

EXHIBIT

"A"



ROUND ROCK, TEXAS
PURPOSE. PASSION. PROSPERITY.

City of Round Rock Utilities & Environmental Services Department

**Capital Improvements
Plan Progress**

**Semi-Annual Report
May 2013**

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 October 1, 2012 to March 31, 2013. This report includes an updated assessment of the actual growth rate in comparison to the projections and assumptions made in the report; projects completed or initiated during the period; and impact fees collected during the period. These comparisons are used as indicators of the need to update the land use assumptions, capital improvements plan or impact fees.

The local government code also requires the Capital Improvement Advisory Committee to advise the City Council of the need to update the land use assumptions, capital improvements plan and impact fees. These items were last updated April 2012.

Figure 1 represents Ground and Surface water use, along with the number of active water services over the past two years. Total water usage generally continues to climb from year to year; however, the water usage is dependent on weather patterns. New water services also continue to increase, but at a slower pace compared to the early 2000's.

Figure 1

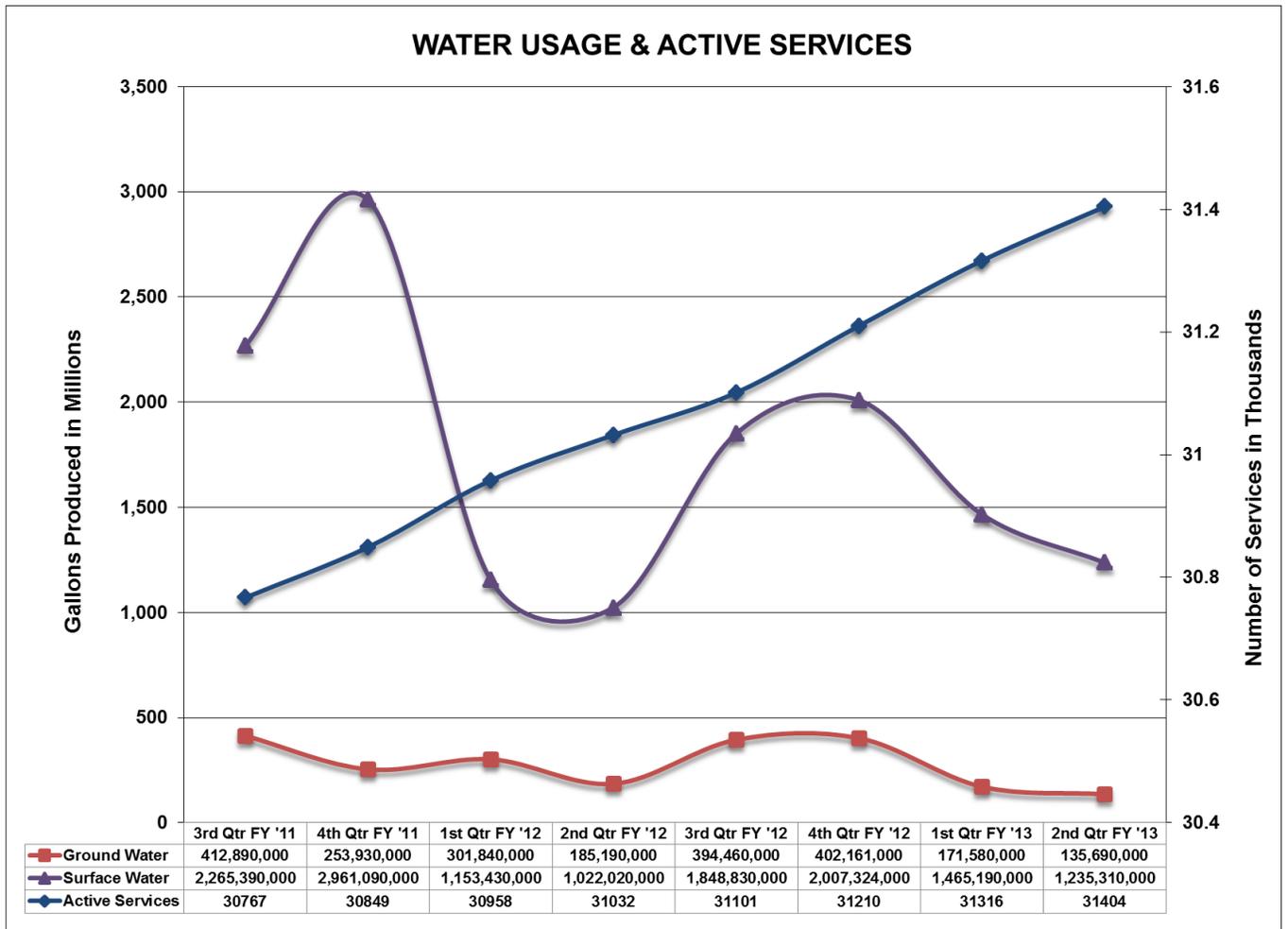


Figure 2 reflects the monthly water production for the previous four years. Average daily demand increases during the summer months, but total water production is dependent on weather conditions, which effects discretionary water usage.

