

EXHIBIT
"A"

Capital Improvements Plan Progress

Semi-Annual Report
November 2024



SUMMARY

The Local Government Code Section 395.058 requires the Capital Improvement Advisory Committee (CIAC) to report to the political subdivision the progress of the capital improvements plan and any perceived inequities in implementing the plan or imposing the Impact Fee. Included herein is the semi-annual report for the reporting period of April 1, 2024, to September 30, 2024. This report assesses the actual growth rate compared to the projected growth rate, the status update of capital improvement projects, and the Impact Fees collected during the reporting period.

The local government code also requires the CIAC to advise the City Council on updating the land use assumptions, capital improvements plan, and Impact Fees. The City last updated these items in September 2023, and the new Impact Fees went into effect on January 1, 2024.

Figure 1 shows the groundwater and surface water produced and the number of active water services over the past two years. Although the City continues to grow, overall water production has remained relatively steady. However, water demand fluctuates significantly with weather conditions, particularly during summer. The City's water conservation and reuse programs play a key role in managing and reducing overall water usage.

Figure 1

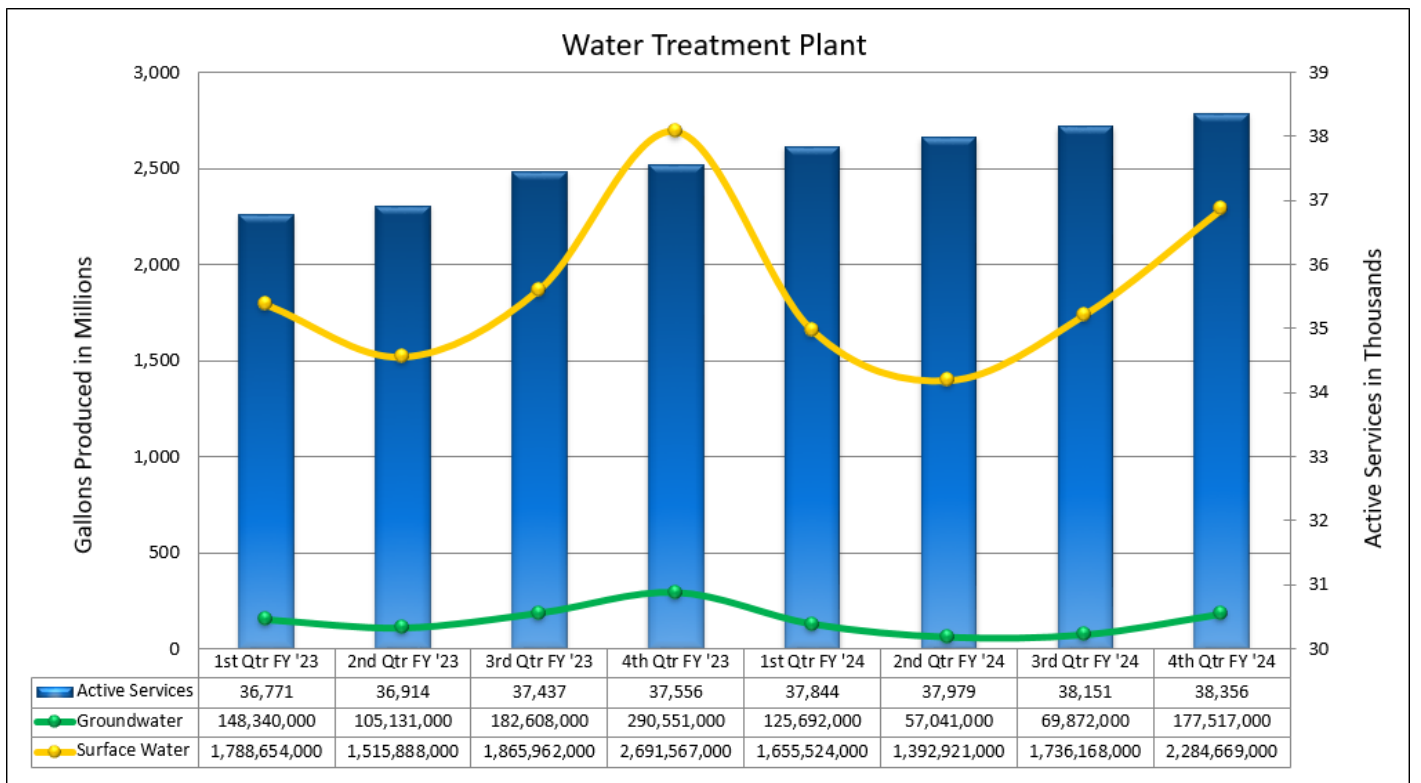


Figure 2 reflects the daily average of potable water produced each month over the last five years. Total water production is dependent on weather conditions; therefore, discretionary water usage is higher during the summer months.

