

Exhibit C
Scope of Work
NORTHEAST TEXAS REGION D

Scope Item Number 1 – Further evaluation of Sub-Regional Water Supply Master Plans

Description of Study:

A primary concern in the Northeast Texas region is the large number of very small rural water systems, which typically have one or two-part time to full-time employees that operate the system. These smaller systems are not capable of remaining current on new regulations and often find themselves in non-compliance with regulatory requirements. These smaller systems would be devastated during drought conditions with no long-term plan for water supply development. System reliability is mostly non-existent. This study has a two-phased approach.

The first phase is a continuation of the work performed in round two of regional water planning and includes education and coordination with identified clusters of systems targeted for regionalization. The second phase involves identifying smaller individual systems, which should consider consolidation or mergers with existing larger neighboring systems. This phase would also include education of small system operators of the benefits of consolidating with larger systems to improve customer service and long-term water supply reliability. This phase assumes that approximately 50% would be willing to listen to a presentation of the benefits of consolidation and that approximately 25% would be willing to come to the table with a neighboring larger system for discussions of a consolidation or merger.

A. Phase I

1. Refinement of the original 10 plans including investigation of additional cluster potentials based on size and proximity. Meet with the 51 WUG's and discuss the findings from the study and educate individual board directors on the benefits of regional type systems.
2. Develop informational presentation on regionalization and schedule regional meetings with the 10 clusters. Attend the regional meetings, present the advantages of regionalization, and evaluate the level of interest within each entity.
3. Make recommendations and provide guidance to interested clusters on additional steps necessary to complete the regionalization process.

B. Phase II

1. Evaluate the approximately 93 smaller systems which are considered candidates for consolidation with neighboring systems. Contact each of the smaller systems, attend two meetings with each entity (46 assuming 50% participation) to educate board members on the benefits of consolidation, determine what current financial,

managerial and technical problems they are currently experiencing, and determine what their level of interest would be towards consolidation. Evaluate each system's current situation and make a determination of which would be the most likely candidate entity to complete a consolidation or merger.

2. Schedule and attend two meetings with candidate merger entities (23 assuming 25% participation) involved and facilitate communication regarding consolidation.

Work Products

Quarterly technical memorandum will be submitted to the political subdivision and TWDB to report on task progress.

Prepare a draft and final report to include the following sections: executive summary, purpose of study including how the study supports regional water planning, methodology, results, and recommendations, if applicable. The draft report will be submitted to the planning group and the TWDB for review and comment. All comments will be addressed in the final report.

A draft report will be submitted to Region D Regional Water Planning Group for review and comment.

Electronic versions of the text (in Microsoft Word format) and graphics (in encapsulated PostScript format) will be used in the final report.

All GIS layers used in the study will be submitted to political subdivisions and TWDB.

The report will be submitted per TWDB requirements and results from this study will be included in the 2011 North East Texas Region D regional water plan. The development, analysis, and reporting of results will follow methodologies and guidance according to Exhibit B, and agency rules.

Scope Item Number 2 - Brackish Groundwater

A. Identification of existing water users who have needs that could be augmented by brackish groundwater:

1. Review water system surveys from previous planning cycle;
2. Focus on potential use of brackish groundwater to meet municipal and industrial needs.

B. A detailed analysis of which water users might potentially use brackish groundwater, by integrating brackish water field availability, water demand, lack of alternates and ease of brine waste disposal:

1. Locate potential brackish groundwater well fields using TWDB maps and related data, including geophysical logs and well driller reports;
2. Estimate the production capacity of wells in the brackish groundwater zone and the number of wells required to meet demands;
3. Correlate the well field data with water users;
4. Identify concentrate disposal options based on TWDB "Please Pass the Salt" Report, and include more detailed data on oil wells using Railroad Commission data;
5. Identify other water supply options for the selected water user;

C. Comparison of brackish water costs to other alternatives:

1. Develop capital cost estimate for membrane processes for desalination, pretreatment, storage, wells, and related capital;
2. Develop operational costs estimates for plant operation and brine disposal;
3. Compare to cost of other available supply alternatives;
4. Compare environmental consequences of available supply alternatives, and brackish groundwater use;

D. Prepare recommendations for incorporation into the Regional Plan.

1. Identify potential projects;
2. Rank water supply alternatives;
3. Recommend specific brackish water projects as preferred supply sources if appropriate.

Work Products

Quarterly technical memorandum will be submitted to the political subdivision and TWDB to report on task progress.

Prepare a draft and final report to include the following sections: executive summary, purpose of study including how the study supports regional water planning, methodology, results, and recommendations, if applicable. The draft report will be submitted to the planning group and the TWDB for review and comment. All comments will be addressed in the final report.

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analysis, and reporting of results will follow methodologies and guidance according to Exhibit B, and agency rules.

Scope Item - Administration and Public Participation

- a. Attend regularly scheduled meetings of the Northeast Texas Regional Water Planning Group even when there is not a specific report by the consultant team.
- b. Coordinate with Board staff to determine adequacy of notice for each instance in which notice is required.
- c. Provide all required notices of availability for scopes of work, grant applications, and draft and final documents. This includes providing notices in the newspaper of general circulation in each county.
- d. Perform other duties as assigned.

Work Products

Work products from this scope will include properly prepared notices of availability of scopes of work and draft and final products, properly prepared newspaper notices, etc.