Figure 2

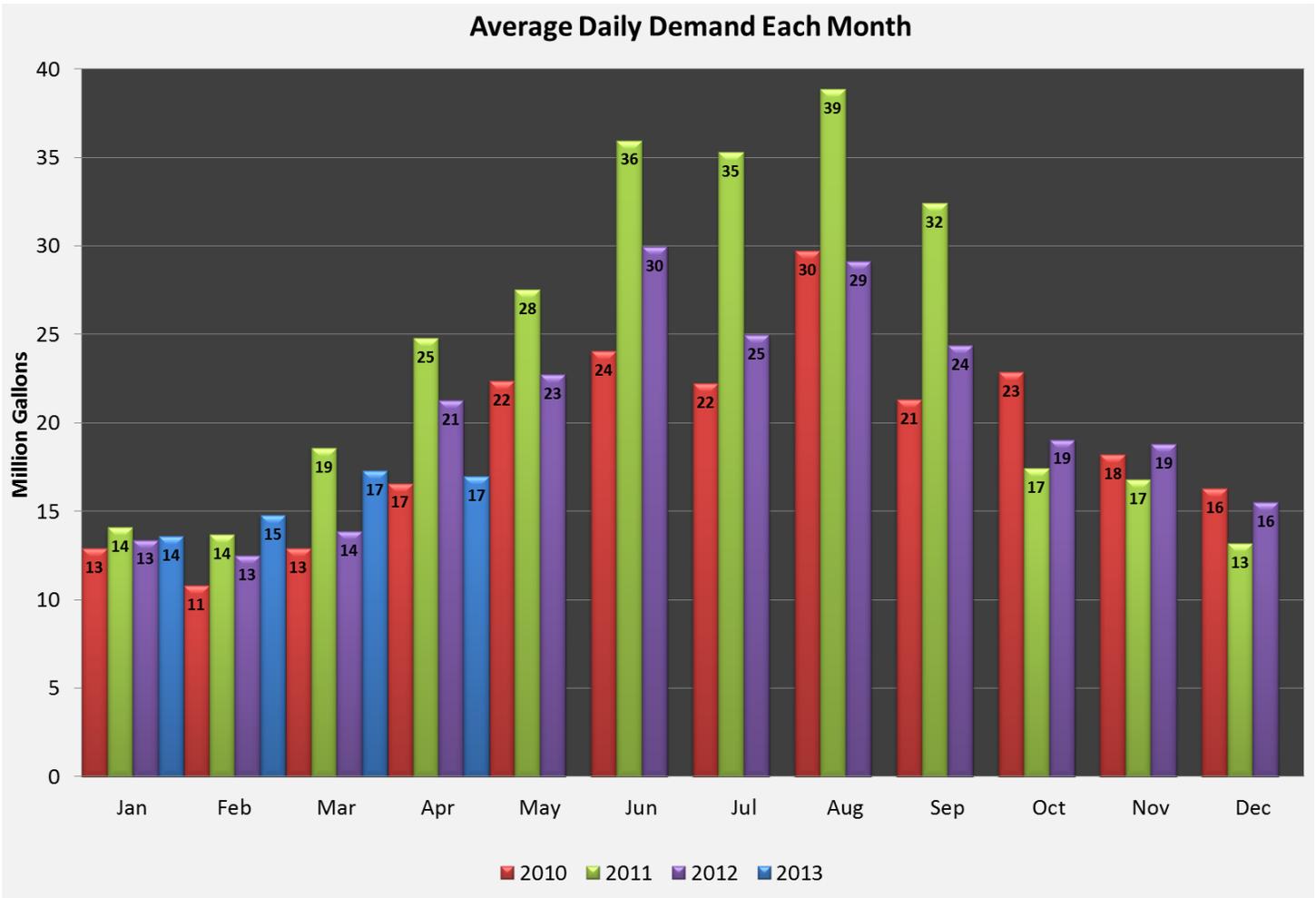


Figure 3 shows the number of Single-Family Building Permits issued annually. The number of new housing starts in the City of Round Rock has ranged from 222 to 327 over the past five years. The surrounding Municipal Utility Districts (MUDs) that are located in Round Rock’s extra-territorial jurisdiction (ETJ) continue to experience a steady number of single-family housing starts over the past five years as well.