Figure 2

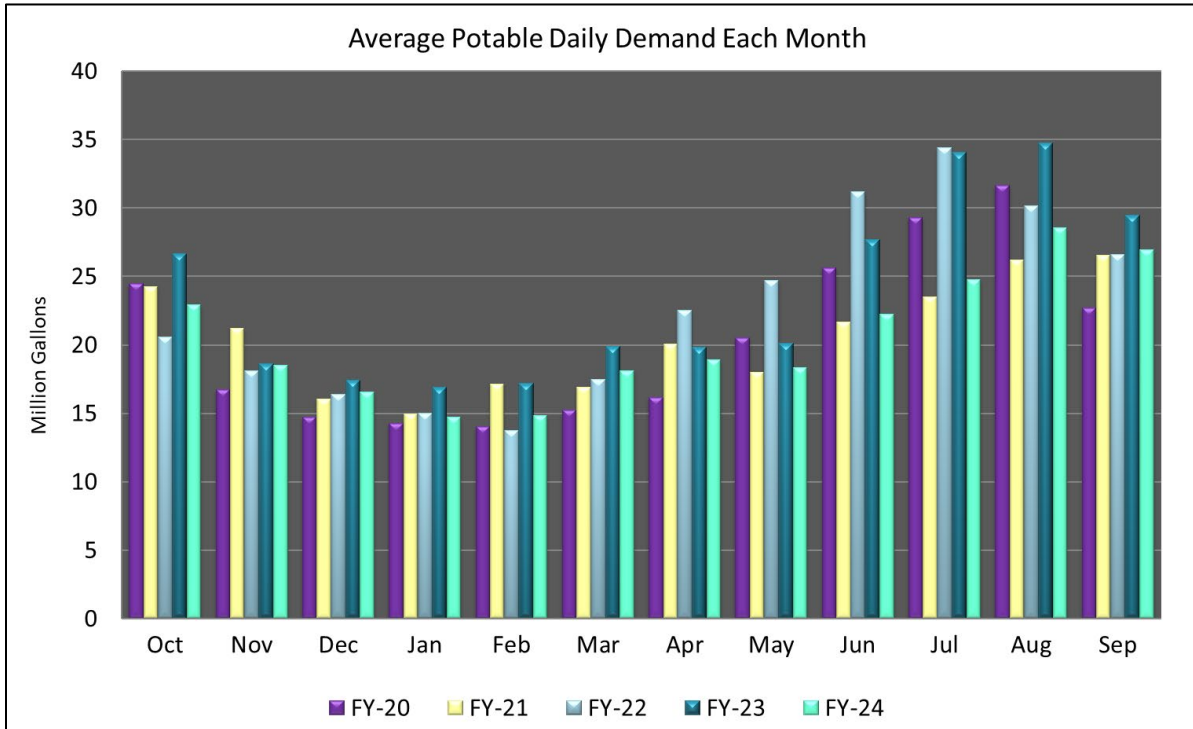


Figure 3 reflects the monthly potable treated water production and the Type I Reuse treated water production. The City's reuse water system began production in October 2012 with three customers: Old Settlers Park, Dell Diamond, and Forest Creek Golf Course. The City has since expanded the system to Forest Creek HOA, Legends Village Subdivision, Austin Community College, Texas A&M Health Science Center, Forest Grove and Vizcaya Subdivisions, and Kalahari Resort. The City continues to promote reuse water in the northeast part of Round Rock, and as depicted in Figure 3, the demand continues to grow.

