

EXHIBIT

"A"



City of Round Rock Utilities & Environmental Services Department

**Capital Improvements Plan
Progress
Semi-Annual Report
November 2019**

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, 2019, to September 30, 2019. This report consists of an assessment of the actual growth rate in comparison 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 of the need to update the land use assumptions, capital improvements plan, and impact fees. These items were last updated by the City in November 2015.

Figure 1 shows the groundwater and surface water produced along with the number of active water services over the past two years. Although the City continues to grow, the total water production remains relatively steady. Water usage is highly dependent on weather patterns; however, the City's conservation and reuse water programs are also making an impact.

Figure 1

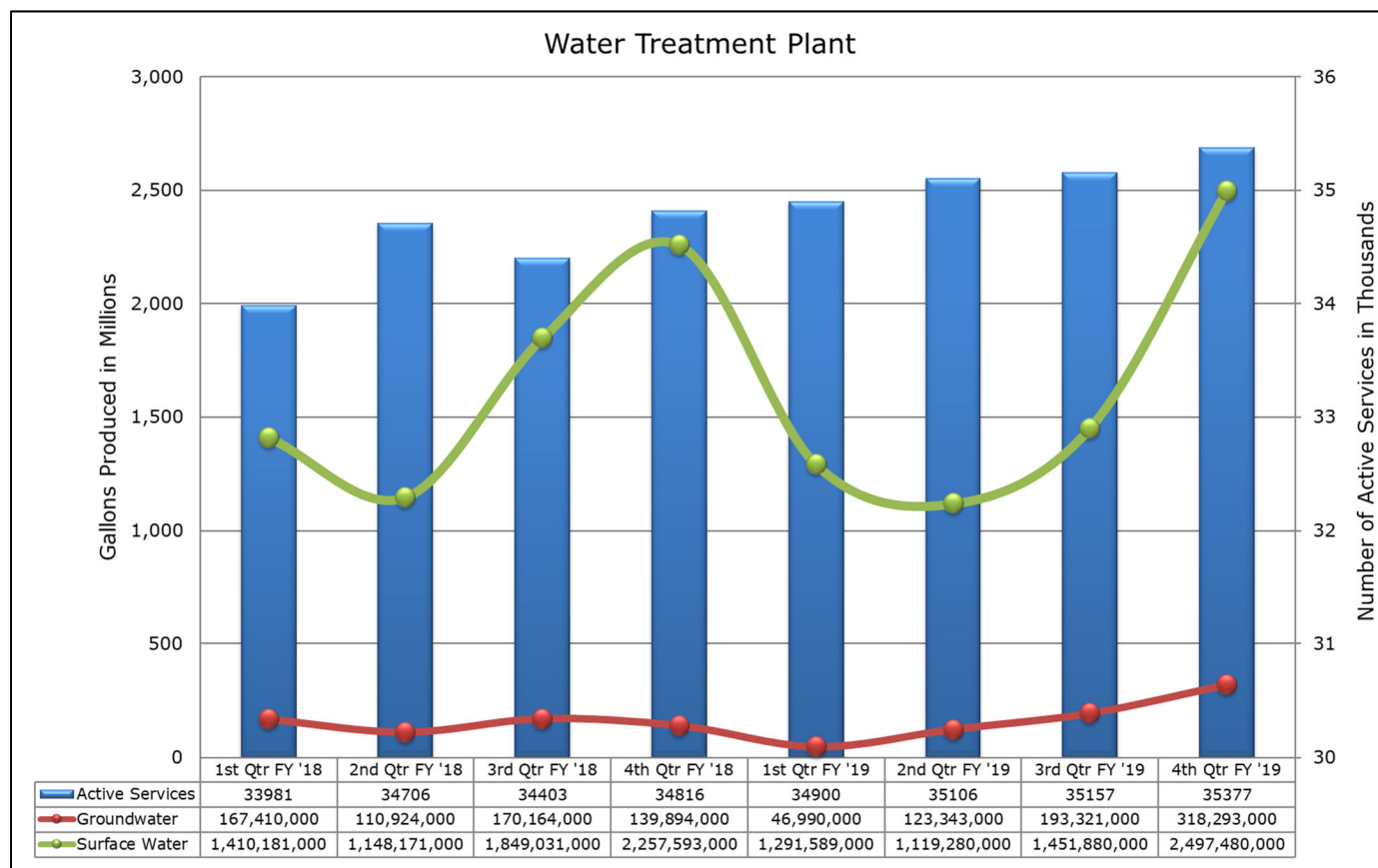


Figure 2 reflects the daily average of potable water produced each month over the past ten years. Total water production is dependent on weather conditions; therefore, discretionary water usage is higher during the summer months.

