GROUNDWATER REDUCTION PLAN PROGRAM

MONTHLY PROGRESS REPORT - FEBRUARY 2015

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ACRONYMS AND DEFINITIONS

ACRONYMS

CA&I	Construction Administration and Inspection
CCT	Construction Communication Team
CIP	Capital Improvement Project
CM&I	Construction Management and Inspection
CMAR	Construction Manager At Risk
CMT	Construction Materials Testing
CSB / P	Competitive Sealed Bid / Proposal
EA	Environmental Assessment
EAC	Estimate At Completion
FONCS	Fiber Optics Network Communication System
GIS	Geographic Information System
GRP	Groundwater Reduction Plan
GST	Groundwater Storage Tank
HSPS	High Speed Pump Station
LSGCD	Lone Star Groundwater Conservation District
LVGU	Large Volume Groundwater User
NTP	Notice To Proceed
PER	Preliminary Engineering Report
PMP	Program Management Plan
PVC	Polyvinyl Chloride
PSA	Professional Services Agreement
QA	Quality Assurance
RCCP	Reinforced Concrete Cylinder Pipe
RFB / Q / P	Request For Bids / Qualifications / Proposals
RWI / RWPS	Raw Water Intake / Raw Water Pump Station
SJRA	San Jacinto River Authority
SOQ	Statement of Qualifications
SWF	Surface Water Facilities (SWTP, HSPH and RWI)
SWRF	Surface Water Receiving Facilities
SWTP	Surface Water Treatment Plant
TCEQ	Texas Commission on Environmental Quality
TWDB	Texas Water Development Board
TXDOT	Texas Department of Transportation
WIF	Water Infrastructure Fund

DEFINITIONS

GROUNDWATER REDUCTION PLAN (GRP)	The document developed and filed with the LSGCD indicating SJRA's plan to reduce the permitted 2009 groundwater pumpage of its GRP Participants by 30%. The GRP is administered by the SJRA, including any supplements, revisions, or amendments.
GRP PROGRAM TEAM	SJRA staff, Program Management Consultant (Brown & Gay Engineers, Inc.) staff, and technical consultants working interdependently toward meeting the goals of the Groundwater Reduction Plan.
GRP ADMINISTRATOR	The SJRA General Manager's designee who administers the SJRA Groundwater Reduction Plan and GRP Contract with GRP Participants.
GRP CONTRACT	Contract between the SJRA and a Participant to be included in the SJRA's efforts to meet the surface water conversion requirements mandated by the LSGCD.
GRP EXTENSION PROJECTS	Safe harbor related projects not related to Phase 1, but tracked independently of Phase 1.
JOINT GRP	GRP which is prepared to include (takes into account) LVGUs who have executed a GRP Contract with the SJRA to join the SJRA's GRP. Contracted LVGUs obtain LSGCD groundwater reduction regulation compliance through the SJRA's Joint GRP without preparing and submitting a GRP.
LARGE VOLUME GROUNDWATER USER(S) (LVGU)	Any person or entity that, through a single well or a combination of wells, actually produces or is authorized by permit(s) issued by the LSGCD to produce 10 million gallons or more of groundwater annually on or after January 1, 2008.
PARTICIPANT(S)	Regulated User(s) that enters into and remains subject to a written agreement with the SJRA to be included in the SJRA's GRP and includes the legal successors or assigns of Participant(s).
REGULATED USER(S)	Any public or private entity or person that is or becomes subject to the District Regulatory Plan established by the LSGCD and includes any amendments, revisions or supplements thereto as may be adopted by the LSGCD.
SJRA GRP DIVISION	Division of the SJRA responsible for GRP compliance, and the management, administration, operation and maintenance of the surface water facilities and surface water transmission system.

1.0 PLANNING

The GRP Program Team meets regularly for the purposes of setting performance expectations and goals of the GRP Program, identifying the efforts required to achieve these objectives, evaluating the effectiveness of such efforts, and modifying those efforts based upon both internal and external performance evaluations.

1.1 STRATEGIC

During February, work on the GRP start-up plan continued. In addition, the GRP Program Team continued looking at closing out contracts on construction nearing completion. Funds remaining after adjustment of contracts will be reallocated to fund projects such as the W3C extension to MUD 99, access road development, and costs associated with system start-up.

1.2 ENGINEERING AND CONSTRUCTION

All procurement services for construction proposals for Phase I, with the exception of the permanent access road, have been completed and sixteen transmission line construction contracts have been awarded. The engineering consultants will continue to provide construction phase services by reviewing submittals and requests for information as work proceeds.

1.3 MEETINGS

Various meetings continued this month with the GRP Program Team. A listing of these meetings is attached as ***Exhibit 9***.

Workers installing a base for intake waterline connection at the Pretreatment Facility

2.0 PROJECT ACTIVITIES

Currently, the GRP Program remains on schedule for the delivery of treated surface water to select Joint GRP Participants on or before January 1, 2016. A simplified GRP Program schedule can be found in attached ***Exhibit 1.***

2.1 ENGINEERING

SURFACE WATER TRANSMISSION SYSTEM

Segments T1, T2, T3, W1A, W1B, W2A, W2B, W3A, W3B, W3D, W4, C1A, C1B, C2, C3, C4, Surface Water Receiving Facilities—North, Surface Water Receiving Facilities—South, Standpipe, and Fiber Optic Communications System – Design is complete. Engineering consultants are providing construction phase services.

Construction Management and Inspection (CM&I) – The CM&I consultant provided management and inspection services for Transmission Segments T1, T2, T3, W1A, W1B, W2A, W2B, W3A, W3B, W4, C1A, C1B, C2, C3, C4, WRF-N, WRF-S, and the Standpipe.

Construction Materials Testing Consultant (CMT) - CMT consultant is currently working with CM&I staff to perform industry standard construction materials testing. Testing includes subgrade and backfill soil densities, compressive strengths, masonry, and coatings.

SURFACE WATER FACILITIES

Raw Water Intake Pump Station – Design is complete. Engineering consultant is providing construction phase services.

Surface Water Treatment Plant – Design is complete. Engineering consultant is providing construction phase services.

High Service Pump Station and Ground Storage Tanks – Design is complete. Engineering consultant is providing construction phase services.

Permanent Access Road - SJRA anticipates issuing the Request for Proposal (RFP) for the construction contract in March 2015 and requesting authorization at the May 2015 Board Meeting.

Construction Administration and Inspection (CA&I) – The CA&I consultant for the SWF is currently working with the CMAR and SJRA staff to review submittals and RFI's, and provide constant field monitoring and inspection of the systems being installed.

Construction Materials Testing Consultant (CMT) - The CMT consultant for the SWF is currently working with the CMAR and CA&I staff to perform industry standard construction materials testing. Testing includes soil densities, compressive strength/properties of concrete placed; and welding, coatings, and masonry testing.

Cathodic Protection - The cathodic protection consultant has completed their design effort for both the transmission line segments and the Surface Water Facilities and is providing construction phase services.

2.2 STATE AGENCY COORDINATION

The Texas Water Development Board (TWDB) completed the field inspection of the Surface Water Facilities and Transmission Line construction sites on February 26, 2015. TWDB did not visit the North and South Receiving Facility sites in February. The next scheduled site visits are scheduled to occur on March 26, 2015. TWDB processed SJRA's 12th Request for Release of escrowed project funds in February. TWDB approved the request and released $5,012,755.60 in funds to SJRA accounts on March 3, 2015.

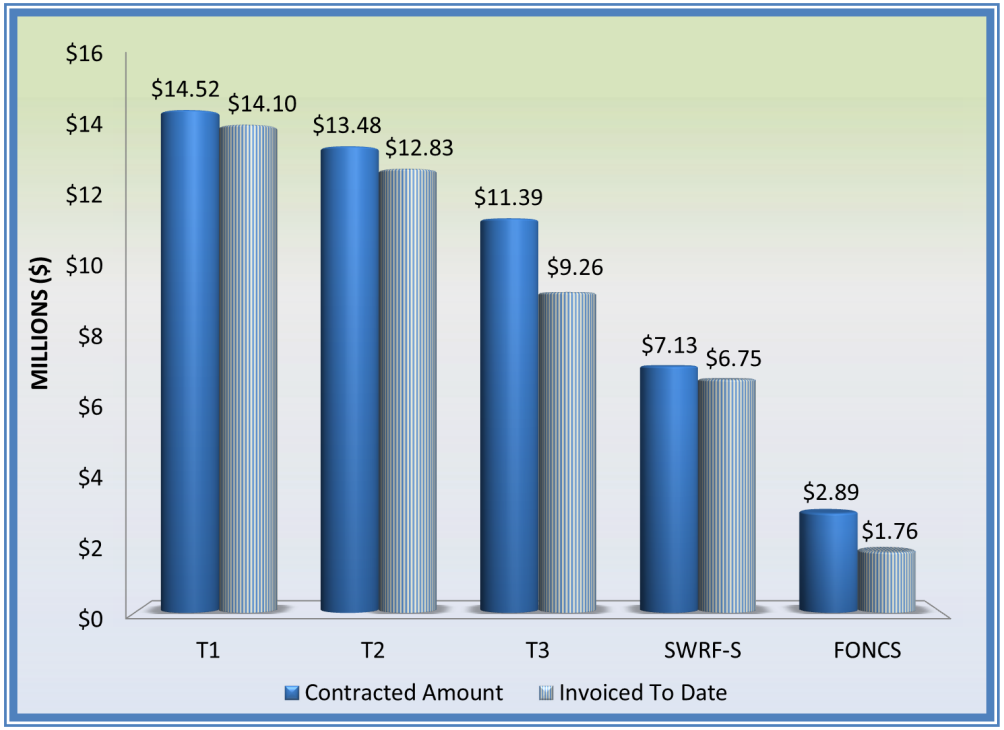
Manhole along transmission line

2.0 Project Activities (Continued)

2.3 SURFACE WATER TRANSMISSION SYSTEM PROJECT DATA

The month of February concluded with the installation of approximately 267,690 feet or 50.7 miles of various sized concrete coated steel pipe, PVC pipe, and bar wrapped concrete mortar pipe along the majority of the transmission line segments. This represents approximately 97% of the total planned pipe to be installed throughout Montgomery County on or before January 1, 2016. The following graphs and charts show the progress of Transmission Line Segments T1, T2, T3, W1A, W1B, W2A, W2B, W3A, W3B, W3D, W4, C1A, C1B, C2, C3, C4, Surface Water Transmission North Water Receiving Facilities (SWRF-N), Surface Water Transmission South Water Receiving Facilities (SWRF-S), Standpipe, and Fiber Optics Network Communication System (FONCS) thus far.

Electricians installing conduit at the Sludge Thickners



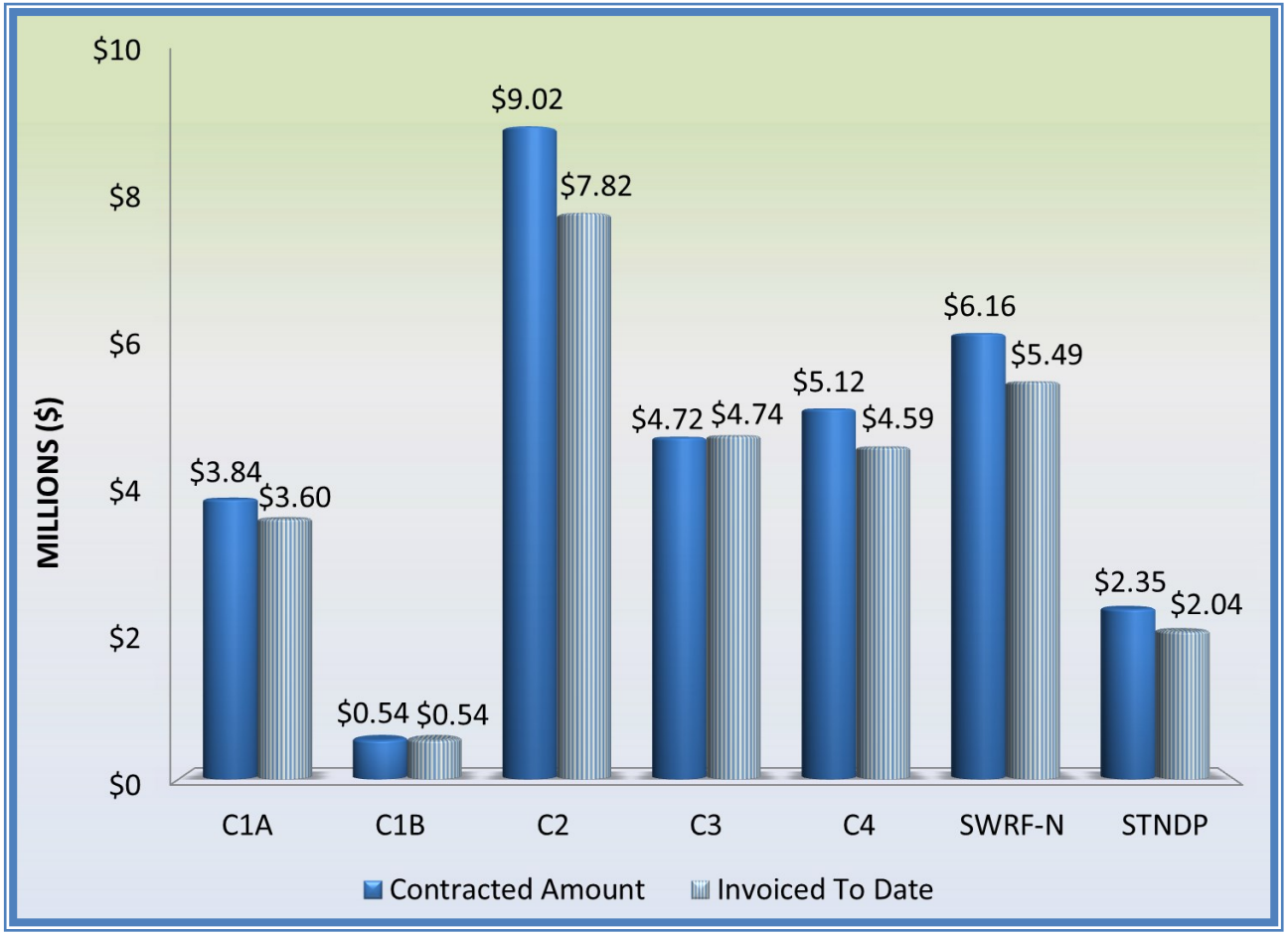
Surface Water Transmission System Total	Progress To Date
Total Contracted Amount	$150,623,811.79
Total Invoiced To Date	$135,906,483.05
Total % Complete Based on Invoice Amount	90%

