,244	\$ 4,094,225			\$ 5,599,469
5	2008	\$ 2,199,283		\$ 2,164,086		\$ 4,363,369
6	2009	\$ 8,141,875				\$ 8,141,875
7	2010	\$ 2,770,483				\$ 2,770,483
8	2011	\$ 3,084,803				\$ 3,084,803
9	2012	\$ 3,496,247				\$ 3,496,247
10	2013	\$ 5,245,201				\$ 5,245,201
11	2014	\$ 5,291,989				\$ 5,291,989
12	2015	\$ 6,076,346				\$ 6,076,346
13	2016	\$ 8,254,386				\$ 8,254,386
14	2017	\$ 10,214,814				\$ 10,214,814
15	2018	\$ 16,889,380				\$ 16,889,380
16	2019	\$ 1,060,053				\$ 1,060,053
17	2020	\$ 1,050,836				\$ 1,050,836
18	2021	\$ 3,836,522				\$ 3,836,522
19	2022	\$ 3,849,593				\$ 3,849,593
20	2023	\$ 9,889,722				\$ 9,889,722
21	2024	\$ 3,909,010				\$ 3,909,010
22	2025	\$ 2,057,337				\$ 2,057,337
23	2026					
24	2027					
25	2028					
26	2029					
27	2030					
28	2031					
29	2032					
30	2033					
31	2034					
32	2035					
33	2036					
34	2037					
35	2038					
36	2039					
37	2040					
38	2041					
39	2042					
40	2043					
41	2044					
42	2045					
43	2046					
44	2047					
45	2048					
Nominal Total:	\$ 104,611,375	\$ 4,094,225	\$ (7,885,237)	\$ 2,164,086	\$ (3,989,476)	\$ 98,994,973
PV Total (@ 6.0%):	\$ 52,220,859	\$ 3,337,802	\$ (3,337,802)	\$ 1,664,669	\$ (1,664,669)	\$ 52,220,859

¹ Paid 12/31

² Payments do not include credits for payments made to the Bureau of Reclamation regarding responsibility for implementation of Conservation and Mitigation Measures for the Colorado River described in a U.S. Fish and Wildlife Service Biological Opinion dated January 12, 2001.

³ Paid 7/2/2007

⁴ Paid 7/1/2008