Figure 3

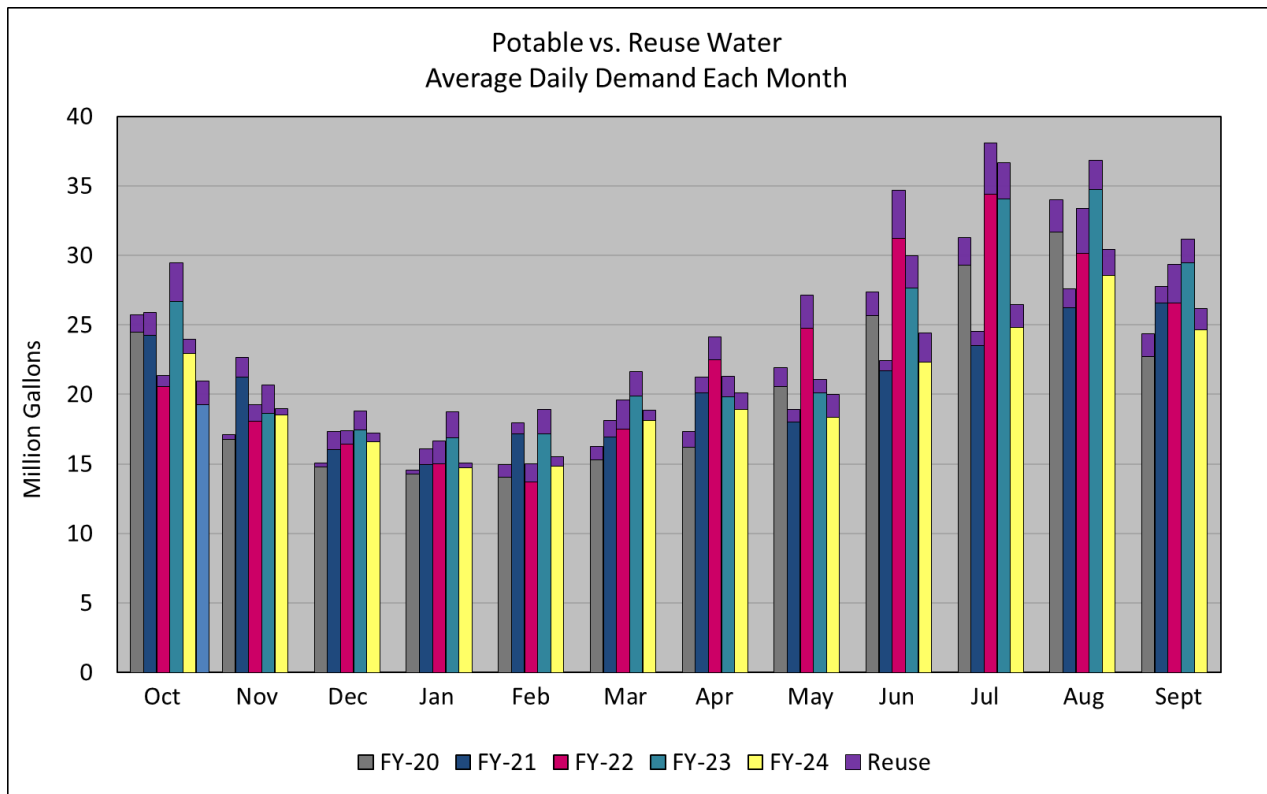


Figure 4 shows the number of new single-family building permits issued in the City of Round Rock and the City's extra-territorial jurisdiction (ETJ). Over the past five years, new single-family housing starts in the City have ranged from 533 to 1,057 per year.

The City issued 906 single-family building permits in FY-24. Most of the current construction activity is in the northeast part of Round Rock in the Salerno and Avery East Subdivisions.

As noted in Figure 4, all Municipal Utility Districts (MUDs) in Round Rock's ETJ have potentially been built out for their single-family properties since FY-21.