Segment	T1	T2	T3	SWRF-S	FONCS
Contracted Amount	$14,521,937.14	$13,475,718.33	$11,393,193.97	$7,127,383.00	$2,885,432.35
Invoiced To Date	$14,097,492.64	$12,825,963.20	$9,260,446.26	$6,747,171.00	$1,764,082.65
% Complete	97%	95%	81%	95%	61%

2.0 PROJECT ACTIVITIES (CONTINUED)

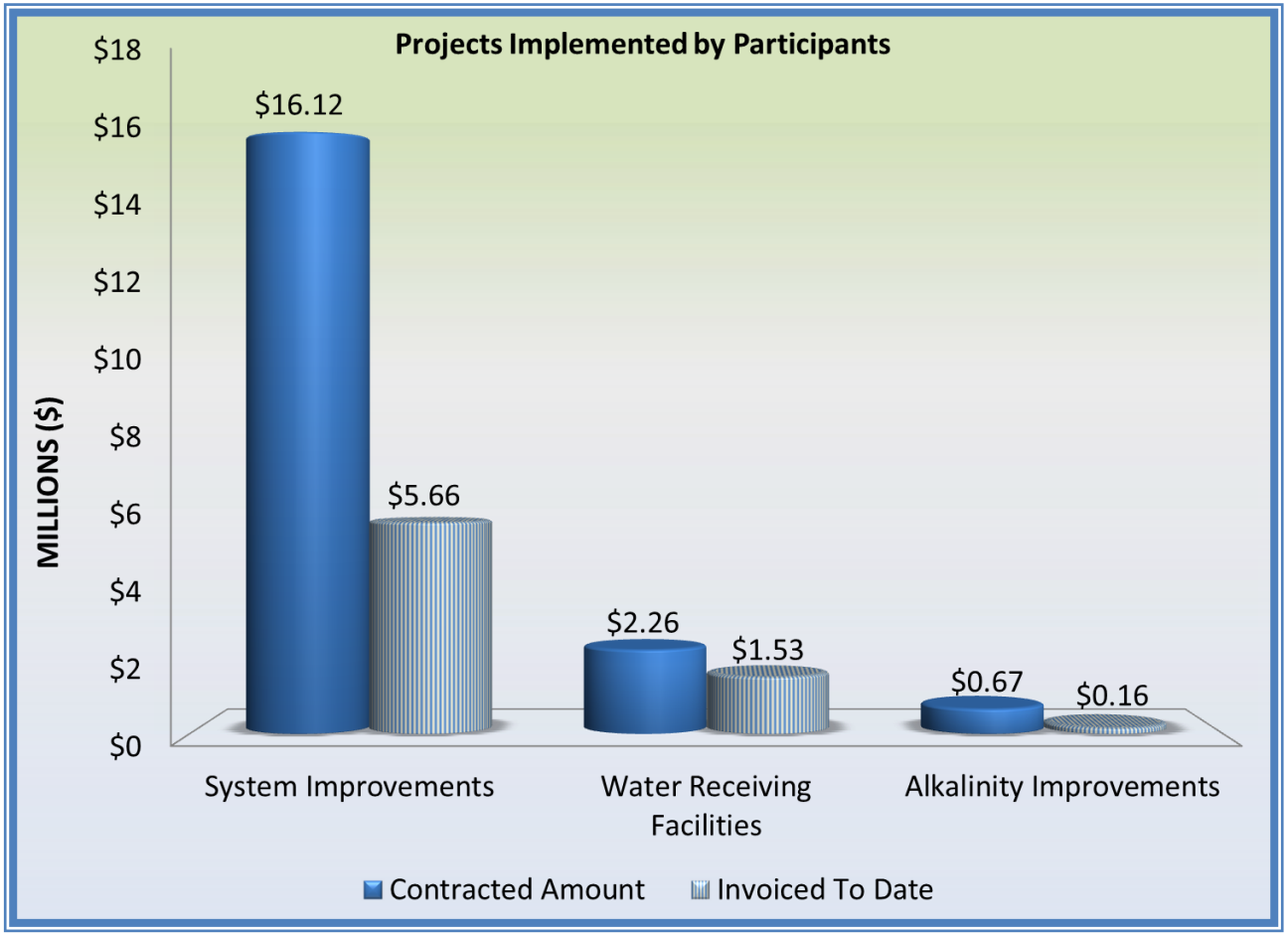
Segment	W1A	W1B	W2A	W2B	W3A	W3B	W3D	W4
Contracted Amount	$8,222,000.50	$7,213,544.50	$16,340,258.02	$16,161,600.00	$7,880,207.50	$8,124,485.50	$1,840,986.00	$3,656,604.23
Invoiced To Date	$7,487,176.81	$6,754,717.01	$15,378,089.82	$14,875,816.49	$7,661,198.20	$6,916,065.43	$0.00	$3,312,674.22
% Complete	91%	94%	94%	92%	97%	85%	0%	91%

2.0 PROJECT ACTIVITIES (CONTINUED)



Segment	C1A	C1B	C2	C3	C4	SWRF-N	STANDPIPE
Contracted Amount	$3,869,767.26	$544,393.60	$9,015,577.30	$4,720,966.14	$5,115,396.90	$6,160,184.55	$2,354,175.00
Invoiced To Date	$3,596,844.75	$544,393.60	$7,820,641.69	$4,742,241.49	$4,585,775.68	$5,491,301.11	$2,004,418.00
% Complete	93%	100%	87%	100%	90%	89%	87%

2.0 Project Activities (Continued)



Project	System Improvements	Water Receiving Facilities	Alkalinity Improvements
Contracted Amount	$16,117,794.31	$2,259,088.00	$674,997.00
Invoiced To Date	$5,662,166.78	$1,527,757.10	$164,669.00
% Complete	35%	68%	24%

2.0 PROJECT ACTIVITIES (CONTINUED)

2.4 SURFACE WATER TRANSMISSION SYSTEM CONSTRUCTION PROGRESS

Significant progress continues to be made each month with regard to pipe installation on each of the sixteen Surface Water Transmission Line Segments. The chart below represents the overall pipe installation statistics through the month of January.

Transmission Line System Pipe Installation Statistics	to Date
Total Piping Installed to Date	50.7 miles
Total % of Pipe Installed to Date	97%

Segment T1 - Contractor completed disinfection process in Section Nos. 5 and 6. Contractor continued site restoration and substantial completion punchlist items. Power was provided to the cathodic protection rectifier on McCaleb Road. 100% of pipe installation totaling 20,514 feet of 60-inch concrete coated steel pipe has been installed.

Segment T2 - Contractor began to address substantial completion punchlist items. 100% of pipe installation totaling 23,475 feet of 60-inch and 54-inch concrete coated steel pipe has been installed.

Segment T3 - Contractor completed installation of the deep well anodes for cathodic protection near the Wind Crest Estates entrance. Contractor installed 54-inch pipe by open-cut near lake Creek; completing the 54-inch pipe installation near Lake Creek. Approximately 16,841 feet of 54-inch concrete coated steel and steel pipe along Fish Creek Thoroughfare and FM 2978 has been installed through this month. (See Exhibit 11, Page 49)

Segment W1A - Contractor performed final completion walkthrough. 100% of pipe installation totaling 23,064 feet of 54-inch steel pipe, 48-inch concrete coated steel, and 16-inch PVC pipe has been installed.

Segment W1B - Contractor performed final completion walkthrough and began final completion punchlist items. Site restoration was performed by hydromulching and fertilizing the side slopes of Alden Bridge and Panther Creek. 100% of pipe installation totaling 17,140 feet of 48-inch and 42-inch concrete coated steel pipe and 20-inch and 16-inch PVC pipe has been installed.

Segment W2A - Contractor performed final completion walkthrough and began addressing final completion walkthrough punchlist items. Hydromulching of the side slopes at CBI and Bear Branch Bridge occurred. Contractor began restriping and touch-up striping along Research Forest. Approximately 20,399 feet of 30-inch and 20-inch PVC pipe and 42-inch concrete coated steel pipe has been installed.

Segment W2B - Contractor performed final completion walkthrough and began addressing final completion walkthrough punchlist items. Contractor began restriping and touch-up striping along Grogans Mill. 100% of pipe installation totaling 14,042 feet of 30-inch PVC pipe has been installed.

Segment W3A - Contractor began precleaning and pretesting the 3-inch fiber optic conduit and ground boxes. Contractor performed conduit testing from SJRA Water Plant No. 1, along Grogans Mill to Budde Road. All sections of conduit passed. Contractor performed substantial completion walkthrough. Air release valve assemblies in manholes were installed from South Millbend to Westridge Drive. Approximately 14,303 feet of 24-inch, 20-inch, and 12-inch PVC pipe has been installed.

Segment W3B - Contractor installed 900 feet of 12-inch waterline from West Weldford Drive crossing the long horizontal directional drill (HDD) tunnel under trees along the drainage easement. Contractor installed approximately 150 feet of 12-inch waterline by open-cut from Westridge Drive to West Welford Drive. This completed all open-cut installation for this project. Contractor continued pre-hydrostatic testing. Approximately 25,344 feet of 20-inch, 18-inch, 16-inch, and 12-inch PVC pipe has been installed through this month. (See Exhibit 11, Page 51)

2.0 PROJECT ACTIVITIES (CONTINUED)

Segment W3D - Segment W3D includes approximately 6,200 linear feet of 16-inch and 12-inch waterline and 3-inch fiber optic conduit along Maplewood Drive and Robinson Road between Southern Montgomery County (SMC) MUD Plant No. 3 and the City of Oak Ridge North Plant. Contractor began working on initial submittals. The first progress meeting took place. Contractor began communicating with residents through door hangers and notification letters. Contractor began surveying the waterline easement and performing critical locates.

Segment W4 - Contractor continued addressing the side slopes along Gosling at Marisco Place and Bear Branch Crossing. Grass mats were placed and reseeding took place. The final completion walkthrough was performed. Contractor completed final completion punchlist items. Approximately 13,103 feet of 24-inch and 20-inch PVC pipe has been installed.

Segment C1A - Cathodic protection power activation was performed by Entergy. 100% of pipe installation totaling 10,272 feet of 42-inch bar wrapped concrete mortar pipe has been completed.

Segment C1B - Completed.

Segment C2 - Contractor installed waterline in the casing at the drainage ditch just south of Aldi. Fiber optic ground boxes were installed from the City of Conroe Water Plant No. 6 to Longmire Road, by the City of Conroe Water Plant No. 21 and between Teas Cottage and the Hailey Property. Contractor started the bore for horizontal directional drilling (HDD) under White Oak Creek. Contractor began grading and reseeding behind Aldi. All piping appurtenances north of C1A to FM 830 and hydrostatic testing was completed. 98% of pipe installation totaling 30,946 feet of 20-inch and 16-inch PVC pipe was installed and completed in February. (See Exhibit 11, Page 53)

Segment C3 - Contractor working on final close out documents and procedures. 100% of pipe installation totaling 22,326 feet of 20-inch and 16-inch PVC pipe has been installed.

Segment C4 - Contractor placed concrete pads around manholes and valves. All 3-inch fiber optic conduit was installed. Contractor installed the double combination air valve, began site restoration, and installed waterline markers and signage. All remaining substantial completion punchlist items were completed. Approximately 13,926 feet of 24-inch and 20-inch PVC pipe has been installed through this month.

Standpipe - Contractor completed the installation of 30-inch and 24-inch above grade and below grade yard piping. Hydrostatic testing on the 30-inch yard piping was completed. All underground electrical duct banks were backfilled and electric racks and enclosures began. Overall Standpipe construction status is approximately 85% complete. (See Exhibit 12, Page 55)

Fiber Optic Communications System - Contractor installed fiber optic termination panel (FOTP) cabinets at SJRA Water Plant Nos. 1 and 2 and Southern Montgomery County (SMC) MUD Water Plant No. 2. Fiber optic ground boxes along Grogans Mill for W2B were inspected. Rough-in testing occurred for C1A and tracer wire connections were tested along, T1, T2, W1B, and W2A. Fiber optic termination panel labels were installed at SJRA Water Plant Nos. 1, 2, 3, the City of Conroe Water Plant Nos. 15, 20, 22, and SMC MUD Water Plant No. 2 Fiber Optic Communications System construction is approximately 57% complete. (See Exhibit 13, Page 57).

