July 6, 2012

Texas Water Development Board (TWDB)
Contract Administration
Attn: Sanjeev Kalaswad
P.O. Box 13231
Austin, TX 78711-3231

Subject: Monthly Progress Report for May 2012 for Contract No.: 1004831106
Class I - Class II Injection Well Permitting Roadmap Project

Dear Sanjeev:

This letter presents the May 2012 project progress report as required by the referenced TWDB contract. During this period, there have not been any expenditures made or labor expended, so there are no payment submissions or requests made thus far for this project.

1. TWDB Contract Number: 1004831106
2. Total Expenses for Billing Period from May 1, 2012 through May 31, 2012: None
3. Total Services for this period: None
4. Total TWDB Share of Total Study Grant Funds: $130,000

Recent Project Activities:

7. In May 2012, Bill Mullican (Bill Mullican Associates) and I met with Ben Knape, Jeff Davis, and Kathryn Flegal of the Texas Commission on Environmental Quality (TCEQ) on May 3, 2012. Ben Knape is the Underground Injection Control (UIC) Program – Team Leader who retired later in May 2012. The purpose of the meeting was to ask questions about the potential Class II wells that might qualify for
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use as municipal membrane concentrate disposal from municipal brackish water treatment facilities. We also learned of the 30 TAC § 331, Subchapter L, a general permit for Class I non-hazardous wells to inject non-hazardous drinking water treatment residuals and desalination concentrate.

Both the Poznecki-Camarillo, Inc. and Bill Mullican Associates subcontracts were finalized were finalized. The project and contract is set up and activated on the CDM Smith project management program. Labor charges are now available effective May 17, 2012,

On May 18, 2012, I met with Jeff Davis (TCEQ UIC) at the Drinking Water Advisory Work Group meeting that focused on brackish water desalination. Concentrate disposal was not a topic of discussion although it was often raised by the advisory group; the workshop centered on drinking water treatment issues. On March 23, 2012, a conference call was held with Bill Mullican, Steve Morgan and I discussed the Class II well database situation and how we might expedite obtaining a reliable data set.

Professional services were expended or billed to this project for this period in May 2012 (see below).

Task Description and Work Accomplished in May 2012 (% complete):

Task 1 – Project Management: None (80%)

Task 2 – Identification and Completion Characteristics of Class II Wells in Study Area and in Texas: None (10%)

Task 3 – Evaluation of Class II Wells in the SAWS Study Area: SAWS and LBG-Guyton are working independently

Task 4 – Coordination with TCEQ (and RRCT): None (20%)

Task 5 – Develop Roadmap for Permitting Process: None (17.5%)

Task 6 – Manual for Permitting Process: None (0%)

Estimates for task completion are based on CDM Smith Current Period Charges Report (CPCR) for labor and expenses for this project through June 2, 2012.

Project Issues Encountered: None

Please let me know if you have any questions.
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Sincerely,  

[Signature]

Roger E. Schenk, Jr.  
Principal Scientist  
CDM Smith Inc.  
Texas TBPE Firm Registration No. F-3043

cc: Bill Mullican, CDM Smith