Figure 4

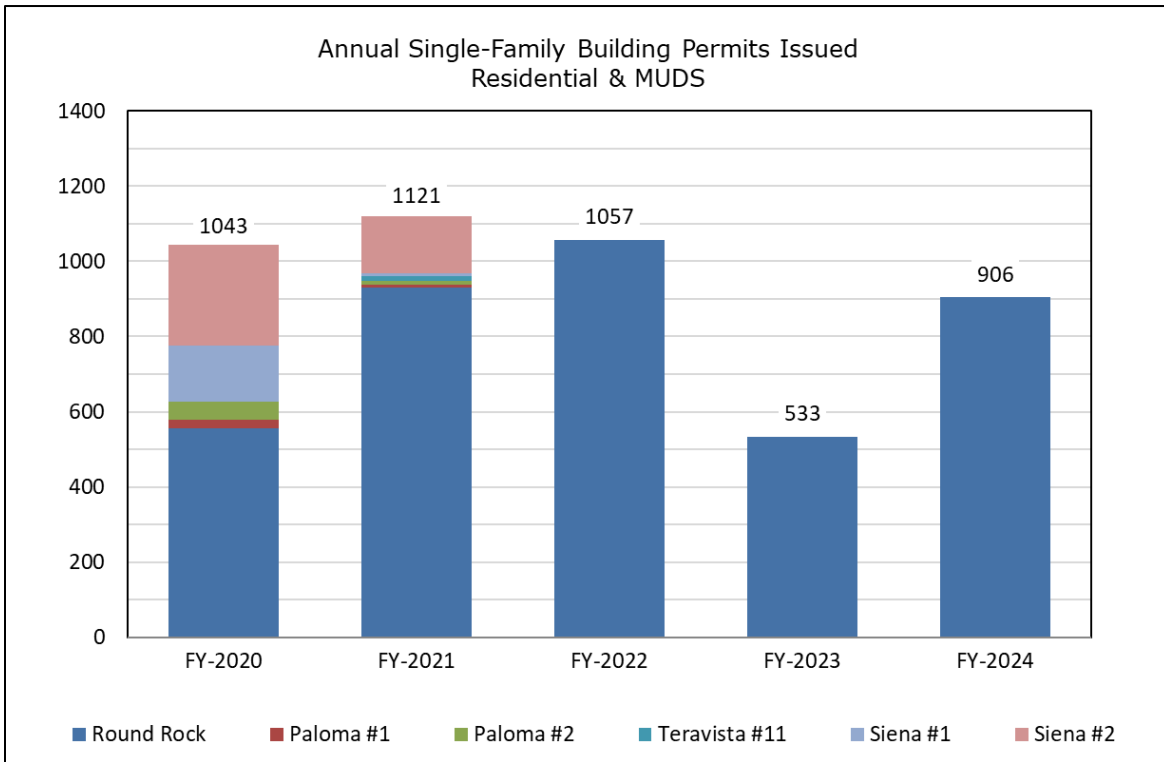


Table 1 reflects the number of multi-family units permitted annually. Currently, there are five multi-family complexes under construction.

Table 1

In-City Retail	
Fiscal Year	Multi-Family Units
FY 2020	430 (196.5 LUEs)
FY 2021	584 (391.5 LUEs)
FY 2022	1626 (896 LUEs)
FY 2023	841 (420.5 LUEs)
FY 2024	369 (184.5 LUEs)
Out-of-City Wholesale	
Fiscal Year	Multi-Family Units
FY 2022	720 (404.4 LUEs)

Table 2 shows the number of new commercial building permits issued annually. Over the past five years, this number has been steady, ranging from 39 to 52 annually, and commercial development in the City continues to be consistent. We currently see a mix of business, retail, and light industrial commercial development.