Figure 3

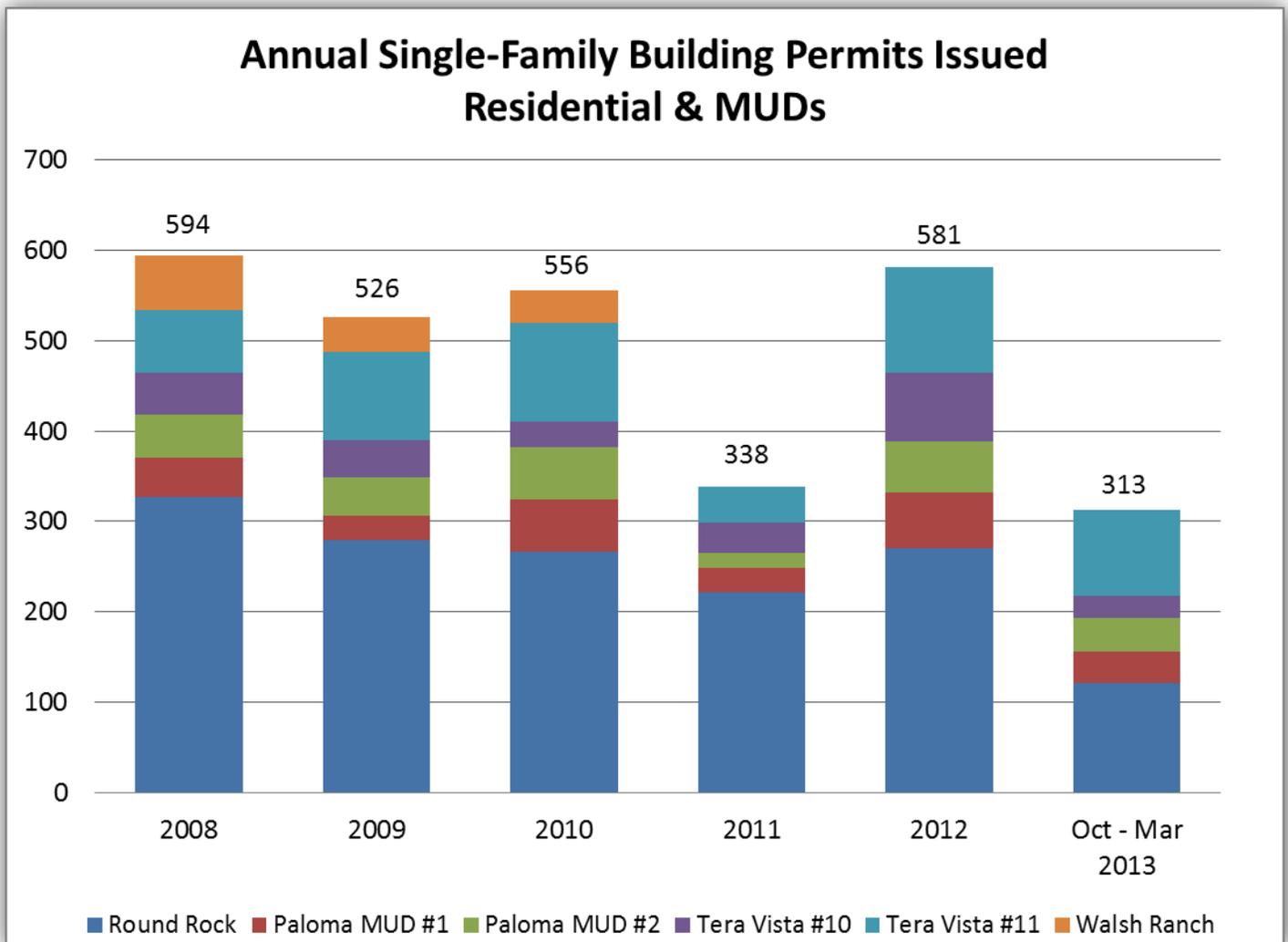


Table 1 represents the number of Multi-Family Building Permits issued annually. During FY-07, a large number of new apartment complexes were constructed within the City. This is reflected in the amount of impact fees collected during that year. The following years did not see this amount of multi-family construction; however, the population continues to grow despite the fewer permits issued.

Table 1

Fiscal Year	Multi-Family Units Permitted
FY 2005	538
FY 2006	56
FY 2007	2147
FY 2008	224
FY 2009	274
FY 2010	130
FY 2011	0
FY 2012	280
FY 2013 (Oct – Mar)	884

Table 2 reflects the number of New Commercial Building Permits issued annually. Over the past several years this amount has been steady, ranging from 20 to 30 permits annually. However, over the first six months of FY-2013, the City has seen a significant increase in New Commercial Building Permits, specifically for restaurants, hospitals, medical clinics, banks, convenient stores, and office buildings.

Table 2

Fiscal Year	Commercial Building Permits
FY 2009	30
FY 2010	29
FY 2011	27
FY 2012	20
FY 2013 (Oct – Mar)	28

Table 3 and Figure 4 summarize the impact fees collected from FY 2010 thru the first six months of FY 2013 for Residential and Commercial Building Permits.

Table 3

Impact Fees Collected FY 2010-2013				
Impact Fees	FY-10	FY-11	FY-12	FY-13 (Oct - Mar)
Residential Water	\$ 2,331,934	\$ 2,151,497	\$ 2,685,030	\$ 1,170,483
Commercial Water	\$ 594,826	\$ 770,747	\$ 364,718	\$ 1,194,574
Residential Sewer	\$ 730,517	\$ 724,861	\$ 1,083,701	\$ 460,121