Figure 2

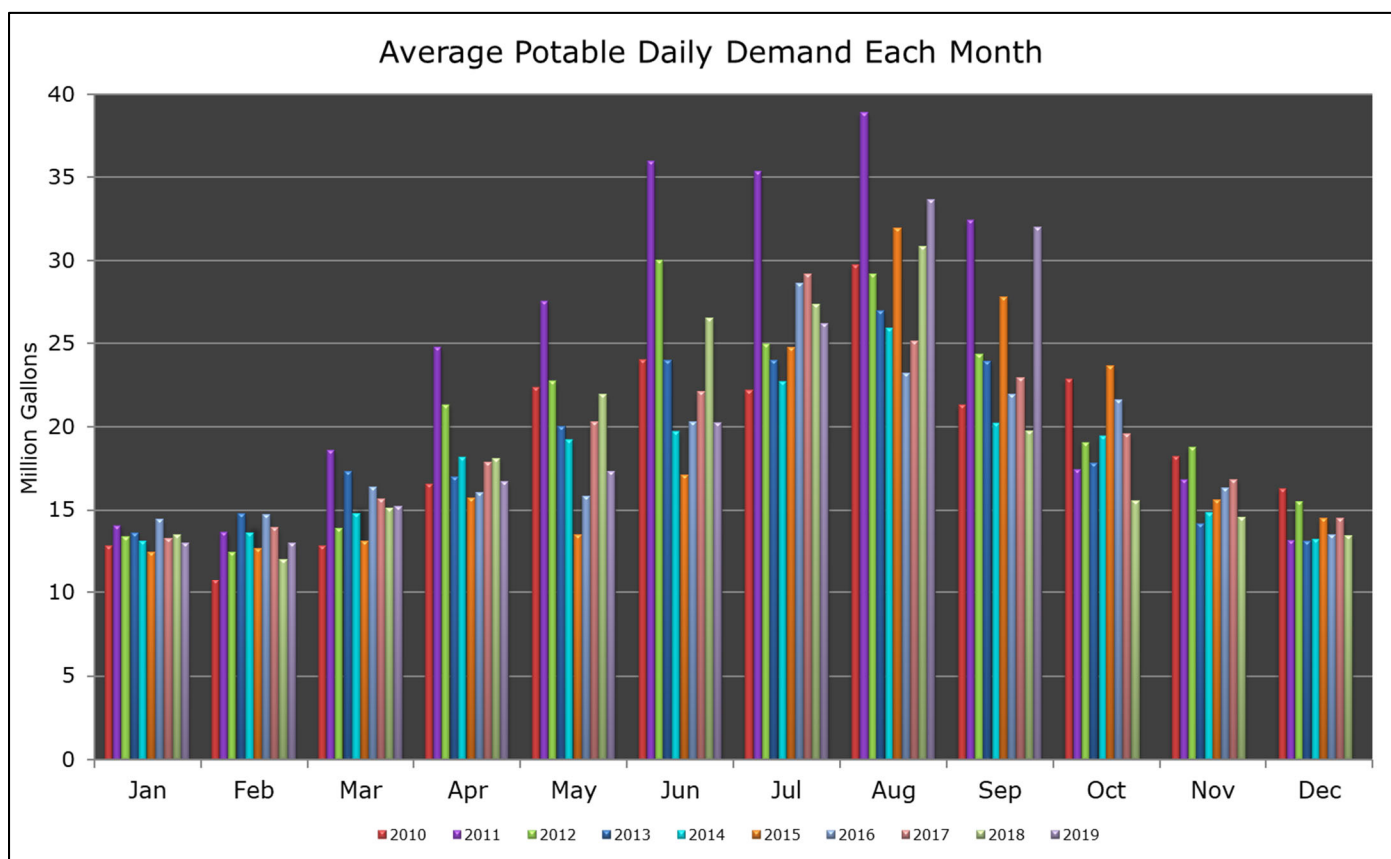


Figure 3 reflects the monthly potable treated water production and the Type I Reuse treated water production. The City's reuse water system began production in October 2012 with three customers: Old Settlers Park, Dell Diamond, and Forest Creek Golf Course. The City has since expanded the system to Forest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

