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February 25, 2011

Texas Water Development Board Contract Administration Attention: Sanjeev Kalaswad P.O. Box 13231 Austin, TX 78711-3231 contracts@twdb.state.tx.us

Subject: Progress Report November 2010-February 2011 for Contract No.: 1004831106 Brackish Groundwater Desalination Demonstration Project

Dear Sanjeev:

This letter and attached project status meeting report serve as the progress report for the period of November 2010 through February 2011, as required by the above referenced contract. There have been no expenditures made, and therefore, no payment submissions or requests thus far for this project. We are requesting to be allowed to move forward with this project with the deletion of Task 3-Testing of Class 2 Well in SAWS Study Area-as explained in attached meeting report summary.

- (1) TWDB Contract Number: 1004831106
- (2) Total Expenses for billing period beginning November 2010 to February 2011: None
- (3) Total Services for this period: None
- (4) Total In-kind Services: None
- (5) Less Local Share: None
- (6) Total TWDB's Share of total study costs: None
- (7) Amount of Retainage: None
- (8) Total Costs to be Reimbursed: None



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Thank you for your consideration and understanding of the changes that have occurred at SAWS (Project PARTICIPANT) regarding this project. Please contact Bill Mullican or me if you require any further information.

Very truly yours,

Shirley J. Ross

Client Service Manager

Camp Dresser & McKee Inc.

cc: Bill Mullican