Wet conditions on the job site

Overview of covered basins at Pretreatment Facility

SURFACE WATER RECEIVING FACILITIES

Surface Water Receiving Facilities - North - No new activity. Awaiting the delivery of water from the Surface Water Facility.

Surface Water Receiving Facilities - South - Contractor addressed substantial completion punchlist items at all facilities. SMC MUD's contractor completed the distribution meter vault and site restoration.

2.5 SURFACE WATER FACILITY CONSTRUCTION PROGRESS AND PROJECT DATA

Raw Water Intake - Contractor continued removing the exterior temporary handrail and installed permanent handrail.

Surface Water Treatment Plant - Construction activities continued at the Operations, Chemical, Power Supply, Generator, Pretreatment, Membrane, Backwash Equalization, Process Water Recovery Basin, Belt Filter Press Building, Blower Building, and Granular Activated Carbon (GAC) facilities. Testing and commissioning the electrical and mechanical equipment continues at the various facilities. Contractor continued to install valves and pump meters. Contractor continued to test various piping, install conduit, and to pull wire. At the Operations Building, the contractor continued addressing punchlist items. The contractor continued working on the parking area and sidewalks.

High Service Pump Station - Contractor installed sump pipe at the discharge bay and installed the sanitary lift station force main. Exterior doors were painted and glass was installed in the control room. Contractor continued wire termination and began installation of pump motor vibration monitors.

Ground Storage Tanks - Contractor continued to install piping and interior floors were cleaned. The pressure relief valve station slab was assembled, along with conduit, terminal boxes, and supports installed.

Site Work - Large diameter yard piping, potable water piping, sanitary sewer, manholes, junction boxes, drain line, and storm sewer installation continued to progress. Electrical duct bank testing continued. Contractor continued pulling fiber optic through the data duct banks between site structures. The installation of the chemical trench and lime treatment continued at various site pavement subgrade locations. Excavation and grading occurred, along with hydromulching and seeding around the detention pond area.

The chart below represents Surface Water Facilities progress through the month of February.

Name of Project	Contracted	Invoiced To Date	% Complete Based
Surface Water	$190,704,740.00	$171,060,324.00	89.7%

2.0 PROJECT ACTIVITIES (CONTINUED)

2.6 FACILITY IMPROVEMENTS

Various projects are being implemented by GRP Participants on behalf of the GRP. These include system improvements that are required due to the delivery of surface water to the Participants' water receiving facilities and improvements at their wastewater treatment plants to address differences in alkalinity of surface water based wastewater.

SYSTEM IMPROVEMENTS

Conroe Water Distribution - A Supplemental Agreement was approved whereby the GRP will reimburse the City of Conroe for water system improvements needed for the distribution of surface water throughout the City's water system. Water plant improvements are 7.5% complete. A pre-construction meeting for the distribution water system improvements is planned for March.

16-inch Well Collection Line from Woodlands WW9 and WW10 - Contractor completed hydrostatic testing and disinfection of the line. A substantial walkthrough meeting was scheduled. Approximately 8,501 feet of 16-inch PVC pipe has been installed through February 2015.

College Park 16-inch Well Collection Line and 12-inch Water Line Loop - Contractor continued to make connection of the 12-inch waterline and 16-inch waterline at Harper's Landing Boulevard. A substantial completion walkthrough was completed. Approximately 8,535 feet of 12-inch and 16-inch PVC pipe has been installed through February 2015.

WATER RECEIVING FACILITIES

Oak Ridge North Water Plant - The flow control valve submittal was returned to the contractor and the valve is on order for delivery in May. Contractor began addressing comments on the flow control valve panel. The City of Oak Ridge North's portion of the project is complete.

Rayford Road MUD Water Plants - Programmable logic controller (PLC) site acceptance test (SAT) continued.

Mid-South Water Plant - Contractor completed the interior and exterior wall finish, which includes: plywood, stone, hardi-board, and painting. The above-grade interior/exterior piping also received a coat of paint.

ALKALINITY IMPROVEMENTS

Woodlands Alkalinity Improvements - The construction contract will begin advertising on March 6, 2015. Sealed proposals are due on April 2, 2015. It is anticipated that the construction contract will be considered for authorization at the SJRA Board meeting in May 2015.

Southern Montgomery County (SMC) MUD - A Supplemental Agreement with SMC MUD was approved by the SJRA Board on October 30, 2014. Preliminary design was initiated in January. Engineer is working on design calculations, construction drawings, and specifications. Participant is working with vendors and product suppliers to specify equipment.

Electrical conduit installed at Sludge Processing

3.0 PROCUREMENT

3.1 SOLICITATIONS

The following advertisements for solicitations occurred for February:

- No solicitations occurred for this month

3.2 CONTRACTS/AGREEMENTS/WORK ORDER APPROVALS

The following contracts/agreements/work orders were approved in February:

- No items presented for recommendation and/or approval

3.3 PROCESS AND PROCEDURES

The GRP Program will utilize traditional procurement methods for consultant services and alternative project delivery methods in the procurement of contractor services, if those services are required.

3.4 LOOK AHEAD

The following list provides a very general look ahead at known and anticipated GRP Program professional services and construction contractor solicitations, contract awards, agreements, and/or contract/work order amendments. Solicitations may be combined, modified, or canceled, or time frames may be modified as deemed necessary.

- RFP 14-034—Supplemental Alkalinity Facilities at Woodlands Wastewater Treatment Plant
- Issuance of RFP for the construction contract for the GRP permanent access road

4.0 COST REPORT AND FINANCIAL CONSIDERATIONS

4.1 GRP PROGRAM AND GRP PROJECT CIP BUDGET(S)

Through this month the GRP Program remains under its construction cost estimate of $500,000,000 and forecasts continue to indicate it will be completed under budget (see also subsection 4.6 and ***Exhibit 2***). A summary of the GRP Program's CIP budget and cost considerations as reported to the GRP Review Committee and the SJRA Board of Directors is provided as attached ***Exhibit 2.***

A summary of the SJRA GRP Division's Fiscal Year 2015 operating budget (revenue and expenditures) for the month of February is provided as ***Exhibit 8***. The budget includes all normal and customary expenses for operating a utility-based, non-profit business, including debt service, and is developed annually for approval by the SJRA Board of Directors.

The SJRA Board of Directors has authorized bond funding for the GRP Program in the amount of $552,250,358.49 (Net $479,746,021.87); see also ***Exhibit 4***). This funding allows the SJRA to secure all of the resources required to perform professional services, construction services, and procure long lead time equipment during the design phase of the GRP Program.

4.2 FINANCIAL REPORTS

Exhibit 5 illustrates the funding sources presently applied towards the GRP Program CIP budget.

1.) TWDB Water Infrastructure Fund (WIF)

2.) The sale of open market Special Project Revenue Bonds, Series 2011

3.) TWDB Dfund, Series 2011A

4.) TWDB Dfund, Series 2012

5.) TWDB Dfund, Series 2012A

6.) TWDB Dfund, Series 2013

7.) Operating Cash

Contracted commitments are summarized in Table 4.1 for the month of February. The GRP Program's funding and forecasted expenditures are further detailed in attached ***Exhibits 2, 3, and 4.***

Please note that financial reports do not include investment income.

4.0 Cost Report and Financial Considerations

4.3 INVOICES/APPLICATIONS FOR PAYMENT

The tables below represents the GRP Program Consultant Invoices and/or Construction Contractor Applications for Payment paid through the end of the report month (Item F).

Table 4.1 - GRP Program Funding and Contracted Commitments Summary

	Previous 1/31/2015	February 2015 Activity	Year to Date (Thru 2/28/15)
A. Approved Funding	552,640,374.07	-	552,640,374.07
B. Available Funding After Costs	480,136,037.45	-	480,136,037.45
C. Approved Contracts			
Phase I	470,890,598.58	-	470,890,598.58
Extensions	1,069,835.00	-	1,069,835.00
D. Project Close Out			
Phase I	(1,456,106.64)	(111,229.43)	(1,567,336.07)
Extensions	-	-	-
E. Uncontracted Funding	9,631,710.51	111,229.43	9,742,939.94
F. Invoices Paid *			
Phase I	384,454,293.17	10,085,844.49	394,540,137.66
Extensions	270,009.33	3,686.10	273,695.43
G. Remaining Funds **	95,411,734.95	(10,089,530.59)	85,322,204.36

*Invoices Paid -Figures reflect actual funds paid out as of period end dates noted.
**Remaining Funds-Excludes net investment income

Upper and lower level view of process piping in the Granular Activated Carbon (GAC) Building

4.0 Cost Report and Financial Considerations (Continued)

4.4 CONTRACT AMENDMENTS AND CHANGE ORDERS

Each of the GRP Program contracts, agreements, and work orders listed in Section 3.2 were presented at the GRP Review Committee and the SJRA Board of Directors meetings in February. The following items were authorized by the SJRA Board of Directors for execution by the SJRA General Manager.

- No items were presented for recommendation and/or approval

4.5 CLAIMS

If and when claims are received, they will be addressed by the GRP Program Team. SJRA reserves the right to withhold certain claims information that is subject to ongoing investigation, pending or threatened litigation, or covered by attorney-client privilege.

4.6 CIP CASH FLOW

The GRP Program CIP cash flow through calendar year 2015 reflects known expenditures through this month as seen in Table 4.1. Estimates for future expenditures are included in ***Exhibit 2*****.** All active and currently identified future GRP Program projects and initiatives are included in the cash flow. A graph of forecasted monthly expenditures from the referenced cash flow is attached as ***Exhibit 3***.

4.7 CIP BUDGET ESTIMATES AT COMPLETION

4.7.1 GRP Program

The **total gross funds** (including capitalized interest) required to execute Phase I of the GRP Program are currently estimated at $564,335,358.49. Additionally, all current GRP Program contracts, including their respective SJRA Board of Director's approved budgeted amounts are listed in ***Exhibit 6***.

4.7.2 GRP Projects

The GRP Program projects remained within their approved contract budgets this month. ***Exhibit 6*** indicates each active GRP Program project and GRP Program contract.

4.8 LAND ACQUISITION

The GRP Program Team with the support of its various land acquisition consultants completed the final stages of acquiring land and easements necessary for Phase I of the surface water transmission system. A cumulative summary of easement acquisition activity is provided in ***Exhibit 7***.

Aerial view of the Operations Building and parking lot

5.0 Quality Assurance

5.1 FINAL DESIGN

Final design is complete for Surface Water Treatment Plant, Transmission Lines, Standpipe, Fiber Optic Communications Network, and Water Receiving Facilities. Design of permanent access road is underway and the site landscaping will occur in the future.

5.2 PRE-CONSTRUCTION

There were no pre-construction meetings held this month.

5.3 CONSTRUCTION

Quality Assurance efforts by SJRA construction inspectors, as well as the CA&I consultant continued this month on the SWF project. Virtually every building on the SWF project site is progressing timely toward meeting the established SWF substantial completion date. Quality Assurance efforts include regular visits to the project site to monitor and document observed progress. Similar Quality Assurance efforts by SJRA construction inspectors and the CM&I consultant continued this month on the transmission lines.