Table 2

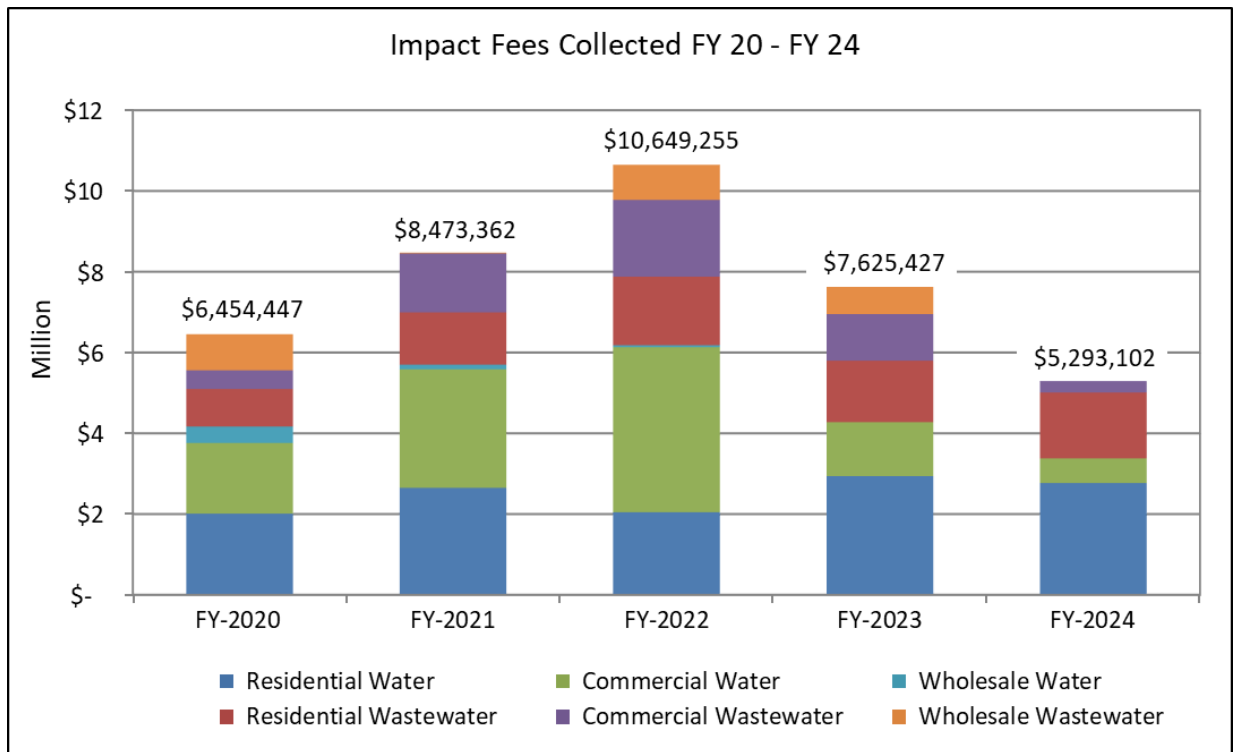
Fiscal Year	Commercial Building Permits
FY 2020	44 (150.5 LUEs)
FY 2021	39 (161 LUEs)
FY 2022	39 (234.5 LUEs)
FY 2023	29 (89.5 LUEs)
FY 2024	52 (292.5 LUEs)

Table 3 and Figure 5 summarize the Water and Wastewater Impact Fees collected from In-City residential (single-family and multi-family) and commercial customers, as well as Out-of-City wholesale customers. In FY-20, there was a significant decrease in collections, largely due to the pandemic. In FY-21, In-City residential and commercial collections rebounded, while Out-of-City wholesale collections declined, primarily due to the buildout of most MUDs. FY-22 saw a substantial increase in In-City commercial water and wastewater connections. By FY-23, Impact Fee collections had returned to the City's anticipated average, but there was a slight decline in FY-24.

Table 3

	FY-20	FY-21	FY-22	FY-23	FY-24
In-City Residential					
Water	\$ 2,008,822	\$ 2,649,580	\$ 2,043,907	\$ 2,938,553	\$ 2,769,582
Wastewater	\$ 930,467	\$ 1,296,554	\$ 1,695,908	\$ 1,522,930	\$ 1,632,281
In-City Commercial					
Water	\$ 1,752,110	\$ 2,934,225	\$ 4,085,751	\$ 1,338,332	\$ 607,902
Wastewater	\$ 461,347	\$ 1,457,580	\$ 1,900,865	\$ 1,153,932	\$ 283,337
Out-of-City Wholesale					
Water	\$ 406,253	\$ 114,713	\$ 52,534	\$ 0	\$ 0
Wastewater	\$ 895,448	\$ 20,711	\$ 870,291	\$ 671,680	\$ 0
Total Collected	\$ 6,454,447	\$ 8,473,363	\$ 10,649,256	\$ 7,625,427	\$ 5,293,102

Figure 5



During the 2023 water model update, the City projected that 880 Living Unit Equivalents (LUEs) would be added to the water system annually. With an Impact Fee of \$4,912 per LUE, this suggests the City should collect approximately \$4.3 million in Water Impact Fees each year, assuming growth follows projections.

Similarly, the wastewater model update estimated that 1,513 LUEs would be added to the wastewater system annually. At an Impact Fee of \$2,921 per LUE, this would result in the City collecting approximately \$4.4 million per year in Wastewater Impact Fees, assuming growth meets expectations.

The actual Impact Fees collected show that new connections to the water and wastewater systems were less than projected in FY-24.

