

**AMENDMENT NO. 1
TO THE AGREEMENT BETWEEN PLACER COUNTY WATER AGENCY AND
SACRAMENTO SUBURBAN WATER DISTRICT FOR A WATER SUPPLY
FOR GROUNDWATER STABILIZATION**

This Amendment No. 1 ("Amendment") is entered into as of September __, 2008, and amends the water supply agreement entered into on June 1, 2000 ("2000 Water Supply Agreement"), by and between Placer County Water Agency, a public agency (the "Agency"), and Sacramento Suburban Water District, a public agency ("Sacramento Suburban"), in the County of Sacramento, California. The Agency and Sacramento Suburban are collectively referred to as the "Parties." Terms defined in the 2000 Water Supply Agreement will have the same meaning in this Amendment.

Recitals

A. The Agency and Northridge Water District entered into the 2000 Water Supply Agreement, which provided for up to 29,000 acre-feet per year of water that would be made available by the Agency for use by Northridge Water District.

B. Sacramento Suburban is the successor entity to Northridge Water District following the consolidation of Northridge Water District and Arcade Water District, and Sacramento Suburban has succeeded to all the rights and obligations of Northridge Water District under the 2000 Water Supply Agreement.

C. The Parties desire to amend the 2000 Water Supply Agreement as set forth in this Amendment.

In consideration of the mutual covenants contained, herein, the Parties agree as follows:

1. Recitals Incorporated. The foregoing recitals are incorporated by reference.

2. Amendment of Section 4. Section 4 of the 2000 Water Supply Agreement is amended to read as follows:

4. Water to be Furnished to Sacramento Suburban.

(a) Each year during the term of this Agreement the Agency will make available to Sacramento Suburban, subject to the water shortage provisions set forth in this Agreement, and the operating criteria set forth in Exhibit A to this Agreement: (1) effective September 1, 2008, 16,000 acre-feet of untreated water; and (2) effective January 1, 2009, 12,000 acre-feet of untreated water, ("Sacramento Suburban Annual Entitlement").

(b) Each year Sacramento Suburban will be required to pay for the Sacramento

Suburban Annual Entitlement or surrender its right to some of it so that the Agency will be free to put the water to use elsewhere. In order to do this, if Sacramento Suburban does not take or pay for the Sacramento Suburban Annual Entitlement for any year, the Sacramento Suburban Annual Entitlement for each year thereafter will be reduced by an amount equal to 50% of the amount which Sacramento Suburban did not take or pay for during that year.

(c) In any year during the term of this Agreement, Sacramento Suburban may request that the Agency make available a water supply in addition to the Sacramento Suburban Annual Entitlement up to a total water supply of 29,000 acre-feet in any year, which if approved by the Agency would be made available to Sacramento Suburban under the applicable provisions of this Agreement. Such an approval would not change the amount of the Sacramento Suburban Annual Entitlement (unless the Parties agreed otherwise). Such an approval in one year would not obligate the Agency to approve a request in a subsequent year, and approval in one year would not require Sacramento Suburban to request an increased water supply in a subsequent year.

3. Other Provisions Unaffected. Except as provided in this Amendment, the remaining provisions of the 2000 Water Supply Agreement are unchanged and remain in full force and effect.

The foregoing is hereby agreed to by the Parties.

PLACER COUNTY WATER AGENCY SACRAMENTO SUBURBAN WATER DISTRICT

By: _____

By: _____

Attest: _____

Attest: _____