Figure 3

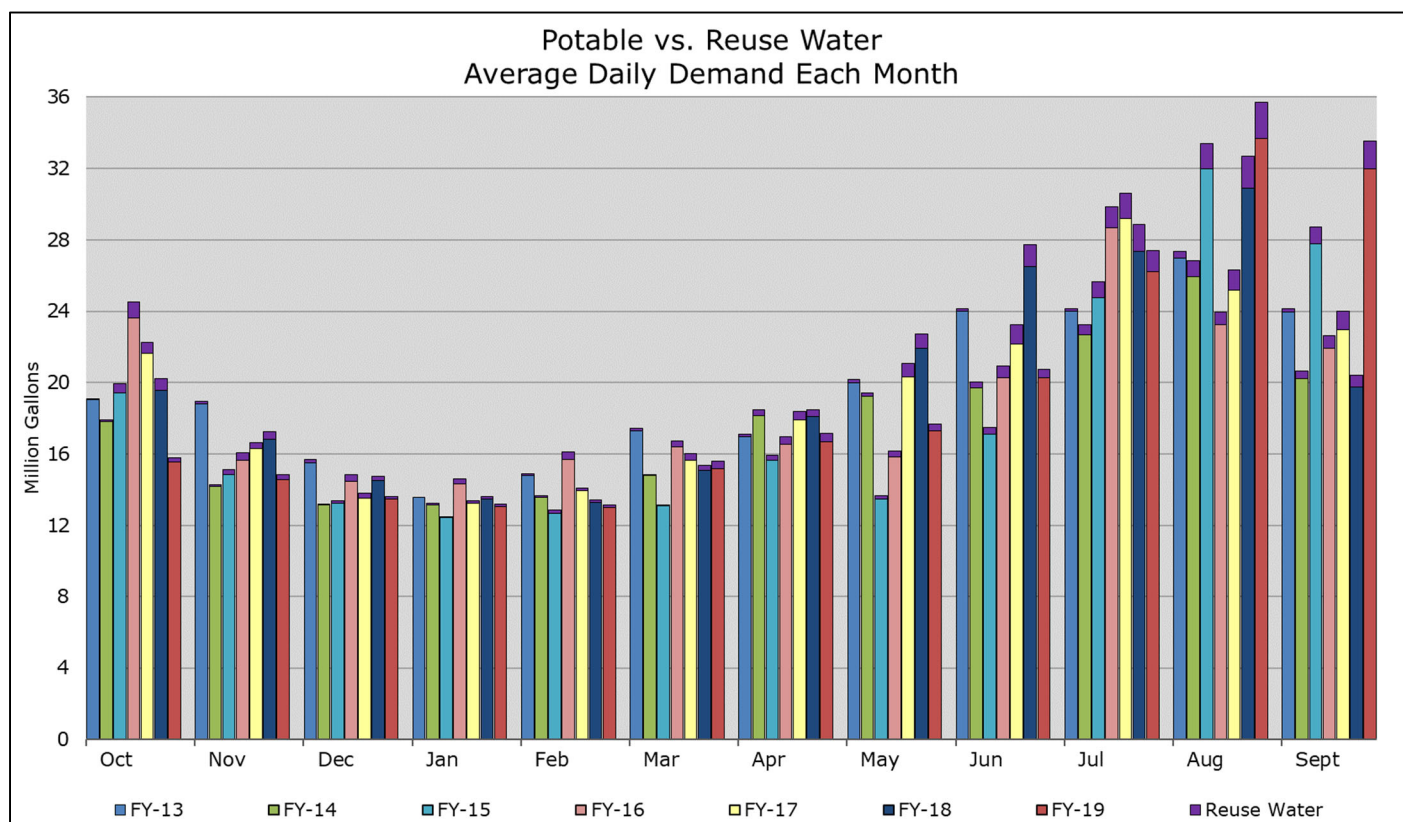


Figure 4 shows the number of new single-family building permits issued in the City of Round Rock and the City's extra-territorial jurisdiction (ETJ) over the past ten years. The number of new housing starts per year in the City of Round Rock has ranged from 222 to 911 annually. Single-family permits have slowed down slightly from last year with 849 issued in 2019 compared to 911 in 2018. Most of the activity is in Madsen Ranch, Saul's Ranch, Vizcaya, Cottages at Meadowlake, Diamond Oaks, Freeman Park, and Concord. Several Municipal Utility Districts (MUDs) located in Round Rock's ETJ, as noted in Figure 4, continue to experience a steady number of single-family housing starts during this time as well.