Table 4 provides population projections for Round Rock and Round Rock's ETJ. These projections, anticipating a steady growth rate, indicate that capital improvements to the City's water and wastewater utility systems will be necessary to keep up with growth in Round Rock.

Table 4

Year	Inside City				City's ETJ	
	Population		Growth Rate		Projection	Growth Rate
	Projection	Actual	Projection	Actual		
2020 (Census)	119,468		-		178,704	-
2021	122,455	122,827	2.5%	2.8%	182,336	2.0%
2022	125,516	124,614	2.5%	1.5%	184,993	1.5%
2023	128,292	131,235	2.2%	5.3%	189,286	2.3%
2024	134,540	134,858	4.9%	2.8%	196,035	3.6%
2025	139,834		3.9%		202,208	3.1%
2026	145,208		3.8%		208,843	3.3%
2027	149,621		3.0%		214,486	2.7%
2028	153,530		2.6%		219,624	2.4%
2029	157,298		2.5%		224,320	2.1%
2030	161,136		2.4%		228,933	2.1%
2031	164,982		2.4%		233,479	2.0%
2032	168,791		2.3%		237,885	1.9%
2033	172,520		2.2%		242,143	1.8%
2034	176,163		2.1%		246,273	1.7%
2035	179,507		1.9%		250,040	1.5%
2036	182,560		1.7%		253,433	1.4%
2037	185,513		1.6%		256,700	1.3%
2038	188,427		1.6%		259,901	1.2%
2039	191,306		1.5%		263,017	1.2%
2040	194,151		1.5%		266,051	1.2%

Note: 2020 is the base year for all projections in this table.

Table 5 summarizes the status of the Water System (Impact Fee eligible) Capital Improvement Projects included in the September 2023 Impact Fee Analysis.

Table 5

Completed Water Projects	Completion	Impact Fee Report Estimated Cost	Actual Cost
South 81 Elevated Storage Tank Pump Station	2019	\$157,000	\$1,070,900
Arterial H Phase II	2020	\$1,470,500	\$1,375,045
BCRUA Phase 1C - WTP Expansion to 32MGD	2020	\$4,465,000	\$3,635,540
Water Dist. Master Plan & Impact Fee	2020	\$66,000	\$220,570
University Blvd extension from end of 36" main to CR-110	2022	\$1,150,000	\$775,481
E Liberty Ave, N Shephard St & Fannin Ave	2022	\$500,000	\$938,983
Kenny Fort Blvd from Old Settlers to Chandler Creek (24" WL)	2024	\$4,212,134	\$4,212,134
		\$12,020,634	\$12,228,653

Water Projects In Progress	Completion	Impact Fee Report Estimated Cost	Current Estimate
Kenny Fort Blvd from Forest Creek Blvd to SH45 (12" WL)	2024	\$1,787,073	\$1,787,073
Old Settlers from Red Bud to CR-110 (16" WL)	2025	\$1,500,000	\$1,584,000
Sam Bass Rd from FM-1431 to Wyoming Springs (42" WL)	2025	\$10,770,000	\$10,770,000
BCRUA Phase 1D - WTP Expansion to 42MGD	2025	\$4,934,911	\$4,934,911
Kenny Fort Blvd 5 & 6 (24" WL)*	2026	\$1,800,000	\$1,800,000
Red Bud from south of Palm Valley Blvd to Gattis School (24" WL)*	2026	\$4,560,000	\$4,560,000
BCRUA Phase 2 - Deep Water Intake	2027	\$77,437,930	\$77,437,930
BCRUA 6MG Clearwell*	2027	\$4,760,000	\$4,760,000
BCRUA Phase 2A - WTP Expansion to 64MGD*	2028	\$35,000,000	\$46,000,000
		\$142,549,914	\$153,633,914

**Current estimates based on updated industry rates for projects in the design phase.*

Upcoming Water Projects	Estimated Completion	Impact Fee Report Estimated Cost
Groundwater GST and Pump Station Land Purchase	2025	\$784,000
Hester's Crossing and CR-172 from west 971 zone to S-81 EST	2026	\$2,500,000
Eagle's Nest in Connection w/ Road Extension	2027	\$2,300,000
Red Bud & Gattis School to High County EST (24" WL)	2030	\$1,500,000
East Groundwater Supply (Joint Project w/ Georgetown)	2030	\$35,000,000
		\$42,084,000

Table 6 summarizes the status of the Wastewater System (Impact Fee eligible) Capital Improvement Projects included in the September 2023 Impact Fee Analysis.