Commercial Sewer	\$ 236,138	\$ 288,502	\$ 137,223	\$ 440,111
Total Collected	\$ 3,893,416	\$ 3,935,608	\$ 4,270,672	\$ 3,265,289

Figure 4



Table 4 provides population projections for Round Rock and Round Rock's ETJ over the coming years. These projections show that the area will continue to grow at a fairly stable pace which indicates that capital improvements to the City's water and wastewater utility systems will be a necessity to keep up with the growth.

Table 4

Year	Inside City		City's ETJ	
	Projections	Growth Rate	Projections	Growth Rate
2010 (Census)	99,887	-	141,807	-
2011	100,659	0.8%	143,960	1.5%
2012	101,702	1.0%	146,380	1.7%
2013	104,805	3.1%	151,133	3.2%
2014	107,635	2.7%	155,613	3.0%
2015	110,757	2.9%	160,385	3.1%
2016	113,968	2.9%	165,024	2.9%
2017	117,160	2.8%	169,213	2.5%
2018	120,440	2.8%	173,490	2.5%
2019	123,812	2.8%	177,859	2.5%
2020	127,279	2.8%	182,323	2.5%
2021	130,461	2.5%	186,062	2.1%
2022	133,723	2.5%	189,881	2.1%
2023	137,066	2.5%	193,508	1.9%
2024	140,492	2.5%	197,218	1.9%
2025	143,302	2.0%	200,312	1.6%
2026	146,168	2.0%	203,462	1.6%
2027	149,092	2.0%	206,670	1.6%
2028	152,073	2.0%	209,651	1.4%
2029	155,115	2.0%	212,693	1.5%
2030	158,217	2.0%	215,795	1.5%

Notes: 2010 is the base year for these projections

Table 5 provides a summary of the Water System Capital Improvement Projects that have been completed or are in progress since the last impact fee analysis was completed in April 2012. In addition, projects that are anticipated over the next 10 years are also shown below.