Left: Worker tests connections at the Raw Water Intake
Above: SJRA staff overseeing the construction of the chemical trench
Bottom: Workers install instrumentation at the chemical tanks

6.0 EXHIBITS

Exhibit 1—GRP Program Schedule

Exhibit 2—GRP Program Estimate-At-Completion

Exhibit 3—GRP Program Monthly Forecasted Expenditures

Exhibit 4—GRP Program Fund Data

Exhibit 5—Monthly GRP Program Funding Report

Exhibit 6—GRP Program Current Authorizations

Exhibit 7—Land Acquisition Summary

Exhibit 8—GRP Schedule of Revenues & Expenses—Actual & Budget

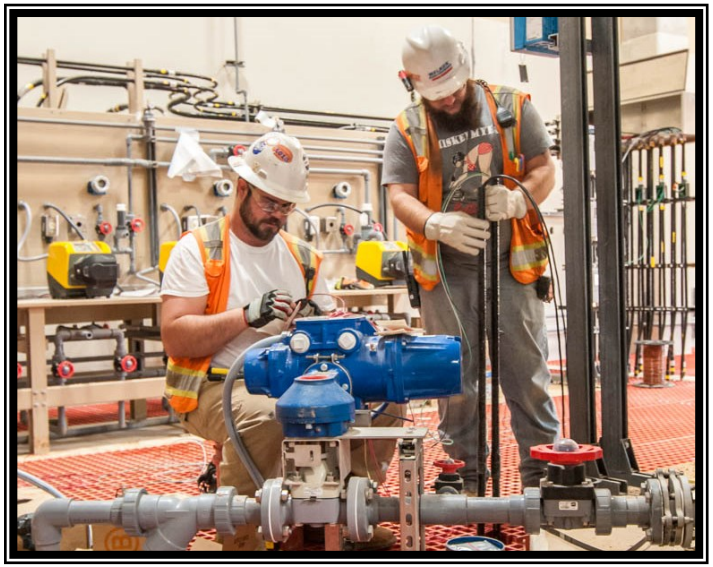
Exhibit 9—GRP Program Monthly Meeting Log

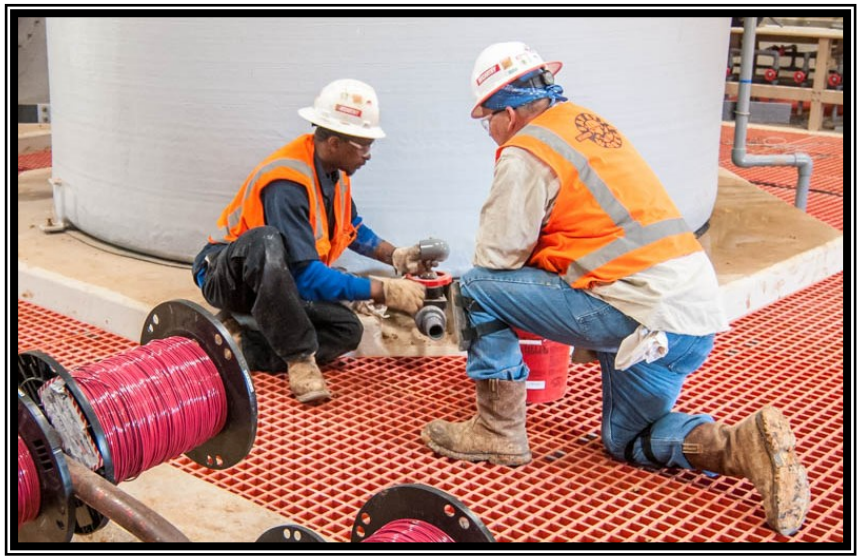
Exhibit 10—Surface Water Facilities (SWF) Construction Photos

Exhibit 11—Transmission Line System Construction Photos

Exhibit 12—Surface Water Standpipe Construction Photos

Exhibit 13—Fiber Optic Network Communication System





Left: Workers wire a control valve at the Membrane Facility

Above: Workers installing tank drain lines at the Chemical Building

Bottom: W3A transmission line substantial completion inspection with GRP staff

Exhibit 1 - GRP Program Schedule

ID	Task Name
1	Transmission Segment T1
2	Construction
3	Transmission Segment T2
4	Construction
5	Transmission Segment T3
6	Construction
7	Transmission Segment W1A
8	Construction
9	Transmission Segment W1B
10	Construction
11	Transmission Segment W2A
12	Construction
13	Transmission Segment W2B
14	Construction
15	Transmission Segment W3A
16	Construction
17	Transmission Segment W3B
18	Construction
19	Transmission Segment W3D
20	Construction
21	Transmission Segment W4
22	Construction
23	Transmission Segment C1-A
24	Construction
25	Transmission Segment C1-B
26	Construction Complete
27	Transmission Segment C2
28	Construction
29	Transmission Segment C3
30	Construction
31	Transmission Segment C4
32	Construction
33	Receiving Facilities North Package
34	Construction
35	Receiving Facilities South Package
36	Construction
37	Transmission System Standpipe
38	Construction
39	Water Treatment Plant
40	Construction
41	High Service Pump Station
42	Construction
43	Raw Water Intake & Pump Station
44	Construction
45	**Water Treatment Facilities Permanent Access Road**
46	Design
47	Procurement
48	Construction

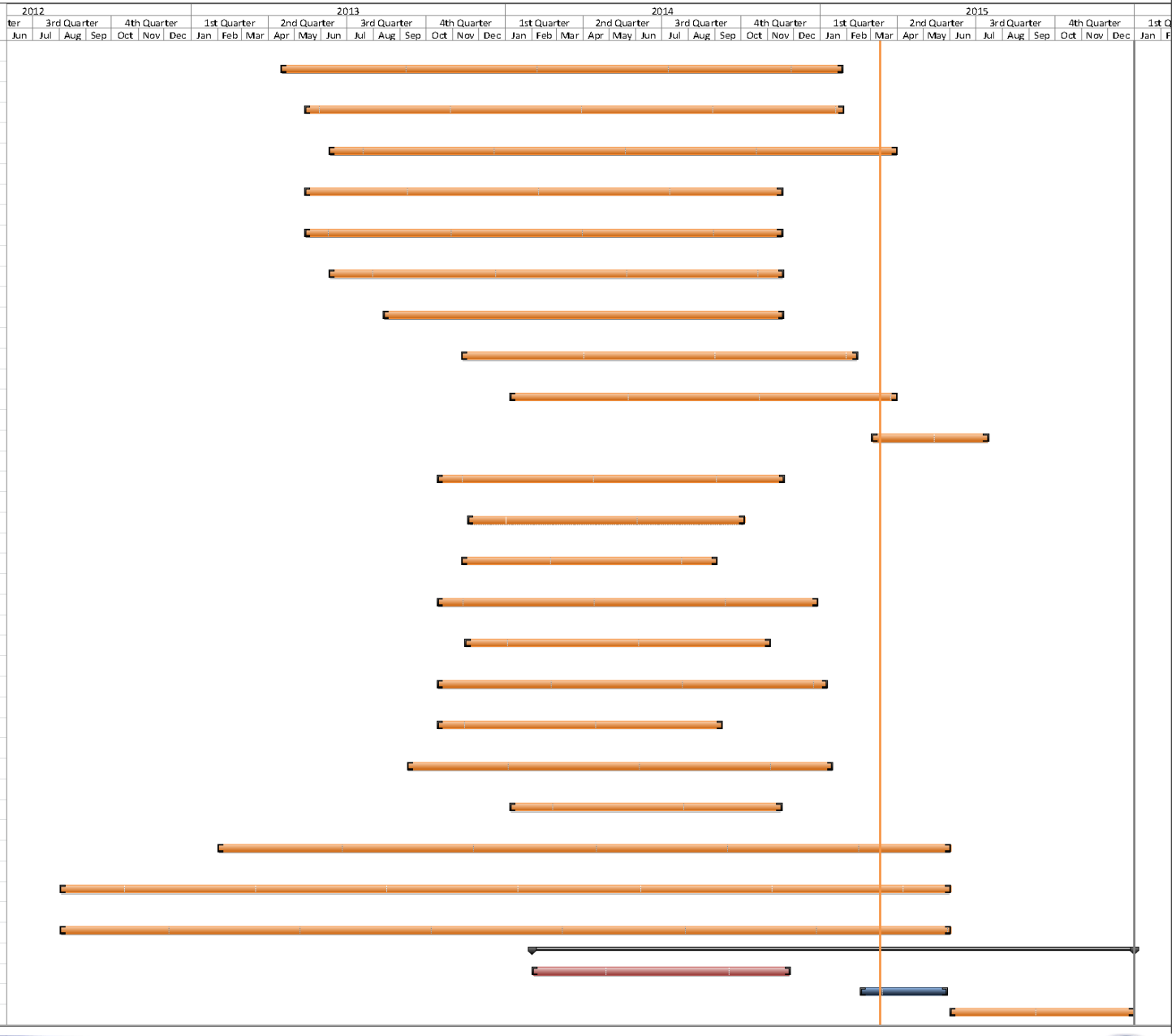


Exhibit 2

GRP Program Estimate-At-Completion as of February 28, 2015

SERVICES	ESTIMATE-AT-COMPLETION
Pre-Engineering Phase Services	**$ 4,702,612**
(GRP Development, Environmental Studies, Pilot Plant, Surface Water Treatment Plant Site Survey)	
Engineering Phase Services	**$ 45,269,699**
(Planning, Preliminary Engineering, Final Engineering, Geotechnical, Survey, Metes & Bounds, Subsurface Utility Investigation, Environmental)	
Construction Phase Services	**$ 28,983,740**
(Engineering Services During Construction, Construction Management & Inspection [Transmission System], Construction Administration & Inspection [SWF], Material Testing)	
Construction	**$ 387,078,657**
(Surface Water Transmission System, Raw Water Intake and Pump Station, Surface Water Treatment Plant, High Service Pump Station and Ground Storage Tanks, Surface Water Receiving Facilities, Infrastructure, Buildings, Roadways, Site Security, Access Roadways)	
Transmission Segment C1 - Construction	$ 4,382,077
Transmission Segment C2 - Construction	$ 9,015,577
Transmission Segment C3 - Construction	$ 4,720,966
Transmission Segment C4 - Construction	$ 5,115,397
Transmission Segment T1 - Construction	$ 14,521,937
Transmission Segment T2 - Construction	$ 13,475,718
Transmission Segment T3 - Construction	$ 11,593,194
Transmission Segment W1 - Construction	$ 15,435,545
Transmission Segment W2 - Construction	$ 32,501,858
Transmission Segment W3 - Construction	$ 16,249,924
Transmission Segment W4 - Construction	$ 3,656,604
Transmission System Standpipe	$ 2,354,175
Receiving Facilities - Construction	$ 16,458,622
Surface Water Facilities CMAR (GMP)	$ 190,704,740
Transmission System Fiber Optic - Construction	$ 2,985,432
Permanent Access Roadway Construction	$ 6,705,993
Building No. 1; Access Road; Vegetative Buffer; Construction Materials Testing; SWF Site Vegetation Management; Sanitary Sewer/Access Rd. Relocation	$ 4,469,037
Other Offsite Construction (Transmission Line Utility Relocations, Receiving Facility Improvements)	$ 28,255,722
Non-Project Specific Contingency	$ 4,476,138
Program Management	**$ 10,990,772**
(GRP Program Management, Survey, Geotechnical, Transient, Corrosion, Legal Consultants)	
Land Acquisition	**$ 13,479,644**
(Legal, Appraisal, Title Research, Land Acquistion Consultants) [1]	
Total [2]:	**$ 490,505,124**

[1] Includes revisions to land acquisition cost estimates, land cost, and recategorizing of contingency.

[2] Bond issuance costs are not included.