Figure 4

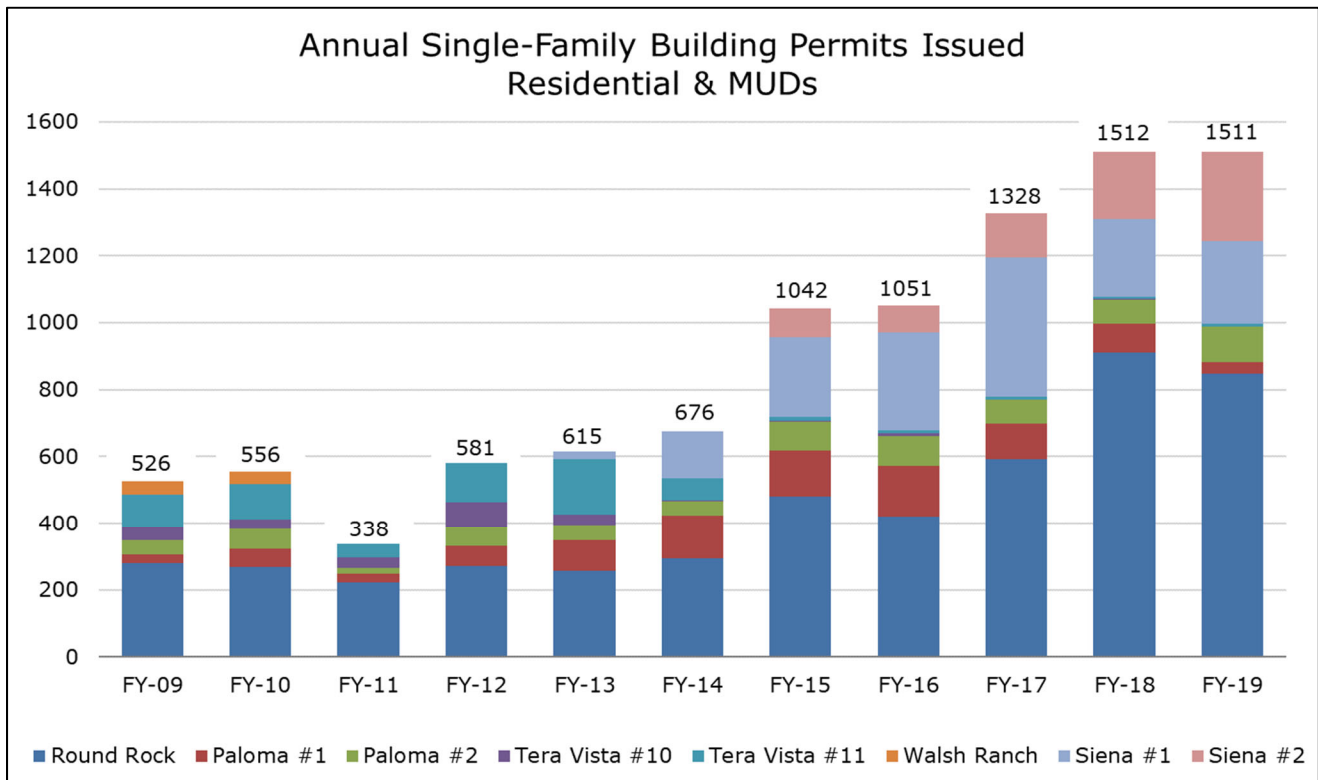


Table 1 represents the number of multi-family building permits issued annually. Currently, there are three multi-family complexes, Round Rock Plaza, Shadow Ridge, and Holly Brook Apartments, under construction. There is presently one multi-family permit in for review, Aura Avery Center, and several other potential multi-family developments that have met with the Planning Department.

Table 1

Fiscal Year	Multi-Family Permits
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	884 (124 LUEs)
FY 2014	334 (63.5 LUEs)
FY 2015	792 (302 LUEs)
FY 2016	608 (157 LUEs)
FY 2017	330 (170 LUEs)
FY 2018	652 (327.5 LUEs)
FY 2019	432 (218 LUEs)

Table 2 reflects the number of new commercial building permits issued over the past ten years. This number has been steady, ranging from 20 to 60 annually; however, the past six months show an upward trend.

Table 2

Fiscal Year	Commercial Building Permits
FY 2009	30
FY 2010	29
FY 2011	27
FY 2012	20 (100 LUEs)
FY 2013	37 (185 LUEs)
FY 2014	33 (165 LUEs)
FY 2015	47 (202 LUEs)
FY 2016	63 (442.5 LUEs)
FY 2017	25 (168 LUEs)
FY 2018	43 (220.5 LUEs)
FY 2019	50 (262 LUEs)