Table 5

Completed Water Projects	Completion	Cost
Water Distribution System Model	2012	\$ 200,000
2012 Water Distribution System Master Plan & Impact Fee	2012	\$ 132,000
BCRUA Phase 1A - Construction Management & Inspection Services	2012	\$ 1,507,000
BCRUA Raw Water Line & Intake Barge, Contract 1	2012	\$ 8,590,000
BCRUA Raw Water Line & Intake Barge, Contract 2	2012	\$ 1,691,000
BCRUA Raw Water Line & Intake Barge, Contract 3	2012	\$ 1,134,000
BCRUA Treated Water Line - Phase 1, Segment 1	2012	\$ 3,608,000
BCRUA Treated Water Line - Phase 1, Segment 2A	2012	\$ 364,000
BCRUA Treated Water Line - Phase 1, Segment 2B	2012	\$ 5,168,000
BCRUA Treated Water Line - Phase 1, Segment 2C	2012	\$ 3,350,000
BCRUA Water Treatment Plant - Phase 1A	2012	\$ 19,048,000
Clearwell at RR-WTP	2012	\$ 2,851,000
		\$ 47,643,000

Water Projects In Progress	Completion	Cost
BCRUA Treated Water Line - Phase 1, Segment 3	2014	\$ 8,749,000

Upcoming Water Projects	Estimated Completion	Estimated Cost
Ground Water Treatment Plant at Lake Creek	2014	\$ 6,707,000
Meadow Lake Lines	2014	\$ 969,000
Round Rock Glen Water Lines	2014	\$ 1,169,000
South Creek Water Line	2014	\$ 617,000
Southeast Red Bud Lane Water Lines	2014	\$ 559,000
University Blvd Water Line Phase 1	2014	\$ 1,877,000
Arterial H Water Line	2015	\$ 1,503,000
BCRUA Water Treatment Plant - Phase 1B	2015	\$ 31,000
CR 112 Phase 2 - 24" Water Line (890 PP)	2015	\$ 888,000
Saddle Brook Water Lines	2015	\$ 598,000
Water Distribution System Master Plan & Impact Fee	2015	\$ 141,000
Avery Center East	2016	\$ 2,915,000
Double Creek Water Line	2016	\$ 1,841,000
2.0 MGD Elevated Storage Tank (PP 890)	2017	\$ 5,029,000
Arterial A Water Line	2017	\$ 5,012,000
BCRUA Water Treatment Plant - Phase 1C	2017	\$ 4,152,000
Brenda Lane Water Lines	2017	\$ 1,141,000
East Loop II	2017	\$ 6,619,000
Palm Valley Water Line	2017	\$ 1,484,000
Barton Hill EST Parallel Water Line	2018	\$ 1,624,000
BCRUA Deep Water Intake	2018	\$ 23,821,000
BCRUA Raw Water Line - Phase 2A, Segment 5	2018	\$ 16,866,000
Water Distribution System Master Plan & Impact Fee	2018	\$ 150,000
BCRUA Water Treatment Plant - Phase 1D	2019	\$ 1,047,000
East Loop III	2020	\$ 7,203,000
Parcel 150	2020	\$ 3,144,000
Parcel 185	2020	\$ 817,000
Red Bud Lane Water Line	2020	\$ 2,312,000
RR1431 Water Line	2020	\$ 1,827,000
Water Distribution System Master Plan & Impact Fee	2021	\$ 154,000
		\$102,217,000

Table 6 provides a summary of the Wastewater System Capital Improvement Projects that are in progress since the last impact fee analysis was completed in April 2012. In addition, projects that are anticipated over the next 10 years are also shown below.