Table 6

Completed Wastewater Projects	Completion	Impact Fee Report Estimated Cost	Actual Cost
Brushy Creek 2	2019	\$685,000	\$349,000
Brushy Creek 4	2019	\$173,000	\$173,000
MC-1: New 6,760LF of 18-in	2022	\$1,973,000	\$0
		\$2,831,000	\$522,000

Wastewater Projects in Progress	Completion	Impact Fee Report Estimated Cost	Current Estimate
Lake Creek 1	2024	\$3,786,150	\$3,951,150
Kenny Fort (2/3) from Forest Creek to Gattis School (18" WW)	2024	\$844,872	\$844,872
Cottonwood Lift Station and Forcemain*	2026	\$5,535,000	\$9,500,000
MC-2 - West side of SH130 (15" WW)*	2026	\$3,961,000	\$3,961,000
CC-4 - Near Old Settlers Park (18" WW)*	2027	\$2,092,000	\$1,132,012
WWTP Expansion to 40MGD*	2030	\$99,000,000	\$109,000,000
		\$115,219,022	\$128,389,034

**Current estimates based on updated industry rates for projects in the design phase.*

Upcoming Wastewater Projects	Estimated Completion	Impact Fee Report Estimated Cost
CC-2 - West of AW Grimes (12" WW)	2026	\$516,000
CC-1 - Sunrise Rd South of University (15" WW)	2026	\$2,560,000
BC-1 - Downtown Round Rock (12"-18" WW)	2027	\$2,294,000
MC-3 - North of Paloma Lake (24" WW)	2028	\$4,978,000
LC-3 - Near Round Rock West (15" WW)	2028	\$2,748,000
MC-4 - South of University between AW Grimes and CR110 (10"-15" WW)	2029	\$7,433,000
LC-4 - South of McNeil Rd along I35 (24" WW)	2030	\$3,694,000
		\$24,223,000

Table 7 summarizes the status of the Reuse Water System (Impact Fee eligible) Capital Improvement Projects included in the September 2023 Impact Fee Analysis.

Table 7

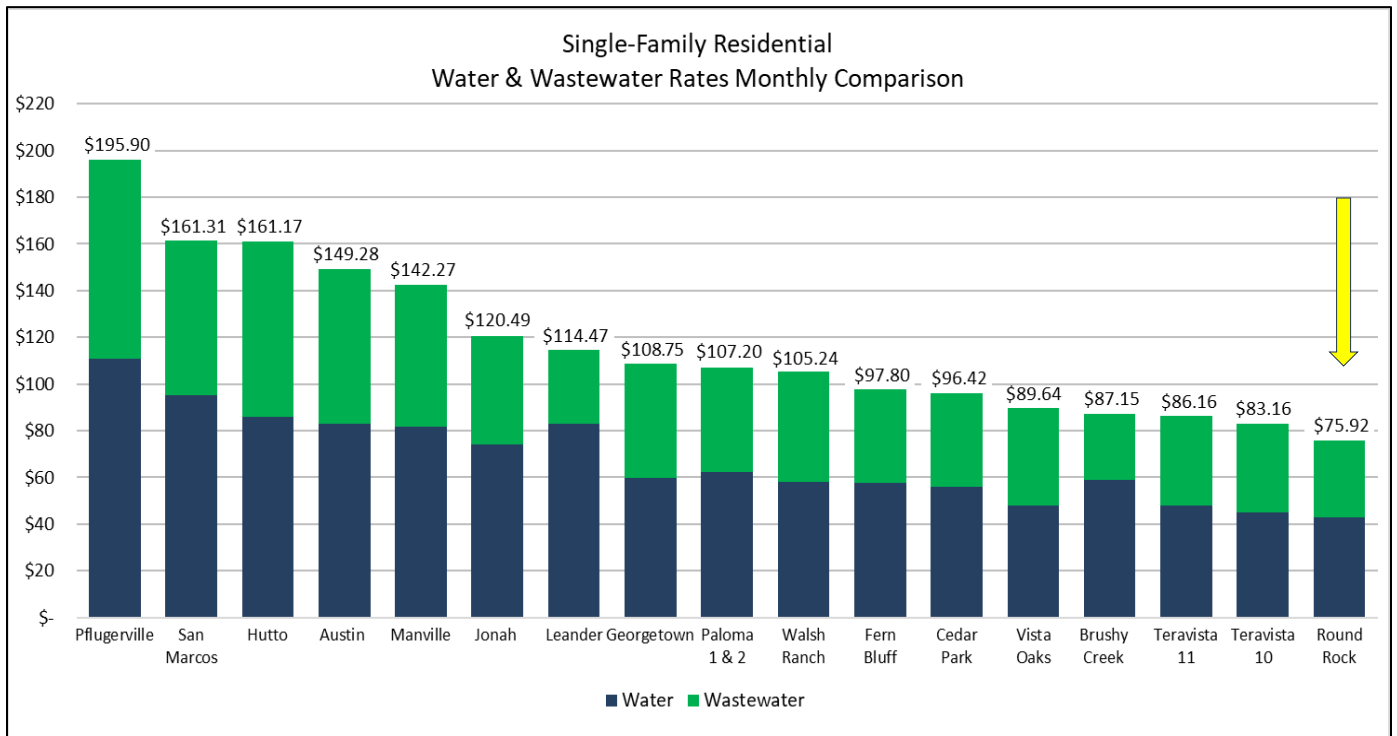
Reuse Projects in Progress	Completion	Impact Fee Report Estimated Cost	Current Estimate
Kenny Fort Blvd 16-inch Reuse Line	2024	\$1,705,468	\$1,705,468
Reuse High Service Pump Addition*	2026	\$750,000	\$1,617,000
Kenny Fort Blvd 24-inch Reuse Line*	2026	\$6,000,000	\$5,800,000
Reuse 2MG Ground Storage Tank*	2026	\$4,000,000	\$4,000,000
		\$12,455,468	\$13,122,468