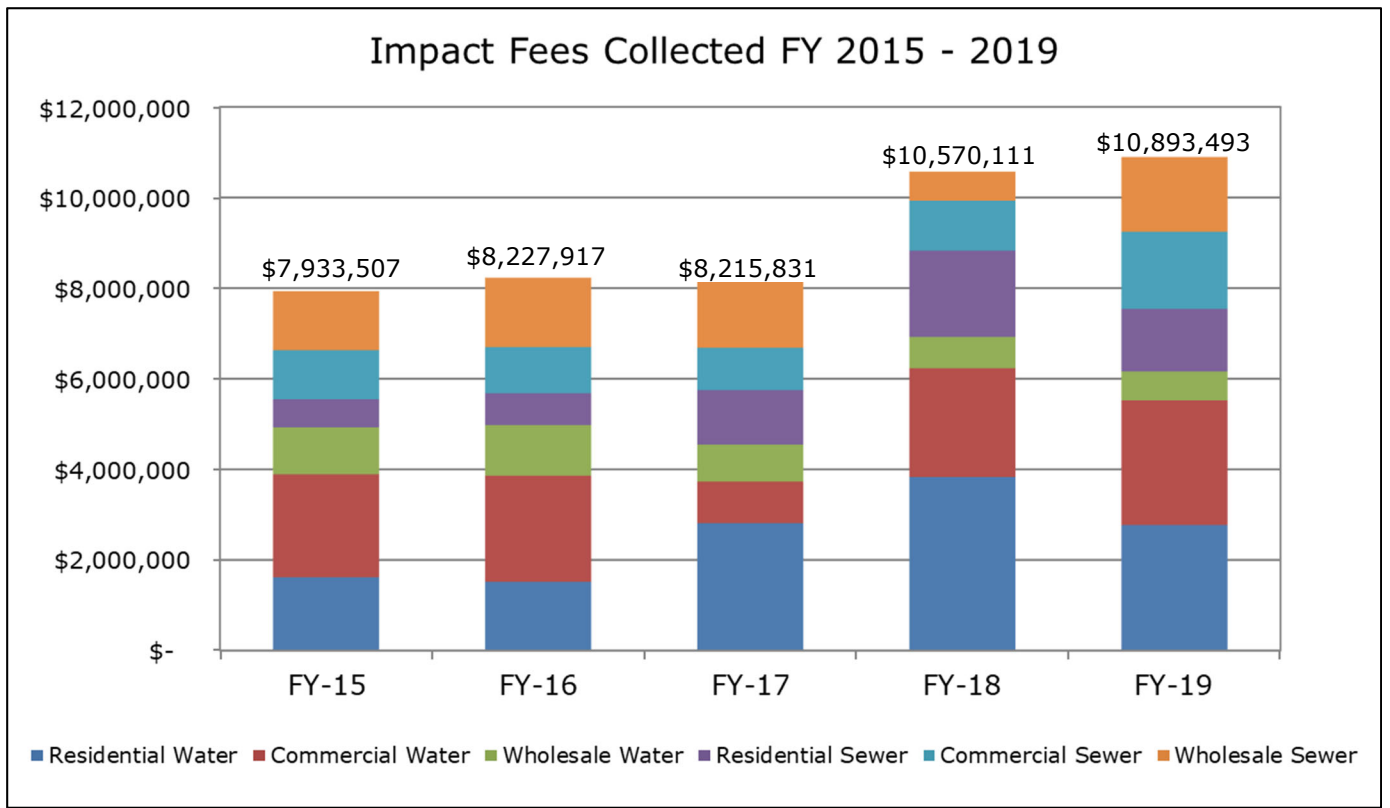
Current permits are mostly hotels, office buildings, retail stores, restaurants, schools, and industrial warehouse facilities.

Table 3 and Figure 5 summarize the impact fees collected from FY-15 through FY-19 for residential and commercial permits within the City, as well as permits issued in the wholesale customer areas. There has been a significant increase in the total amount of impact fees collected during this time due to the construction in single-family residential, multi-family residential, and commercial developments.

Table 3

Impact Fees	FY-15	FY-16	FY-17	FY-18	FY-19
Residential Water	\$1,616,580	\$1,516,823	\$2,812,465	\$3,830,017	\$2,770,650
Commercial Water	\$2,273,857	\$2,342,270	\$915,617	\$2,399,541	\$2,750,040
Wholesale Water	\$1,035,951	\$1,117,590	\$818,121	\$692,763	\$ 639,567
Residential Sewer	\$618,240	\$701,551	\$1,201,518	\$1,905,615	\$1,381,154
Commercial Sewer	\$1,084,193	\$1,020,587	\$935,750	\$1,102,400	\$1,701,974
Wholesale Sewer	\$1,304,686	\$1,529,096	\$1,532,360	\$639,776	\$1,650,108
Total Collected	\$ 7,933,507	\$ 8,227,917	\$ 8,215,831	\$ 10,570,111	\$ 10,893,493

Figure 5



In 2015, the latest version of the water model assumed that 1,524 LUEs per year would be added to the water system. For an impact fee of \$4,025 per LUE, this would indicate that the City should have collected approximately \$6.13 million per year in water impact fees if the City would be growing as projected.

The wastewater model assumed that 1,089 LUEs would be added to the wastewater system per year. For an impact fee of \$2,099 per LUE, this would indicate that the City should have collected approximately \$2.29 million per year in wastewater impact fees if the City would be growing as projected.