Table 6

Wastewater Projects in Progress	Completion	Cost
Chandler Creek 1 (Lower)	2013	\$ 424,000
Lake Creek 2	2013	\$ 1,916,000
Lake Creek 3	2013	\$ 563,000
		\$ 2,903,000

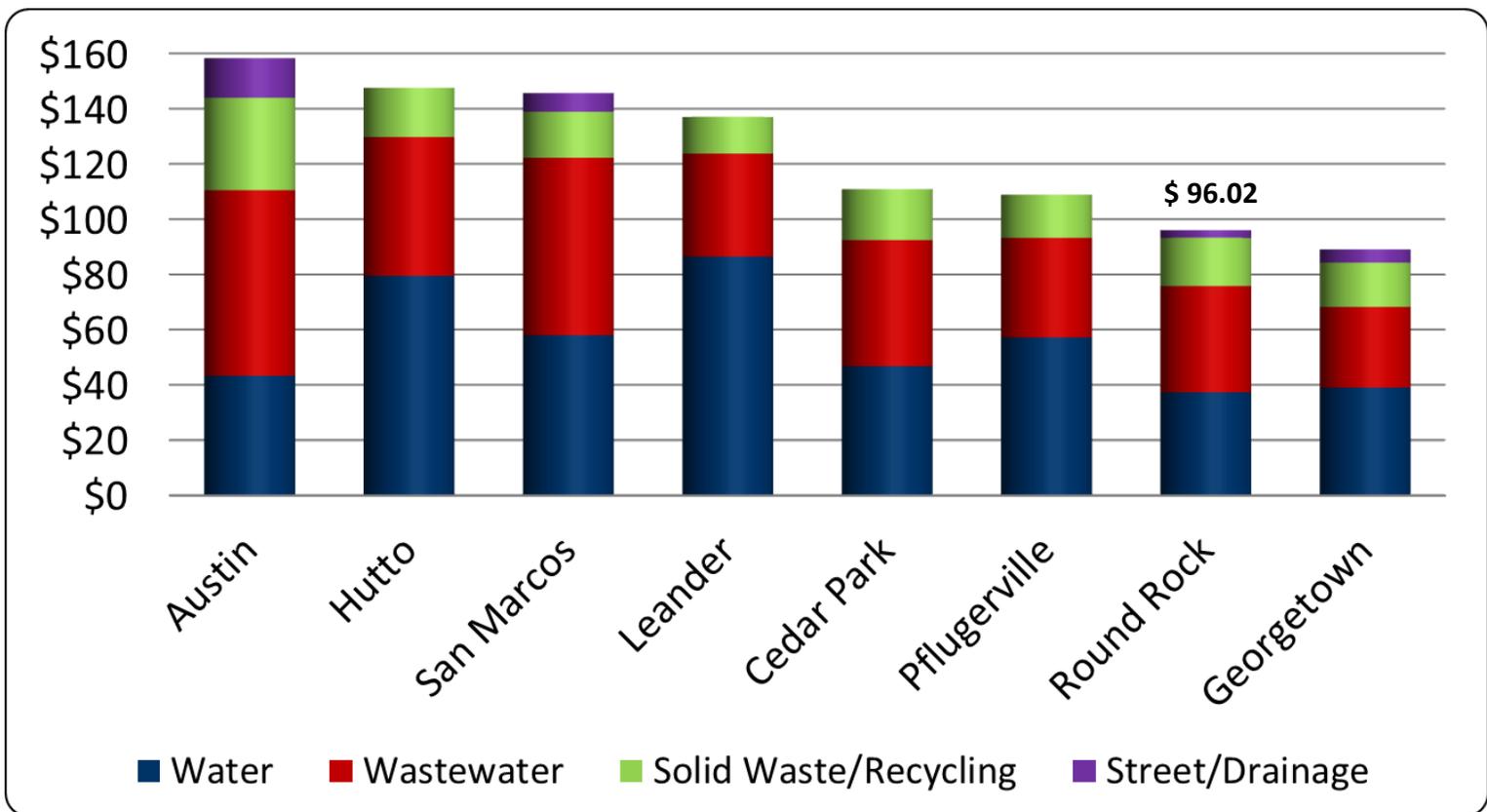
Upcoming Wastewater Projects	Estimated Completion	Estimated Cost
Chandler Creek 1 (Upper)	2014	\$ 573,000
Chandler Creek 2	2014	\$ 428,000
Dry Creek	2014	\$ 856,000
McNutt Creek 10	2014	\$ 937,000
McNutt Creek C3	2014	\$ 940,000
McNutt Creek C4	2014	\$ 154,000
McNutt Creek C6	2014	\$ 202,000
McNutt Creek C9	2014	\$ 1,471,000
Onion Creek 1	2014	\$ 134,000
Brushy Creek 2	2015	\$ 349,000
Chandler Creek 3	2015	\$ 655,000
McNutt Creek C12	2015	\$ 714,000
Lake Creek 1	2016	\$ 1,287,000
Onion Creek 2	2016	\$ 99,000
SE Annex LS	2016	\$ 616,000
Forest Creek 2	2017	\$ 1,948,000
Forest Creek Lift Station	2017	\$ 223,000
Hilton Head LS	2017	\$ 17,000