Exhibit 3

GRP Program Monthly Forecasted Expenditures as of February 28, 2015

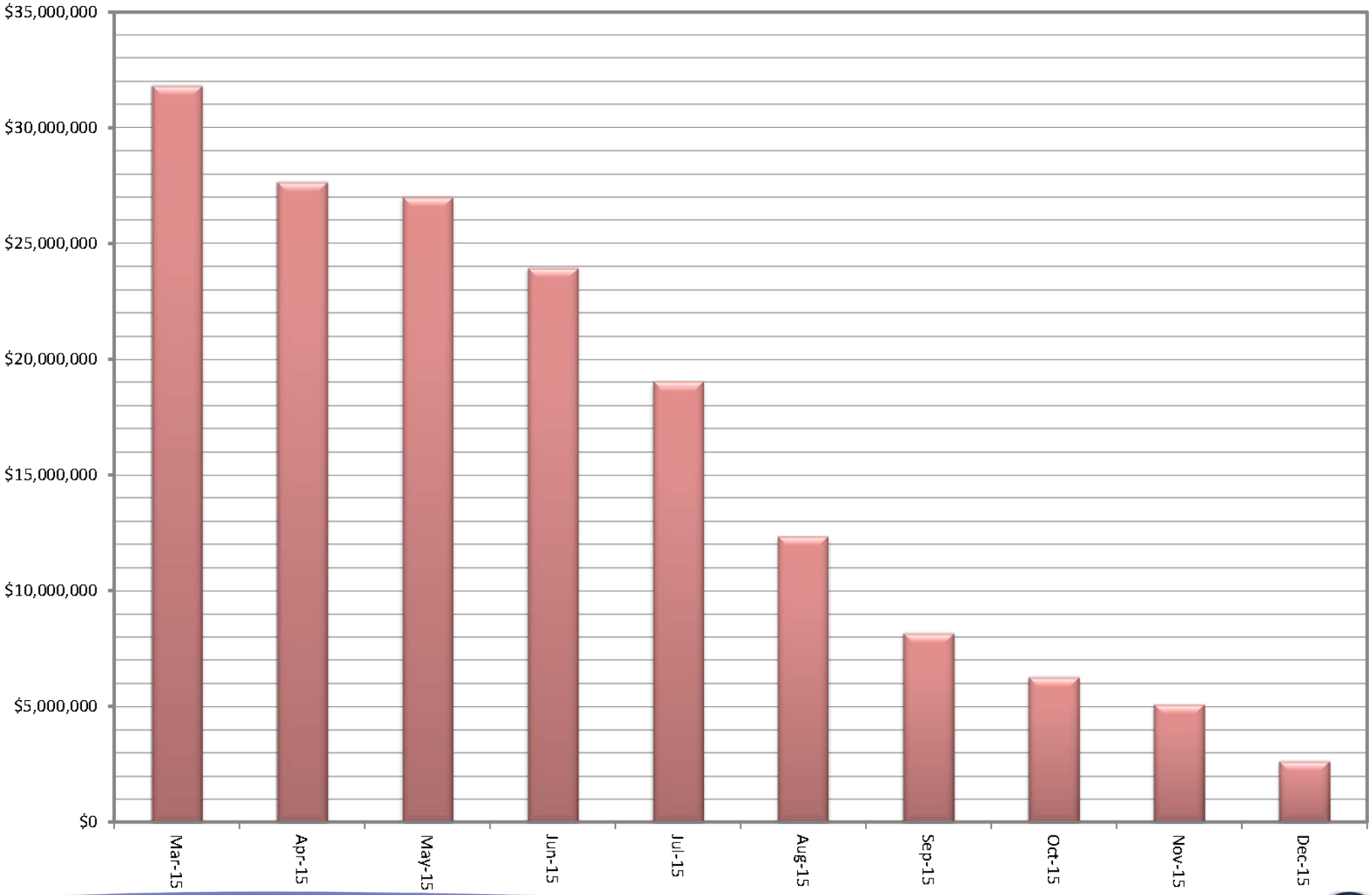


Exhibit 4

GRP Program Fund Data as of February 28, 2015

Funding Source	Amount Authorized by Board To-Date	Interest Rate	Bond Costs	Capitalized Interest	Debt Service Reserve Fund	Net Amount Currently Available	Pending Funding Source
TWDB WIF Bond Issue	$ 21,500,000.00	.854% - 2.706%	$ 470,337.08	$ -	$ -	$ 21,029,662.92	
Open Market Bond Issue (Series 2011)	$ 83,430,358.49	3% - 5.25%	$ 2,049,764.39	$ 7,858,241.52	$ -	$ 73,522,352.58	
TWDB DFund Series 2011A	$ 67,470,000.00	1.22% - 4.97%	$ 751,195.33	$ 5,166,233.00	$ 3,859,151.00	$ 57,693,420.67	
TWDB DFund Series 2012	$ 175,000,000.00	1.17% - 4.62%	$ 971,769.13	$ 12,869,175.00	$ -	$ 161,159,055.87	
TWDB DFund Series 2012A	$ 165,000,000.00	1.26% - 4.62%	$ 952,269.99	$ 14,139,669.00	$ 16,500,000.00	$ 133,408,061.01	
TWDB Dfund Series 2013	$ 39,850,000.00	4.50%	$ 628,750.00	$ 3,214,292.00	$ 3,073,489.18	$ 32,933,468.82	
Subtotal Approved Amounts	***$ 552,250,358.49***		***$ 5,824,085.92***	***$ 43,247,610.52***	***$ 23,432,640.18***	***$ 479,746,021.87***	
Future Series 2015 (Est.)	$ 12,085,000.00	4.54%	$ 321,200.00	$ 1,004,698.00	$ -	$ -	$ 10,759,102.00
Subtotal Future Amounts	**$ 12,085,000.00**		**$ 321,200.00**	**$ 1,004,698.00**	**$ -**	**$ -**	**$ 10,759,102.00**
Totals	**$ 564,335,358.49**		**$ 6,145,285.92**	**$ 44,252,308.52**	**$ 23,432,640.18**	**$ 479,746,021.87**	**$ 10,759,102.00**

Notes:

1. These values do not include investment income.
2. Green items are estimates only.
3. Series 2011 bond costs include $681,132.45 for bond insurance and $459,709.50 for underwriter's discount.

Exhibit 5

Monthly GRP Program Funding Report

Fiscal Year 2015

Through February 28, 2015

	TWDB WIF Bond Issue	Open Market Bond Issue (Series 2011)	TWDB Dfund (Series 2011A)	TWDB Dfund (Series 2012)	TWDB Dfund (Series 2012A)	TWDB Dfund (Series 2013)	Operating (Cash)	Contributions from MUDs	Totals
A. Program Budget									
Bond Issue Amount	$ 21,500,000.00	$ 83,430,358.49	$ 67,470,000.00	$ 175,000,000.00	$ 165,000,000.00	$ 39,850,000.00			$ 552,250,358.49
Operating Funds Commitment							$ 96,015.58		$ 96,015.58
Contributions from MUDs								$ 294,000.00	$ 294,000.00
Total Investment	**$ 21,500,000.00**	**$ 83,430,358.49**	**$ 67,470,000.00**	**$ 175,000,000.00**	**$ 165,000,000.00**	**$ 39,850,000.00**	**$ 96,015.58**	**$ 294,000.00**	**$ 552,640,374.07**
B. Contracted Costs									
Phase I									
Contracts Completed	$ 18,348,030.84	$ 21,435,383.01	$ 10,050,644.73	$ -	$ 1,155,745.60	$ 3,721,564.70	$ 14,407.80	$ -	$ 54,725,776.68
Current Contract Values	$ 2,663,111.00	$ 39,493,042.31	$ 46,086,498.93	$ 161,159,055.87	$ 128,099,987.51	$ 28,763,182.48	$ 81,607.78	$ -	$ 406,346,485.88
Change Orders	$ -	$ 6,696,773.12	$ 1,010,780.46	$ -	$ 2,110,782.44	$ -	$ -	$ -	$ 9,818,336.02
Project Close Out	$ (348,037.50)	$ (981,969.27)	$ (172,677.43)	$ -	$ (64,626.72)	$ (25.15)	$ -	$ -	$ (1,567,336.07)
Phase I Total:	**$ 20,663,104.34**	**$ 66,643,229.17**	**$ 56,975,246.69**	**$ 161,159,055.87**	**$ 131,301,888.83**	**$ 32,484,722.03**	**$ 96,015.58**	**$ -**	**$ 469,323,262.51**
Extensions									
Contracts Completed	$ -	$ 10,175.00	$ -	$ -	$ -	$ -	$ -	$ -	$ 10,175.00
Current Contract Values	$ -	$ 1,059,660.00	$ -	$ -	$ -	$ -	$ -	$ -	$ 1,059,660.00
Change Orders	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -
Project Close Out	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -
Extensions Total:	**$ -**	**$ 1,069,835.00**	**$ -**	**$ -**	**$ -**	**$ -**	**$ -**	**$ -**	**$ 1,069,835.00**
C. Expenditures									
Phase I									
Paid Previous Fiscal Years	$ 20,599,416.62	$ 49,618,248.03	$ 40,595,829.88	$ 109,374,040.69	$ 91,422,085.04	$ 12,922,461.97	$ 84,942.42	$ -	$ 324,617,024.65
Paid Current Fiscal Year	$ -	$ 7,512,139.23	$ 8,202,766.07	$ 24,203,389.24	$ 18,199,702.77	$ 11,800,305.61	$ 4,810.09	$ -	$ 69,923,113.01
Phase I Total:	**$ 20,599,416.62**	**$ 57,130,387.26**	**$ 48,798,595.95**	**$ 133,577,429.93**	**$ 109,621,787.81**	**$ 24,722,767.58**	**$ 89,752.51**	**$ -**	**$ 394,540,137.66**
Extensions									
Paid Previous Fiscal Years	$ -	$ 172,033.34	$ -	$ -	$ -	$ -	$ -	$ -	$ 172,033.34
Paid Current Fiscal Year	$ -	$ 101,662.09	$ -	$ -	$ -	$ -	$ -	$ -	$ 101,662.09
Extensions Total:	**$ -**	**$ 273,695.43**	**$ -**	**$ -**	**$ -**	**$ -**	**$ -**	**$ -**	**$ 273,695.43**
Issuance Costs	$ 470,337.08	$ 2,049,764.39	$ 751,195.33	$ 971,769.13	$ 952,269.99	$ 628,750.00	$ -	$ -	$ 5,824,085.92
Debt Service Reserve Fund	$ -	$ -	$ 3,859,151.00	$ -	$ 16,500,000.00	$ 3,073,489.18	$ -	$ -	$ 23,432,640.18
Capitalized Interest	$ -	$ 7,858,241.52	$ 5,166,233.00	$ 12,869,175.00	$ 14,139,669.00	$ 3,214,292.00	$ -	$ -	$ 43,247,610.52
D. Remaining									
Uncontracted Funds	$ 366,558.58	$ 5,809,288.41	$ 718,173.98	$ (0.00)	$ 2,106,172.18	$ 448,746.79	$ -	$ 294,000.00	$ 9,742,939.94
Funding Balance *	$ 430,246.30	$ 16,118,269.89	$ 8,894,824.72	$ 27,581,625.94	$ 23,786,273.20	$ 8,210,701.24	$ 6,263.07	$ 294,000.00	$ 85,322,204.36

*Excluding net investment income

Exhibit 6

GRP Program Current Authorizations as of February 28, 2015

Surface Water Transmission System - Consultant Services

Project	Firm	Amount Authorized by Board
T1	Jones & Carter	$ 2,166,221.02
T2	Klotz Associates	$ 1,822,718.66
T3	Espey	$ 1,892,282.82
W1	LAN	$ 2,479,560.65
W2	Binkley & Barfield	$ 3,311,241.40
W3	Cobb Fendley	$ 3,992,018.50
W4	LJA	$ 1,009,006.98
C1	Dannenbaum	$ 959,193.01
C2	Schaumburg & Polk	$ 2,211,922.28
C3	Kimley Horn	$ 1,248,690.98
C4	RG Miller	$ 597,788.37
Fiber Optic	EMA	$ 1,062,569.67
WRFs	Malcom Pirnie/Arcadis	$ 2,680,366.57
CM&I	Kellog Brown & Root	$ 8,657,135.48
Subtotal - Surface Water Transmission System		**$ 34,090,716.39**

Surface Water Facilities - Consultant Services

Project	Firm	Amount Authorized by Board
WTP	HDR Engineering	$ 19,652,574.49
HSPS	AECOM	$ 5,455,218.39
StandPipe	AECOM	$ 192,235.38
RWI&PS	Freese & Nichols	$ 3,929,369.64
CA&I	CDMSmith	$ 5,348,633.00
Subtotal - Surface Water Facilities		**$ 34,578,030.90**

Program Consultant Services & Other Projects

Project	Firm	Amount Authorized by Board
Program Management	Brown & Gay	$ 10,695,226.55
Program Survey	Landtech	$ 553,621.50
Program Geotechnical	Raba Kistner	$ 145,260.00
Prog Transient Analyses	AECOM	$ 5,647,453.77
Access Rd/Misc Service	ACES	$ 857,366.25
SWF Surveying	S&V Surveying	$ 66,875.00

Exhibit 6 (con't)

GRP Program Current Authorizations as of February 28, 2015

Land Acq	KDM	$	431,592.70
Land Acq	PAS	$	1,413,334.88
Program Environmental	Halff Associates	$	1,063,698.87
Program Fiber Optics	EMA	$	1,062,569.67
Program Corrosion	V&A Consulting Engineers	$	866,676.00
Program Legal Services & Projects	Multiple	$	5,700,577.48
Subtotal - Program Consultant Services & Other Projects		**$**	**28,504,252.67**

Surface Water Transmission System Extensions - Consultant Services

Project	Firm	Amount Authorized by Board	
MUD99/115	IDS Engineering Group - x	$	470,720.00
MUD99/115	Andrews & Kurth - x	$	100,000.00
MUD99/115	PAS - x	$	200,000.00
MUD99/115	Arcadis - x	$	36,843.00
MUD99/115	V&A Consulting Engineers - x	$	41,256.00
MUD99/115	Brown & Gay - x	$	121,216.00
Subtotal - Surface Water Transmission System Extensions		**$**	**970,035.00**

Active or Completed Construction Contracts Managed by GRP

Project	Firm	Amount Authorized by Board	
GRP Bldg No. 1	Brookstone	$	2,008,673.00
Bldg No. 1/Aqua Tx CMT	Aviles Engineering	$	123,814.55
Landscape Buffer	Key-Scape Landscape	$	53,090.00
Temp Access Road	Lindsey Construction	$	977,583.60
Access Road CMT	Terracon Consultants	$	10,359.70
Access Road Overlay and Detention	AAA Asphalt	$	412,284.59
Access Road Landscape	TreeScapes	$	34,165.00
Aqua Texas Sewer	Randy Roan Construction	$	547,341.17
Bldg No. 1 Fiber Line	Preferred Technologies	$	231,157.56
Surface Water Plant (CMAR)	McCarthy	$	190,704,740.00
SWF CMT	Geotest	$	2,011,780.00
Transmission Sytem Utility Relocations	Various	$	2,062,614.14
Transmission System CMT (T3, W1, W2, W3, W4)	Aviles	$	1,851,330.00
Transmission System CMT (T1, T2, C1, C2, C3, C4)	Terracon	$	756,711.25
Transmission Segment T1	S.J. Louis Construction of Texas Ltd	$	14,521,937.14
Transmission Segment T2	Texas Sterling Construction Company	$	13,475,718.33
Transmission Segment T3	S.J. Louis Construction of Texas Ltd	$	11,393,193.97
Transmission Segment C1A	Garney Companies, Inc.	$	3,837,683.40
Transmission Segment C1B	E.P. Brady, LTD.	$	544,393.60

Exhibit 6 (con't)

GRP Program Current Authorizations as of February 28, 2015

Transmission Segment C2	Garney Companies, Inc.	$	9,014,837.00
Transmission Segment C3	E.P. Brady, LTD.	$	4,972,314.80
Transmission Segment C4	BRH-Garver Construction, L.P.	$	5,115,396.90
Transmission Segment W1A	Huff & Mitchell, Inc.	$	8,222,000.50
Transmission Segment W1B	Texas Sterling Construction Company	$	7,213,544.50
Transmission Segment W2A	Texas Sterling Construction Company	$	16,340,258.02
Transmission Segment W2B	Texas Sterling Construction Company	$	16,161,600.00
Transmission Segment W3A	Huff & Mitchell, Inc.	$	7,880,207.50
Transmission Segment W3B	Garney Companies, Inc.	$	8,114,716.70
Transmission Segment W3D	Alcott, Inc. (TCH)	$	1,840,986.00
Transmission Segment W4	Huff & Mitchell, Inc.	$	3,656,604.23
Receiving Facilities South	CSA	$	7,127,383.00
Receiving Facilities North	Archer Western	$	6,160,184.55
Transmission SCADA - Fiber Optic Construction	Fisk Electric Company	$	2,885,432.35
Miscellaneous	Other Construction Contracts, Permits, Fees, etc.	$	233,666.23
Subtotal - Construction Contracts		**$**	**350,497,703.28**

