

THE METROPOLITAN WATER DISTRICT OF
SOUTHERN CALIFORNIA
RESOLUTION 8495

RESOLUTION OF THE BOARD OF DIRECTORS
OF THE METROPOLITAN WATER DISTRICT OF
SOUTHERN CALIFORNIA AUTHORIZING AN
INCREASE IN THE AGGREGATE PRINCIPAL AMOUNT
OF COMMERCIAL PAPER NOTES AND REVOLVING NOTES
AUTHORIZED TO BE ISSUED AND PROVIDING
FOR CERTAIN MATTERS RELATED THERETO
(THIRD SUPPLEMENTAL RESOLUTION)

WHEREAS, pursuant to the Act (as defined in the hereinafter defined Short-Term Revenue Certificate Resolution), the Board of Directors of The Metropolitan Water District of Southern California (the "District") may authorize the issuance of short-term revenue certificates and revolving notes for any purpose permitted under the Act;

WHEREAS, pursuant to Resolution 8322 adopted by the District on May 14, 1991 (as heretofore supplemented and amended, the "Short-Term Revenue Certificate Resolution"), the District has heretofore authorized the issuance of Commercial Paper Notes and Revolving Notes (each as defined in the Short-Term Revenue Certificate Resolution) on behalf of the District with the payment of the principal of and interest thereon being secured by and payable from Net Operating Revenues (as defined in the Short-Term Revenue Certificate Resolution);

WHEREAS, pursuant to the Short-Term Revenue Certificate Resolution, the District has issued and there are currently Outstanding, \$130,000,000 aggregate principal amount of the District's Commercial Paper Notes and there are no issued and Outstanding Revolving Notes;

WHEREAS, the Board has determined that prudent management of the fiscal affairs of the District and the public interest and necessity require that it authorize the increase in principal amount of Commercial Paper Notes and Revolving Notes Outstanding at any one time from a principal amount not to exceed \$200,000,000 and \$220,000,000, respectively, to a principal amount not to exceed \$400,000,000 and \$440,000,000, respectively;

WHEREAS, pursuant to Section 7.01(5) of the Short-Term Revenue Certificate Resolution, the Short-Term Revenue Certificate Resolution may be amended by a supplemental resolution adopted by the Board of Directors of the District without the consent of Holders of the Notes (each as defined in the Short-Term Revenue

Certificate Resolution) to make changes in the provisions thereof as the District may deem necessary or desirable and which shall not materially adversely affect the interests of the Holders of the Commercial Paper Notes;

WHEREAS, pursuant to Section 7.01(5) of the Short-Term Revenue Certificate Resolution, the Short-Term Revenue Certificate Resolution may be amended by a supplemental resolution adopted by the Board of Directors of the District without the consent of Holders of the Notes to increase the aggregate principal amount of the Notes authorized to be issued by the District (subject, however, to receipt of prior written confirmation from the Rating Agencies that such action will not, in and of itself, adversely affect the then current ratings on the Commercial Paper Notes);

NOW, THEREFORE, the Board of Directors of The Metropolitan Water District of Southern California, DOES HEREBY RESOLVE, DETERMINE AND ORDER as follows:

SECTION 1.01. Third Supplemental Resolution. This Third Supplemental Resolution is adopted in accordance with the provisions of the Short-Term Revenue Certificate Resolution.

SECTION 1.02. Amendment of Article 2 of the Short-Term Revenue Certificate Resolution. Pursuant to Section 7.01(5) of the Short-Term Revenue Certificate Resolution, Article 2 thereof is hereby amended by the amendment and restatement of Section 2.01 as follows:

"Section 2.01. Authorization of Notes. At any time after the adoption of this Resolution, the District may execute and the Issuing and Paying Agent shall authenticate and, upon the request of the District, deliver Commercial Paper Notes in an aggregate principal amount not to exceed FOUR HUNDRED MILLION DOLLARS (\$400,000,000) at any one time Outstanding for the purpose of financing Project Costs, and to refinance, renew or refund Commercial Paper Notes and Advances issued or incurred pursuant to the provisions hereof; and the Revolving Notes shall be and are hereby authorized to be issued in an aggregate principal amount not to exceed FOUR HUNDRED AND FORTY MILLION DOLLARS (\$440,000,000) at any one time Outstanding for the purpose of evidencing Advances to refinance, renew or refund Commercial Paper Notes; all in accordance with and subject to the terms, conditions and limitations contained herein and, with respect to a Revolving Note, the respective Liquidity Facility; provided, however, in no event may the total aggregate amount of the Notes at any one time Outstanding exceed FOUR HUNDRED AND FORTY MILLION DOLLARS (\$440,000,000)."

SECTION 1.03. Amendment of Article 4 of the Short-Term Revenue Certificate Resolution. Pursuant to Section 7.01(5) of the Short-Term Revenue

Certificate Resolution, Article 4 thereof is hereby amended by the amendment and restatement of Section 4.05 as follows:

"Section. 4.05. Limitation on Issuance. Unless this Resolution is amended or modified by the Board in accordance with the provisions of Section 7.01 hereof, the District covenants that there will not be issued and Outstanding at any time more than \$440,000,000 in principal amount of Notes."

SECTION 1.04. Short-Term Revenue Certificate Resolution. The Short-Term Revenue Certificate Resolution, as amended and supplemented by this Third Supplemental Resolution, is in all respects ratified and approved.

SECTION 1.05. Severability of Invalid Provisions. If any one or more of the provisions contained in this Third Supplemental Resolution shall be held to be invalid, illegal or unenforceable in any respect, then such provision or provisions shall be deemed severable from the remaining provisions contained in this Third Supplemental Resolution and such invalidity, illegality or unenforceability shall not affect any other provision of this Third Supplemental Resolution, and this Third Supplemental Resolution shall be construed as if such invalid or illegal or unenforceable provision had never been contained herein. The District hereby declares that it would have adopted this Third Supplemental Resolution and each and every other Section, paragraph, sentence, clause or phrase hereof irrespective of the fact that any one or more Sections, paragraphs, sentences, clauses or phrases of this Third Supplemental Resolution may be held illegal, invalid or unenforceable.

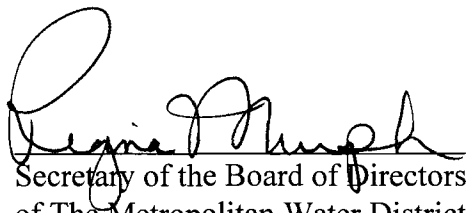
SECTION 1.06. Further Actions. The Chairman of the Board, the Secretary of the Board, the General Manager and the General Counsel are hereby authorized to do all things necessary and desirable to accomplish the purposes of this Third Supplemental Resolution.

SECTION 1.07. Section Headings and References; Interpretation. The headings or titles of the several Sections hereof shall be solely for convenience of reference and shall not affect the meaning, construction or effect of this Third Supplemental Resolution.

The words "herein," "hereof," "hereby," "hereunder" and other words of similar import refer to this Third Supplemental Resolution as a whole and not to any particular section or subdivision hereof; and words of the masculine gender shall mean and include words of the feminine and neuter genders.

Section 1.08. Governing Law. This Third Supplemental Resolution shall be construed and governed in accordance with the laws of the State of California.

I HEREBY CERTIFY, that the foregoing resolution was adopted by the Board of Directors of The Metropolitan Water District of Southern California on April 4, 1996.



Regina M. King
Secretary of the Board of Directors
of The Metropolitan Water District
of Southern California