Comparing these assumptions to the actual impact fees collected indicates that the number of FY-19 new connections to our water and wastewater systems is slightly higher than projected.

Table 4 provides population projections for Round Rock and Round Rock's ETJ. These projections, anticipating a steady growth rate, indicate that to keep up with growth, capital improvements to the City's water and wastewater utility systems would be necessary. However, 2012-2019 estimates, shown in parenthesis, indicate a slightly slower growth rate than projected.

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	102,349 (101,702)	1.7% (1.0%)	147,027	2.1%
2013	104,805 (102,349)	2.4% (0.6%)	151,133	2.8%
2014	107,635 (103,494)	2.7% (1.1%)	155,613	3.0%
2015	110,757 (105,405)	2.9% (1.9%)	160,385	3.1%
2016	113,968 (107,117)	2.9% (1.9%)	165,024	2.9%
2017	117,160 (110,300)	2.8% (3.0%)	169,213	2.5%
2018	120,440 (113,390)	2.8% (2.8%)	173,490	2.5%
2019	123,812 (117,169)	2.8% (3.3%)	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
 () Annual Estimates by Planning & Development Services Department

Table 5 summarizes the Water System (impact fee eligible) Capital Improvement Projects that have been completed or are in progress since the last impact fee analysis was completed in November 2015. In addition, projects that are anticipated over the next 10 years are also shown below.

Table 5

Completed Water Projects	Completion	Impact Fee Report Estimated Cost	Actual Cost
BCRUA Treated Waterline - Ph 1 Seg. 3	2015	\$8,400,000	\$8,749,000
University Blvd Waterline Ph 1	2015	\$3,634,169	\$1,877,000
Parcel 150	2015	\$2,955,650	\$3,144,000
CR 112 Phase 2 - 24" Waterline (890 PP)	2015	\$1,188,049	\$888,000
Water Dist. Master Plan & Impact Fee	2015	\$138,000	\$141,000
Creek Bend 12" Waterline	2016	\$415,000	\$415,000
Arterial H Waterline	2017	\$856,400	\$162,460
BCRUA Water Treatment Plant - Ph 1B	2018	\$34,000	\$31,000
South 81 Elevated Storage Tank Pump Station	2019	\$157,000	\$1,070,900
		\$17,778,268	\$16,478,360

Water Projects In Progress	Completion	Impact Fee Report Estimated Cost	Updated Actual Cost
Arterial H Phase II	2020	\$1,470,500	\$1,465,000
BCRUA Water Treatment Plant - Ph 1C	2020	\$4,465,000	\$4,363,400
Water Dist. Master Plan & Impact Fee	2020	\$66,000	\$220,570
Arterial A Waterline – 24" (Kenny Ft. Blvd.)	2022	\$5,024,000	\$5,024,000
BCRUA Intake & RW Line Ph2A, Seg.	2026	\$57,895,705	\$57,895,705
		\$68,921,205	\$68,968,675

Upcoming Water Projects	Estimated Completion	Impact Fee Report Estimated Cost	Updated Estimated Cost
Southeast Red Bud Lane Waterlines	2021	\$629,000	\$629,000
Brenda Lane Waterlines	2021	\$2,074,000	\$2,074,000
Palm Valley Waterline	2022	\$1,180,000	\$1,180,000
Meadow Lake Lines	2022	\$2,367,000	\$2,624,000
Saddle Brook Waterlines	2022	\$629,000	\$697,000
Sam Bass Phase I	2022	\$14,469,000	\$14,469,000
Sam Bass Phase II	2022	\$1,578,000	\$1,578,000
Avery Center East	2023	\$4,160,000	\$4,160,000
Palm Valley Phase II	2023	\$1,002,000	\$1,002,000
Water Dist. Master Plan & Impact Fee	2023	\$148,000	\$154,000
Gattis School Road	2023	\$1,130,600	\$5,653,000
Round Rock Glen Waterlines	2024	\$2,715,000	\$2,715,000
East Loop II	2024	\$7,795,000	\$7,795,000
South Creek Phase II	2024	\$2,419,000	\$2,419,000
South Creek Waterline	2025	\$1,604,000	\$1,604,000
2.0 MGD Elevated Storage Tank (PP 890)	2025	\$7,138,000	\$7,138,000
BCRUA Water Treatment Plant – Ph 1D	2025	\$12,905,000	\$12,905,000
Water Dist. Master Plan & Impact Fee	2026	\$158,000	\$158,000
East Loop III	2027	\$7,171,000	\$7,171,000
West Loop	2028	\$17,818,000	\$17,818,000
Water Dist. Master Plan & Impact Fee	2029	\$75,000	\$75,000
		\$89,164,600	\$94,018,000

Table 6 summarizes the Wastewater System (impact fee eligible) Capital Improvement Projects that have been completed or are in progress since the last impact fee analysis was completed in November 2015. In addition, projects that are anticipated over the next 10 years are also shown below.