**Current estimates based on updated industry rates for projects in the design phase.*

Upcoming Reuse Projects	Estimated Completion	Impact Fee Report Estimated Cost
Reuse Line to Dell Way	2027	\$4,995,000
		\$4,995,000

Figure 6 compares Single-Family Residential Utility Rates for Round Rock to surrounding Central Texas Municipalities and Municipal Utility Districts. As depicted, Round Rock utility rates remain among the lowest in the region.

Figure 6



*assumes 10,000 gallons water and 6,000 gallons wastewater used

Table 8 provides a comparison of Round Rock's Water and Wastewater Impact Fees with those of neighboring cities and Municipal Utility Districts. Historically, Round Rock had one of the highest total Impact Fees for new water and wastewater connections. However, in recent years, several nearby cities have raised their fees, surpassing Round Rock. Round Rock's philosophy is for new customers and developments to pay for the required capital improvements driven by growth.

Table 8

Area Impact Fee Comparison				
City/Utility	Last Update	Water	Wastewater	Total
Brushy Creek MUD	2012	\$2,095	\$1,804	\$3,899
Cedar Park	2020	\$3,160	\$3,170	\$6,330
San Marcos	2018	\$3,801	\$2,684	\$6,485
Austin	2023	\$4,800	\$2,900	\$7,700
Round Rock	2023	\$4,912	\$2,921	\$7,833
Leander	2023	\$8,762	\$2,301	\$11,063
Hutto	2021	\$8,832	\$2,788	\$11,620
Pflugerville	2023	\$14,713	\$1,316*	\$16,029
Georgetown	2023	\$11,000	\$6,129*	\$17,129

*Indicates the City has two different Wastewater Impact Fees based on service area. The table shows the lowest fee charged by that City.

CONCLUSION AND RECOMMENDATIONS

Due to the volatility in growth rates and infrastructure demands, the City recommends reviewing Impact Fees approximately every three years. The most recent Impact Fee update report was completed in September 2023, adopted by the City Council in November 2023, and became effective on January 1, 2024.

In recent years, Round Rock's population growth has aligned with projections from the Impact Fee Analysis. As a result, connections to the water and wastewater systems have increased as generally expected in terms of forecasts.

Given the increase in system connections and the upcoming infrastructure projects required to support this growth, the City updates its Water and Wastewater Master Plans and Impact Fee Report approximately every three years. This approach ensures that the City collects appropriate fees, ensuring that new development contributes its fair share toward the cost of necessary water and wastewater infrastructure.

The next Capital Improvements Plan Progress Report will be presented to the CIAC and the City Council in approximately six months.