Active or Completed Engineering/Construction Contracts Managed by Participants

Project	Participant	Amount Authorized by Board	
Distribution and Well Collection Lines	Woodlands Water	$	5,041,296.91
Distribution and Water Plants Improvements	City of Conroe Water	$	12,952,247.00
Receiving Facilities	Rayford Road MUD Water	$	1,752,244.00
Receiving Facilities	City of Oak Ridge North Water	$	506,844.00
Wastewater Alkalinity Improvements	Southern Montgomery County MUD Wastewater	$	455,975.00
Subtotal -Engineering/Construction Managed by Participants		**$**	**20,252,631.91**

Totals

	Amount Authorized by Board	
Surface Water Transmission System - Consultant Services	$	34,090,716.39
Surface Water Facilities - Consultant Services	$	34,578,030.90
Program Consultant Services & Other Projects	$	28,504,252.67
Surface Water Transmission System Extensions - Consultant Services	$	970,035.00
Active or Completed Construction Contracts	$	350,497,703.28
Engineering/Construction Managed by Participants	$	20,252,631.91
Total	**$**	**468,893,370.15**

Exhibit 7

GRP Program Land Acquisition Summary as of February 28, 2015

Project	Anticipated Number of Easements to Acquire	Easements Acquired This Month	Total Easements Acquired and Filed	Total Easements Remaining to be Finalized [1]
Transmission System Segment T1	59	0	59	0
Transmission System Segment T2	0	0	0	0
Transmission System Segment T3	18	0	18	0
Transmission System Segment C1	19	0	19	0
Transmission System Segment C2	80	0	80	0
Transmission System Segment C3	34	0	34	0
Transmission System Segment C4	4	0	4	0
Transmission System Segment W1	32	0	32	0
Transmission System Segment W2	10	0	10	0
Transmission System Segment W3	177	0	177	0
Transmission System Segment W4	9	0	9	0
Totals:	442	0	442	0

[1] Note: Includes final cleanup of title on other legal issues, while right of entry may have been required

Exhibit 8

San Jacinto River Authority

Groundwater Reduction Plan

Schedule of Revenues & Expenses—Actual and Budget

For the Six Months Ending February 28, 2015

	Feb	Fiscal Year To Date				Fiscal Budget	
	Actual	Actual	Budget	Variance	% Variance	Total Year Budget	Actual YTD % of Total Year Budget
OPERATING REVENUES							
GRP pumping fees	$ 2,335,314	$ 16,891,317	$ 19,901,702	$ (3,010,385)	(15%)	$ 41,992,101	40%
GRP Surface Water Sales	-	-	-	-	0%	4,942,463	0%
TOTAL OPERATING REVENUES	**$ 2,335,314**	**$ 16,891,317**	**$ 19,901,702**	**$ (3,010,385)**	**(15%)**	**$ 46,934,564**	**36%**
OPERATING EXPENSES							
Payroll & employee benefit expenses	$ 333,842	$ 2,116,885	$ 2,553,478	$ 436,593	17%	$ 5,108,247	41%
Professional fees	4,488	112,027	278,400	166,373	60%	556,800	20%
Purchased & contracted services	13,710	62,724	153,866	91,142	59%	307,732	20%
Supplies, materials & utilities	39,151	1,736,311	4,219,530	2,483,219	59%	6,815,340	25%
Maintenance repairs, parts & rentals	1,731	5,232	39,500	34,268	87%	105,750	5%
General & administration	65,117	282,873	473,164	190,291	40%	946,329	30%
TOTAL OPERATING EXPENSES	**$ 458,039**	**$ 4,316,052**	**$ 7,717,939**	**$ 3,401,887**	**44%**	**$ 13,840,198**	**31%**
NON-OPERATING REVENUES & EXPENSES							
Interest on investments	$ (9,781)	$ 202,903	$ 99,840	$ 103,063	103%	$ 199,680	102%
Other revenues	-	1,950	-	1,950	100%	-	0%
Interest expense	(1,769,346)	(10,634,231)	(10,634,233)	2	(0%)	(21,360,309)	50%
TOTAL NON-OPERATING (EXCLUDING ITEMS NOT BUDGETED)	**$ (1,779,127)**	**$ (10,429,378)**	**$ (10,534,393)**	**$ 105,015**	**(1%)**	**$ (21,160,629)**	**49%**
NET INCOME (LOSS) (EXCLUDING ITEMS NOT BUDGETED)	**$ 98,148**	**$ 2,145,887**	**$ 1,649,370**	**$ 496,517**	**30%**	**$ 11,933,737**	**18%**
NON-OPERATING REVENUES & EXPENSES (NOT BUDGETED)							
Depreciation	$ (25,786)	$ (155,238)	$ -	$ (155,238)	100%	$ -	0%
Amortized debt issuance expense	363	2,177	-	2,177	100%	-	0%
TOTAL NON-OPERATING (NOT BUDGETED)	**$ (25,423)**	**$ (153,062)**	**$ -**	**$ (153,062)**	**100%**	**$ -**	**0%**
NET INCOME (LOSS) (BUDGETED AND NOT BUDGETED)	**$ 72,725**	**$ 1,992,825**	**$ 1,649,370**	**$ 343,455**	**21%**	**$ 11,933,737**	**17%**

Exhibit 8 (con't)

GRP Division

Clarification of Actual & Budget Variances

For Six Months Ending February 28, 2015

Category	YTD - Driver	February 2015	FYTD 2015
GRP Pumping Fees	Usage variance due to weather conditions and change in consumer behavior. This trend began in FY2014 and has continued into FY2015. If the trend persists, pumpage and surface water rates may be impacted in future fiscal years.	54	(3,010)
Payroll and related expenses	Budgeted positions not filled as scheduled.	67	437
Professional Fees	Professional fees less than budgeted.	41	166
Purchased & Contracted Services	Purchased and contracted services less than budgeted.	12	91
Supplies, Materials, Utilities, Maintenance, Repairs, Parts & Rentals	Fuel, office supplies, phones, recruiting and misc. expenses less than budgeted.	10	163
	Chemicals-no usage this month	188	1,128
	Utilities-less than budgeted	68	408
	TRA Reservation Fee less than budgeted	-	62
	COH Reservation Fee less than budgeted	-	908
	SJRA Reservation Fee more than budgeted	-	(187)
	Maintenance repairs, parts & rentals expense less than budgeted.	4	34
General & Administration	Allocated labor and related expenses less than budgeted, anticipated a quicker rate of growth than has been actualized.	14	190
Non-Operating	Interest/Investment Income	(26)	103
	Other Revenues	-	2
	Bond interest expense	-	1
	Capital Contributions	-	-
	Depreciation expense	(25)	(155)
	Bond Issuance Cost Amort expense	-	2
		407	**343**

Exhibit 9

GRP Program Monthly Meeting Log for February 2015

Meeting	Subject of Meeting	Location	Date	Participants
Technical Presentation - City of Conroe	Water Quality	Public Works Service Center	2/2/2015	GRP Staff, City of Conroe Staff, and Consultant
SWF Partnering Session	Construction	GRP Building	2/11/2015	GRP Staff, Engineers, Contractors, and Consultant Team
Water Quality Communication Team	Water Quality	Woodlands Division of SJRA	2/17/2015	GRP Staff, Consultant, Participants, and Various Stakeholders
GRP Review Committee Meeting	Board Agenda Items	G&A Building	2/23/2015	GRP Review Committee, SJRA Staff, and General Public
SJRA Board of Directors Meeting	Board Agenda Items	G&A Building	2/26/2015	SJRA Board of Directors, SJRA Staff, and General Public
CMAR Coordination Meeting	CMAR	GRP Building	Weekly	SJRA Staff, GRP Program Team, and Consultant Team
Construction Administration and In-spection Meetings	Construction	GRP Building	Weekly	SJRA Staff, GRP Program Team, and CA&I Team

Exhibit 9 (con't)

GRP Program Monthly Meeting Log for February 2015

Meeting	Subject of Meeting	Location	Date	Participants
Transmission System Coordination Meeting	Transmission System	GRP Building	Weekly	Contractor, SJRA Staff, GRP Program Team, and Consultant Team
Water Receiving Facilities-South Progress Meeting	WRF-S	GRP Building	Monthly	Contractor, SJRA Staff, GRP Program Team, and Consultant Team
Water Receiving Facilities-North Progress Meeting	WRF-N	GRP Building	Monthly	Contractor, SJRA Staff, GRP Program Team, and Consultant Team
Segments W1A, W1B, W2A, W2B, W3A, W3B, and W4 Progress Meetings	Segments W1A, W1B, W2A, W2B, W3A, W3B, and W4	GRP Building	Monthly	Contractor, SJRA Staff, GRP Program Team, and Consultant Team
Segments T1 and T2 Progress Meetings	Segments T1 and T2	GRP Building	Monthly	Contractor, SJRA Staff, GRP Program Team, and Consultant Team
Segment T3 Bi-Weekly Progress Meeting	Segment T3	GRP Building	Bi-Weekly	Contractor, SJRA Staff, GRP Program Team, and Consultant Team
Segments C1A, C2, C3 and C4 Monthly Status Meetings	Segments C1A, C2, C3 and C4	GRP Building	Monthly	Contractor, SJRA Staff, GRP Program Team, and Consultant Team
Standpipe Progress Meeting	Standpipe	GRP Building	Monthly	Contractor, SJRA Staff, GRP Program Team, and Consultant
FONCS Monthly Progress Meetings	FONCS	GRP Building	Monthly	Contractor, SJRA Staff, GRP Program Team, and Consultant
Surface Water Facility Progress Meeting	Surface Water Facilities	GRP Building	Bi-Monthly	SJRA Staff, CMAR, CA&I, and Consultant Team

Surface Water Facilities Construction Photos

EXHIBIT 10 SWF Construction Photos

EXHIBIT 10 (con't) SWF Construction Photos

❶ ***Raw Water Intake and Pump Station—Air burst system checkout***

EXHIBIT 10 (con't) SWF Construction Photos

❷ ***Pretreatment Facilities — 60-inch raw water connection to rapid mix basin***

EXHIBIT 10 (con't) SWF Construction Photos

❷ ***Pretreatment Facilities — Mixer motor rotation inspection***

EXHIBIT 10 (con't) SWF Construction Photos

❷ ***Pretreatment Facilities — GRP Operations and Maintenance staff training on rapid mixers***

EXHIBIT 10 (con't) SWF Construction Photos

❸ ***Granulated Activated Carbon Building — Treated water transfer pumps and piping***

EXHIBIT 10 (con't) SWF Construction Photos

❸ ***Granulated Activated Carbon Building — Wire termination in programmable logic controller (PLC) panel***

EXHIBIT 10 (con't) SWF Construction Photos

❹ ***Chemical Building — Electrical installation***

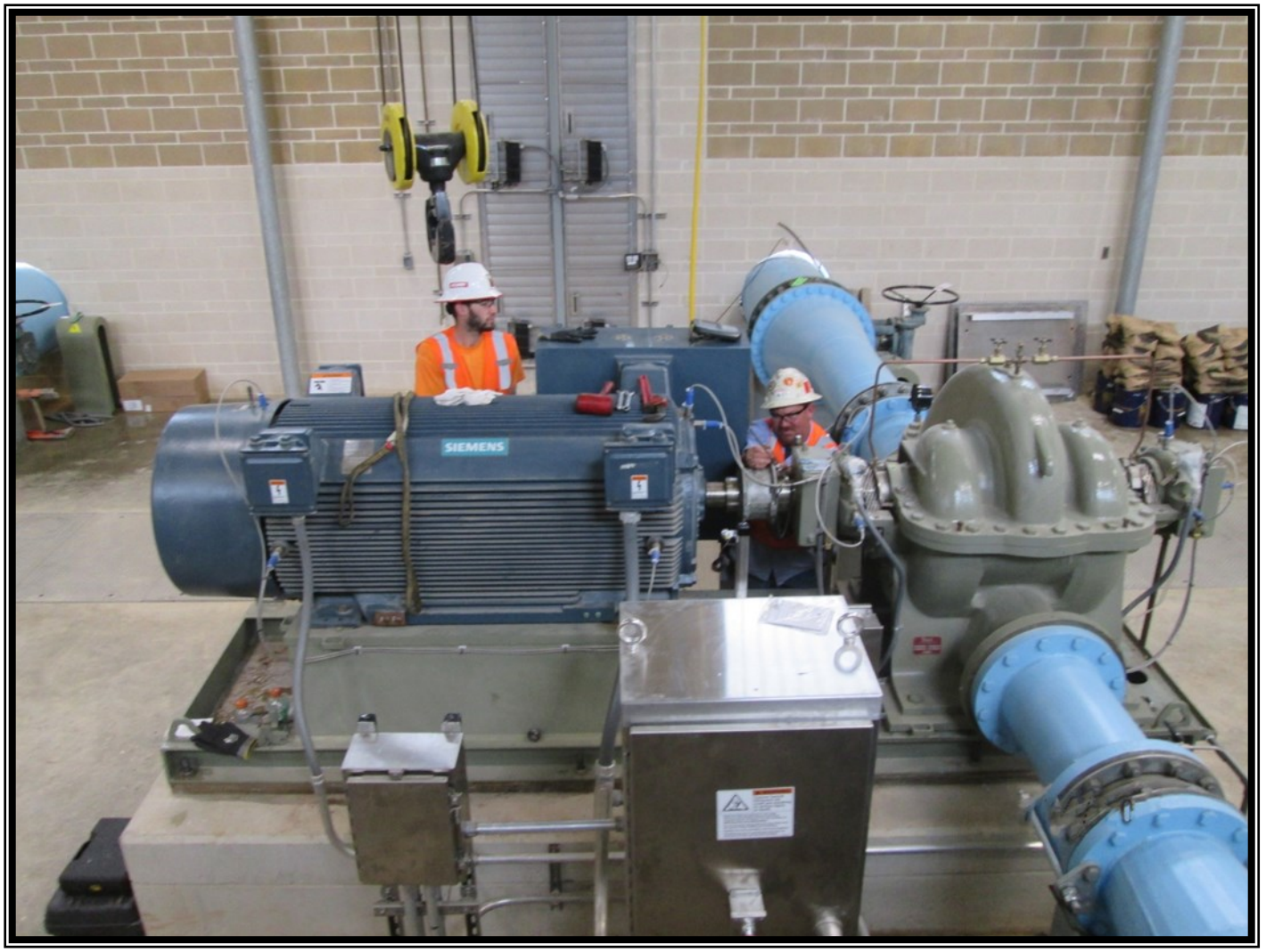
EXHIBIT 10 (con't) SWF Construction Photos