Table 6

Completed Wastewater Projects	Completion	Impact Fee Report Estimated Cost	Actual Cost
McNutt Creek C3	2014	\$1,191,000	\$940,000
McNutt Creek C9	2015	\$2,046,000	\$1,471,000
Chandler Creek 1 (Upper)	2015	\$552,000	\$573,000
Lake Creek 2	2017	\$2,652,000	\$1,916,000
Lake Creek 3	2017	\$591,000	\$563,000
McNutt Creek C2 (referred to as C5)	2018	\$1,324,000	\$1,762,000
Brushy Creek 5	2018	\$288,000	\$282,618
Brushy Creek 2	2019	\$685,000	\$349,000
Brushy Creek 4	2019	\$173,000	\$173,000
<i>*Gattis School WW Extension</i>	<i>2019</i>	<i>\$1,100,000</i>	<i>\$1,100,000</i>
		\$9,502,000	\$8,029,618

Wastewater Projects in Progress	Completion	Impact Fee Report Estimated Cost	Updated Actual Cost
Lake Creek 1	2019	\$1,995,000	\$2,400,000
WWTP Expansion 1	2022	\$41,600,000	\$15,000,000
<i>*Lake Creek 10</i>	<i>2020</i>	<i>\$642,000</i>	<i>\$642,000</i>
<i>*Lake Creek 11</i>	<i>2020</i>	<i>\$1,112,000</i>	<i>\$1,112,000</i>
		\$43,595,000	\$17,400,000

** Not included in current impact fee calculation, will be included in upcoming calculation.*

Upcoming Wastewater Projects	Estimated Completion	Impact Fee Report Estimated Cost	Updated Estimated Cost
McNutt Creek C10	2019	\$1,014,000	\$1,265,887
Chandler Creek 2	2022	\$520,000	\$520,222
McNutt Creek C4	2023	\$734,000	\$765,875
Chandler Creek 3	2023	\$753,000	\$857,680
Lake Creek 4	2023	\$2,235,000	\$2,235,053
McNutt Creek 15 (referred to as 12)	2024	\$528,000	\$527,897
Hilton Head LS	2024	\$11,000	\$17,000
McNutt Creek C12	2024	\$949,000	\$1,204,491
McNutt Creek D2	2025	\$3,678,000	\$3,339,000
SE Annex LS	2025	\$820,000	\$819,036
McNutt Creek D4	2025	\$1,394,000	\$1,131,502
Forest Creek LS	2026	\$1,211,000	\$1,600,000
Forest Creek 2	2026	\$2,148,000	\$2,148,396
Onion Creek 1	2026	\$359,000	\$1,500,000
McNutt Creek C6	2027	\$207,000	\$790,782
Onion Creek 2	2027	\$214,000	\$1,348,025
Spanish Oak 1	2027	\$1,492,000	\$1,491,858
McNutt Creek D5	2028	\$691,000	\$748,000
Mayfield Park 2	2028	\$1,960,000	\$1,960,456
McNutt Creek C8b	2028	\$823,000	\$706,355
Mayfield Park 1	2028	\$393,000	\$393,290
Stone Oak LS	2028	\$295,000	\$295,000
		\$22,429,000	\$25,665,805

Table 7 summarizes the Reuse Water System (impact fee eligible) Capital Improvement Projects that have been completed or are in progress since the last impact fee analysis was completed in November 2015. In addition, projects that are anticipated over the next 10 years are also shown below.