Upcoming Wastewater Projects Continued...	Estimated Completion	Estimated Cost
Lake Creek 4	2017	\$ 1,712,000
Mayfield Park 2	2017	\$ 1,549,000
McNutt Creek 15	2017	\$ 488,000
McNutt Creek C13	2017	\$ 561,000
McNutt Creek C2	2017	\$ 1,762,000
McNutt Creek C8b	2017	\$ 649,000
McNutt Creek D2	2017	\$ 3,339,000
McNutt Creek D4	2017	\$ 1,108,000
WWTP Expansion 1	2017	\$ 39,179,000
Spanish Oak 1	2018	\$ 1,179,000
Mayfield Park 1	2020	\$ 311,000
McNutt Creek D5	2020	\$ 748,000
		\$ 64,188,000

Figure 5 provides a comparison of the Single-Family Residential Utility Rates for Round Rock customers versus surrounding Central Texas City customers. As depicted, Round Rock utility rates remain some of the lowest in the region.

Figure 5

Single-Family Residential Utility Rates Comparison
(monthly cost)*



* assumes 10,000 gallons water & 8,000 gallons wastewater used

Table 7 compares Round Rock’s Water and Wastewater Impact Fees to other Central Texas cities. As shown, Round Rock has the highest total impact fees charged for new connections to the water and wastewater systems. Round Rock’s philosophy is for new customers and developments to pay for the capital improvements that are required due to the growth.

Area Impact Fee Comparison				
City/Utility	Last Updated	Water	Wastewater	Total
Austin	2007 updating 2013	\$ 2,200	\$ 1,200	\$ 3,400
Brushy Creek MUD	2012	\$ 2,095	\$ 1,804	\$ 3,899
Cedar Park	2007 updating 2013	\$ 2,250	\$ 2,000	\$ 4,250
Leander	2012	\$ 3,880	\$ 1,615	\$ 5,495
San Marcos	2002	\$ 2,466	\$ 2,185	\$ 4,651
Pflugerville	2007 updating 2013	\$ 2,403	\$ 2,414	\$ 4,817
Manville WSC	2008	\$ 2,800	n/a	n/a
Georgetown*	2010	\$ 3,511	\$ 1,694	\$ 5,205
Jonah Water SUD	2002	\$ 3,500	n/a	n/a
Hutto	2013	\$ 3,625	\$ 2,128	\$ 5,753
Round Rock	2012	\$ 3,889	\$ 2,073	\$ 5,962

Table 7

* *Georgetown has a South San Gabriel Basin wastewater impact fee of \$2,927*

CONCLUSION AND RECOMMENDATIONS

The CIAC and City Council approved the new Impact Fees which went into effect August 1, 2012. As assumed in the Water and Wastewater Impact Fee Report, there have been no significant changes in the assumed growth pattern in Round Rock since that time. The City recommends the impact fees be reviewed every three years so that the fees are set according to the growth patterns and needs of the water and wastewater utility system improvements. The next Capital Improvements Plan Progress Report will be presented to the CIAC and to the City Council in approximately six months.