❹ ***Chemical Building — Chemical metering station***

EXHIBIT 10 (con't) SWF Construction Photos

❹ ***Chemical Building — Installation of lime mixing system piping***

EXHIBIT 10 (con't) SWF Construction Photos



❺ ***High Service Pump Station—Installation of coupling between motor and pump***

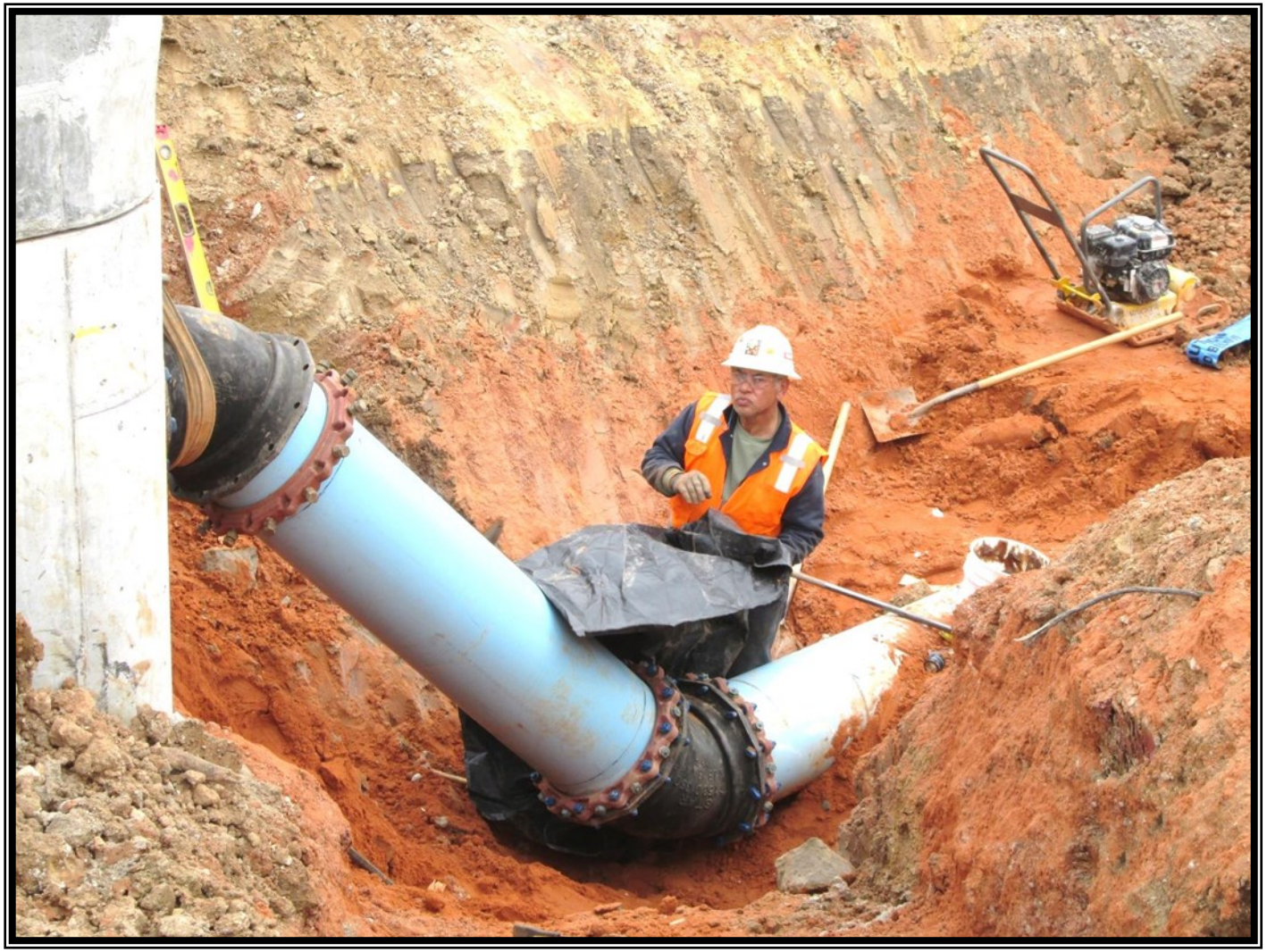
EXHIBIT 10 (con't) SWF Construction Photos

General Site—Installation of 42-inch transmission line

EXHIBIT 10 (con't) SWF Construction Photos

General Site—Connection of 42-inch transmission line to the High Service Pump Station (HSPS) discharge header

EXHIBIT 10 (con't) SWF Construction Photos



General Site—Connection of 16-inch potable water line to pressure reducing vault

EXHIBIT 10 (con't) SWF Construction Photos

General Site—Installation of chemical piping in chemical trench

EXHIBIT 10 (con't) SWF Construction Photos

General Site—Placement of concrete roadway from Granular Activated Carbon (GAC) to the Blower Building