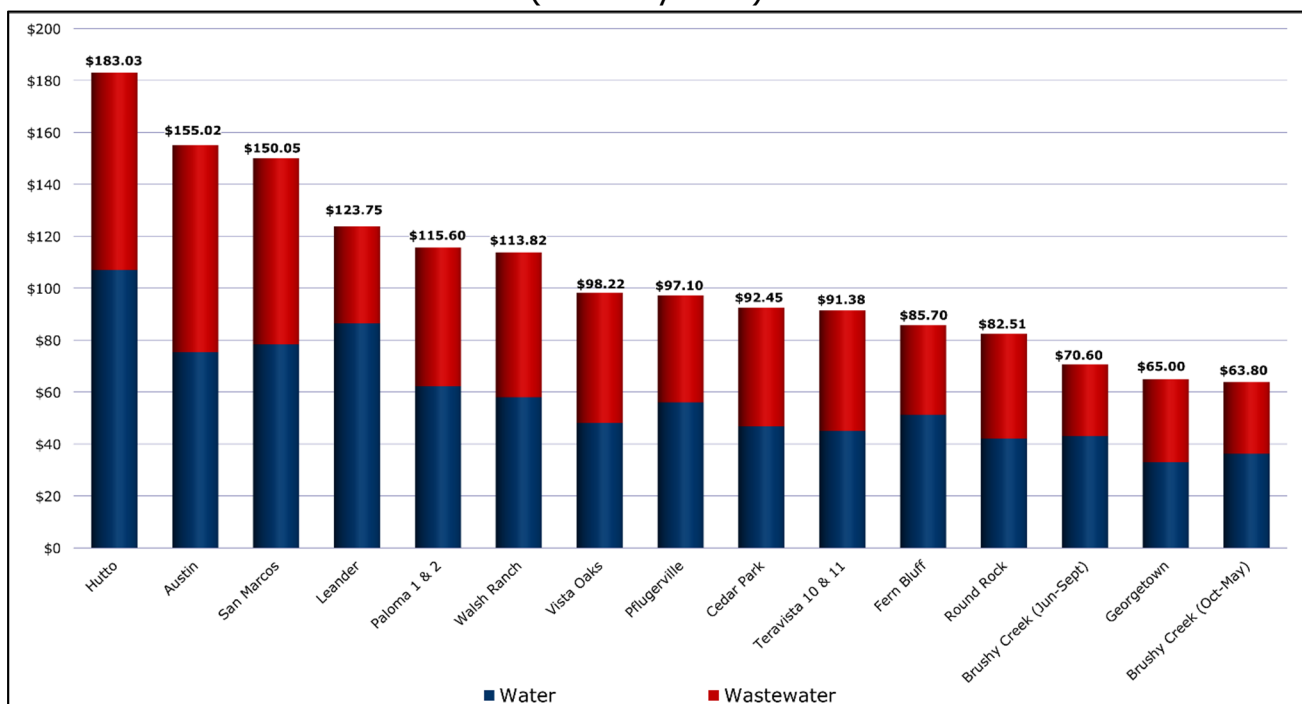
Completed Reuse Projects	Completion	Impact Fee Report Estimated Cost	Actual Cost
Reuse Phase II	2015	\$2,108,500	\$2,108,500
Reuse Phase VI	2016	\$900,000	\$900,000
Reuse Phase IV-B	2016	\$3,719,000	\$3,013,152
Forest Creek Golf Course Reuse Rehab	2016	\$150,000	\$83,890
		\$6,877,573	\$6,105,542

Upcoming Reuse Projects	Estimated Completion	Impact Fee Report Estimated Cost	Updated Estimated Cost
Reuse Phase V – Stony Point High School	2022	\$558,376	\$600,000
		\$558,376	\$600,000

Figure 6 provides a comparison of the Single-Family Residential Utility Rates for Round Rock customers versus surrounding Central Texas City and Municipal Utility Districts. As depicted, Round Rock utility rates remain some of the lowest in the region.

Figure 6

Single-Family Residential
Water and Wastewater Rates Comparison
(monthly cost)*



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

Table 8 compares Round Rock’s Water and Wastewater Impact Fees to other Central Texas cities. Historically, Round Rock had one of the highest total impact fees charged for new connections to the water and wastewater systems. However, several of the surrounding cities have increased their fees over the past few years and have surpassed Round Rock. Round Rock’s philosophy is for new customers and developments to pay for the capital improvements that are required due to the growth.

Table 8

Area Impact Fee Comparison				
City/Utility	Last Updated	Water	Wastewater	Total
Brushy Creek MUD	2012	\$2,095	\$1,804	\$3,899
Cedar Park	2014	\$2,250	\$2,000	\$4,250
Hutto	2018	\$4,363	\$1,068	\$5,431
Round Rock	2016	\$4,025	\$2,099	\$6,124
San Marcos	2018	\$3,801	\$2,684	\$6,485
Pflugerville	2014	\$4,241	\$2,725	\$6,966
Leander	2017	\$4,309	\$2,820	\$7,129
Austin	2018	\$4,700	\$2,500	\$7,200
Georgetown	2018	\$6,921	\$3,115	\$10,036

CONCLUSION AND RECOMMENDATIONS

The CIAC and City Council approved the current Impact Fees, which went into effect on March 1, 2016. Although the population growth in Round Rock is proceeding slightly slower than projected in the impact fee analysis, the number of connections to the water and wastewater systems is occurring as anticipated by the City.

Due to the volatility in growth rates and infrastructure requirements, the City recommends the impact fees be reviewed every three to four years. In September, the City commenced with updating the Water and Wastewater Master Plans. Following the completion of the Master Plan updates in the Spring of 2020, we will review our current impact fees.

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