Transmission Line System Construction Photos

EXHIBIT 11 (con't) Transmission Line System Construction Photos

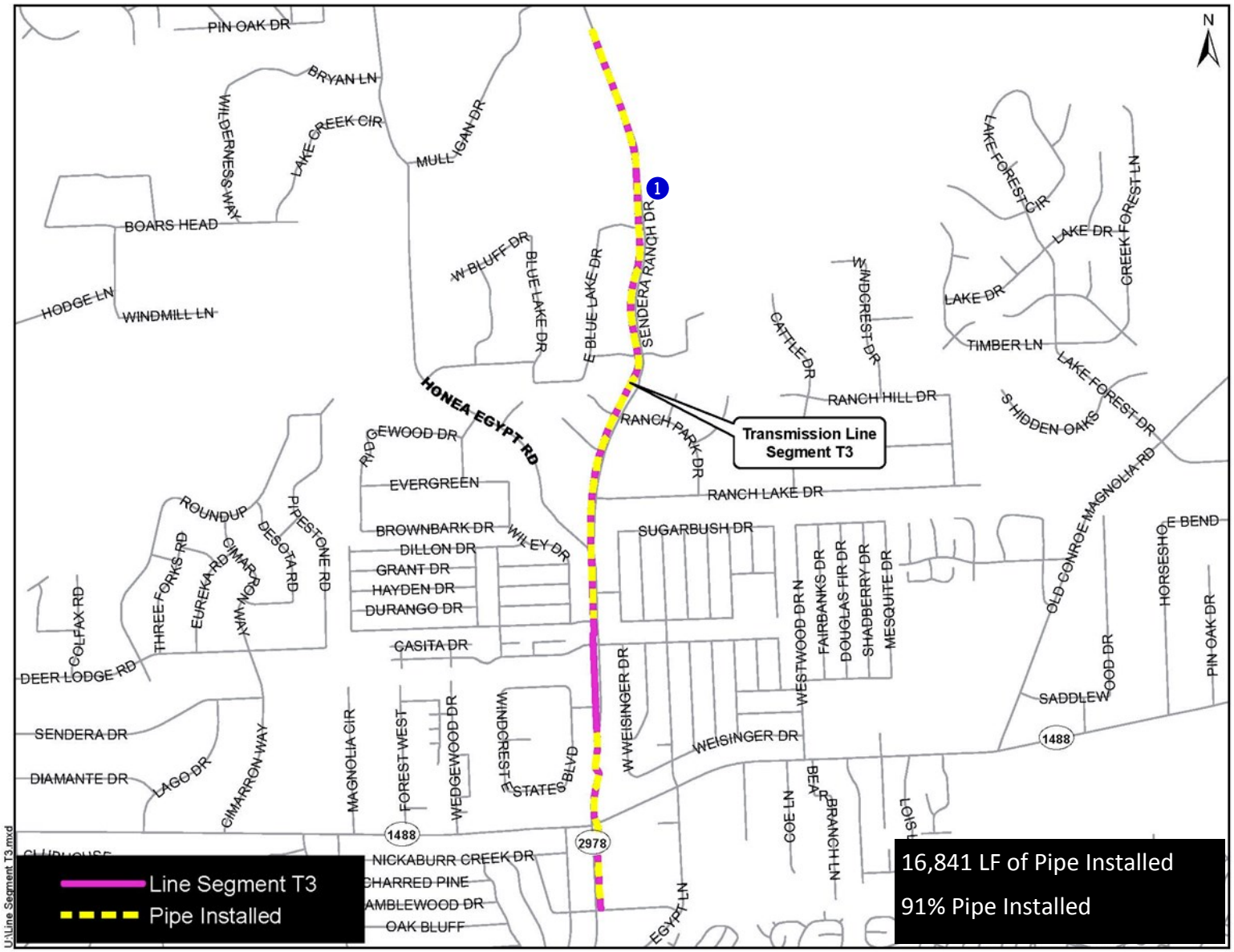


EXHIBIT 11 (con't) Transmission Line System Construction Photos

❶ ***Site restoration at Lake Creek crossing***

EXHIBIT 11 (con't) Transmission Line System Construction Photos

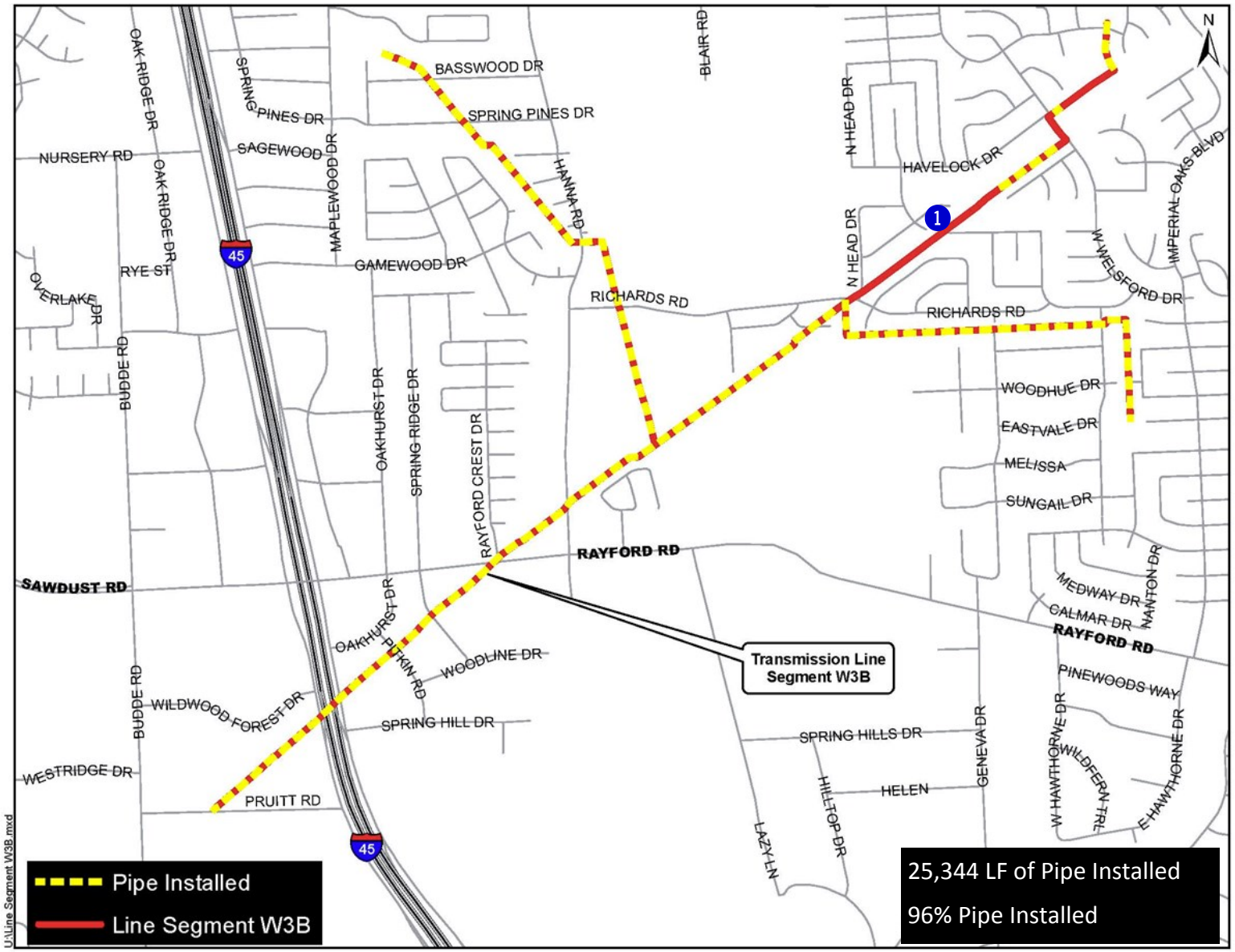


EXHIBIT 11 (con't) Transmission Line System Construction Photos

❶ ***Tunnel operations for 20-inch pipe under drainage ditch***

EXHIBIT 11 (con't) Transmission Line System Construction Photos

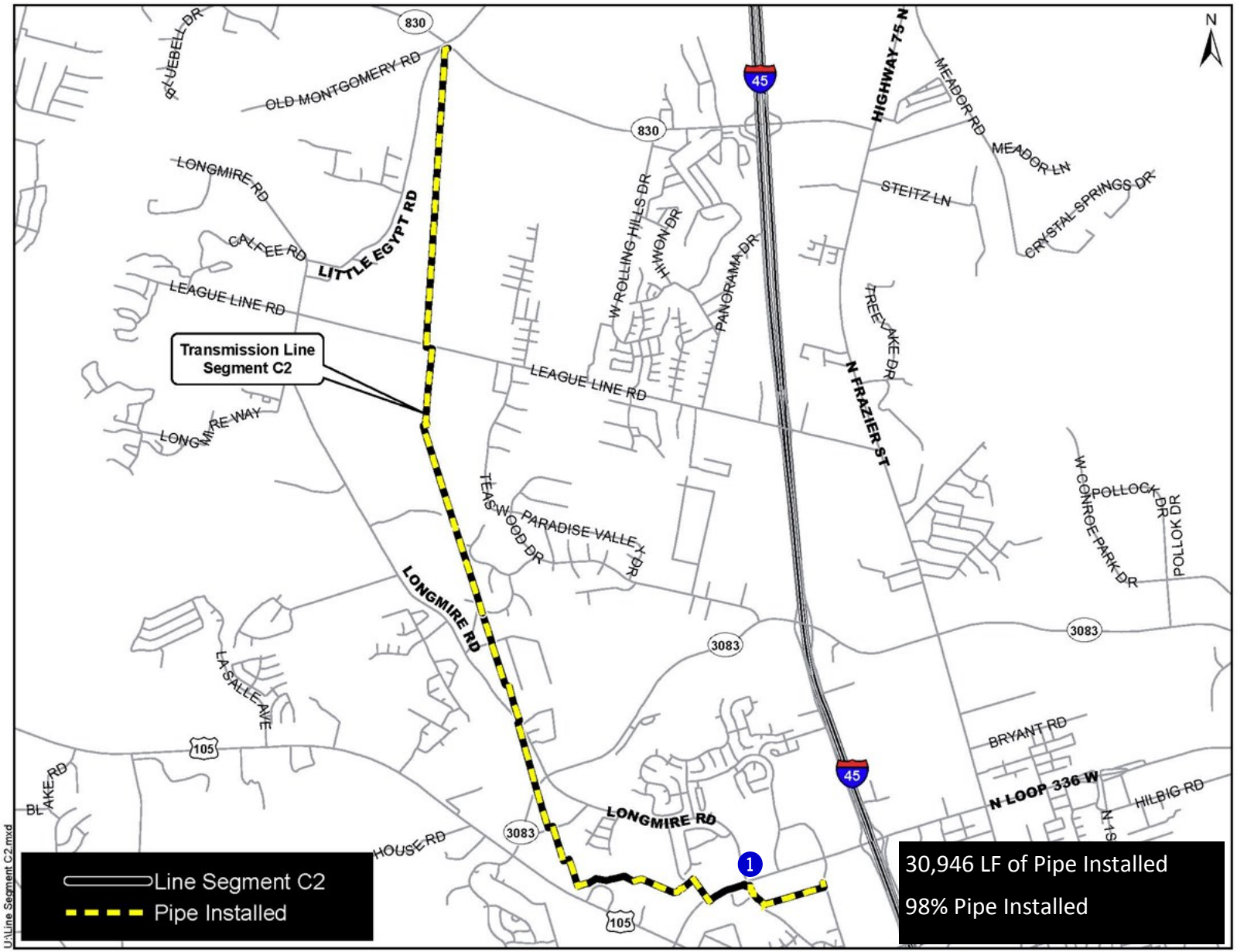


EXHIBIT 11 (con't) Transmission Line System Construction Photos

❶ ***Tunneling operations at Longmire Road and Loop 336 North***

EXHIBIT 12 Surface Water Standpipe Construction Photos

Surface Water Standpipe

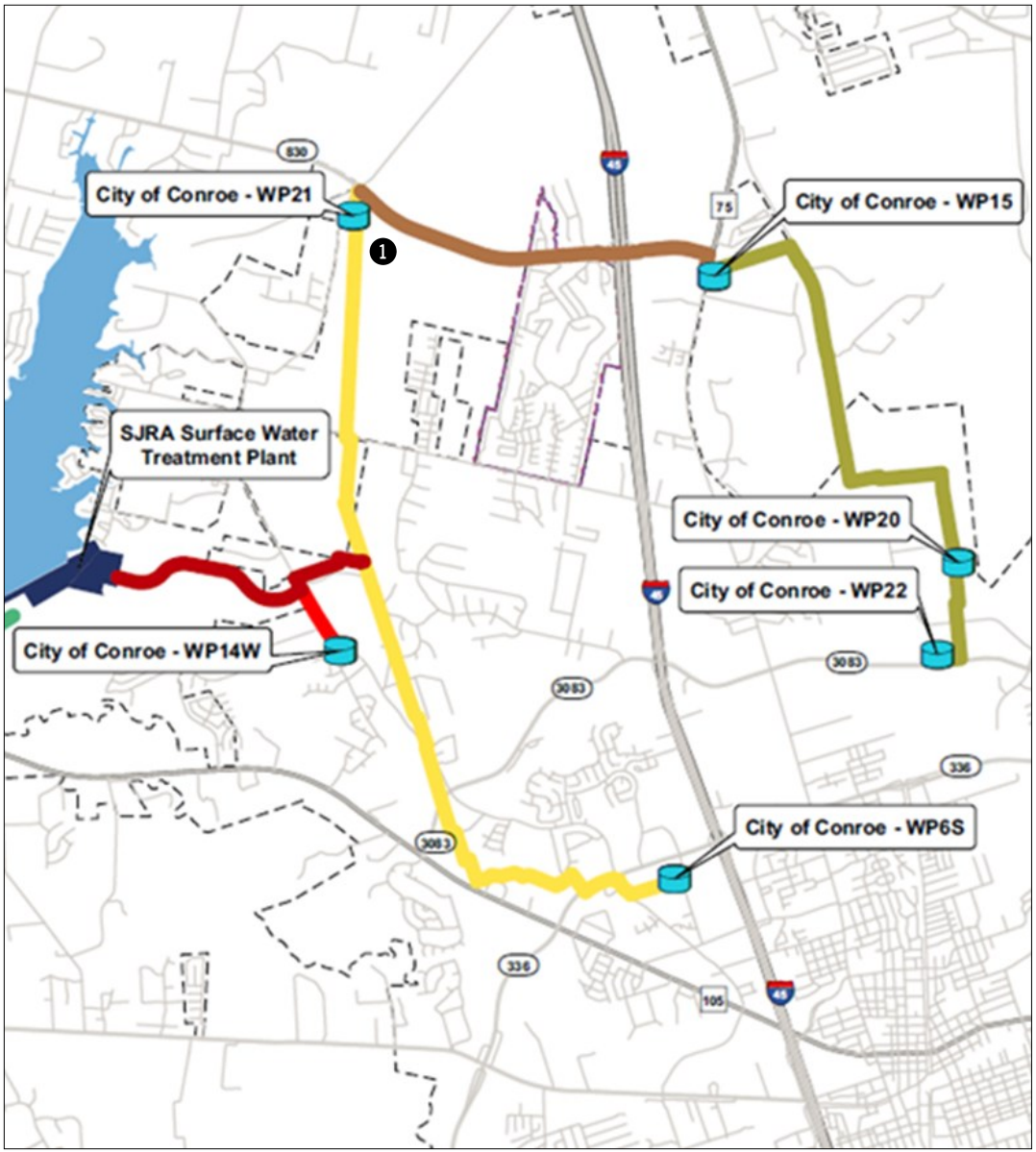
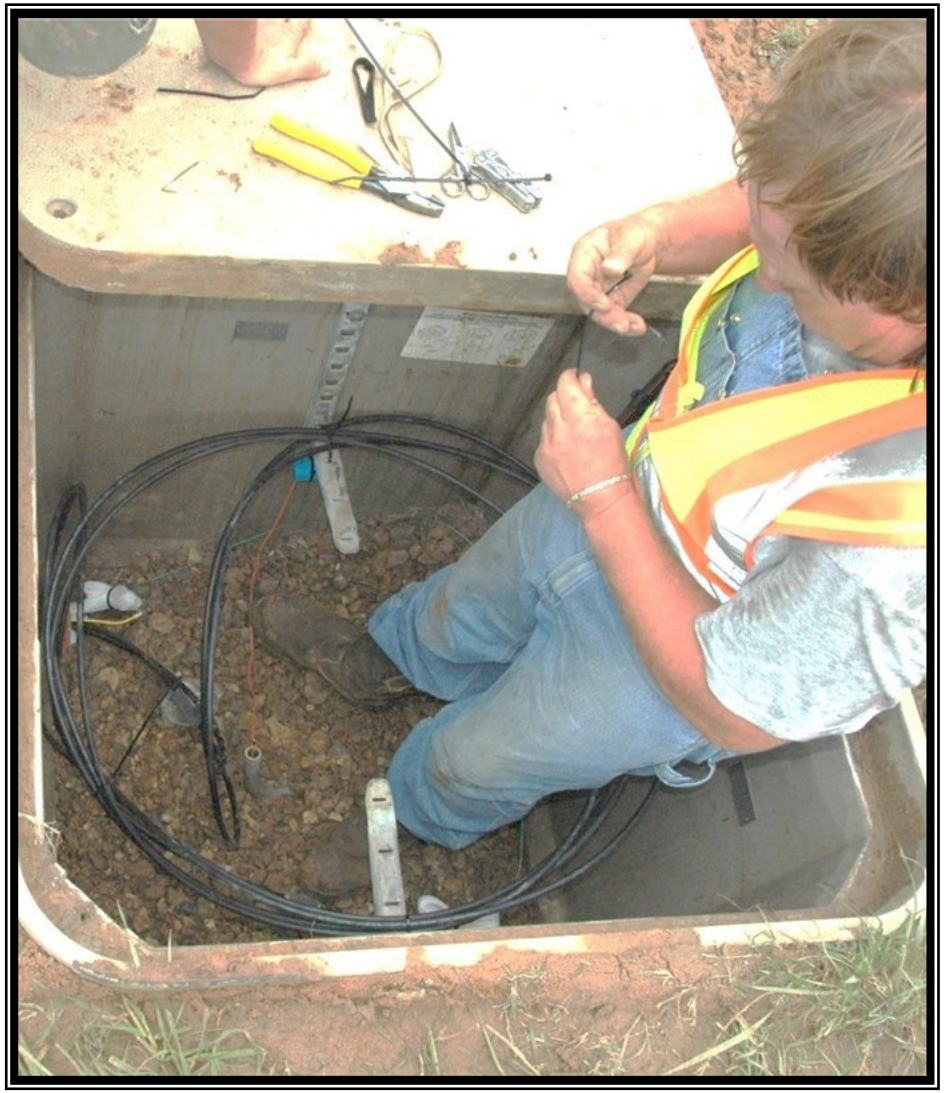


EXHIBIT 12 (con't) Surface Water Standpipe Construction Photos

❶ ***Above ground piping and pipe support installation at Standpipe***

Fiber Optic Network Communication System Photos

EXHIBIT 13 Fiber Optic Network Communication System



Fiber optic termination and cable tagging at ground box

7.0 GRP Program Extensions

7.1 ENGINEERING

Design efforts are underway for the GRP Program Extension projects. Below is a summary of the extension projects through the month of February.

Transmission Segment W3C—Segment W3C includes approximately 6,900 linear feet of 12-inch pipe to be constructed east of and connecting to Segment W3B along the Kinder Morgan (Tennessee Gas) pipeline corridor east of I-45, to northward along Aldine Westfield Road to the Montgomery County MUD 99 Water Plant No. 1. The 60% design drawings, specifications and metes and bounds efforts have been reviewed and 90% contract documents are in process.

MUD 99 Receiving Facilities—The 100% design drawings and specifications were initiated in December and are currently in process. At this time, these documents are planned to be combined with the Segment W3C transmission contract documents for a single contract.