

EXHIBIT

"A"

Capital Improvements Plan Progress

Semi-Annual Report
May 2021



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, 2020, to March 31, 2021. This report consists of assessing 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 on updating the land use assumptions, capital improvements plan, and Impact Fees. These items were last updated by the City in November 2020.

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, the total water production remains relatively steady. Water usage is highly dependent on weather patterns; however, the City's conservation and reuse water programs also impact.

Figure 1

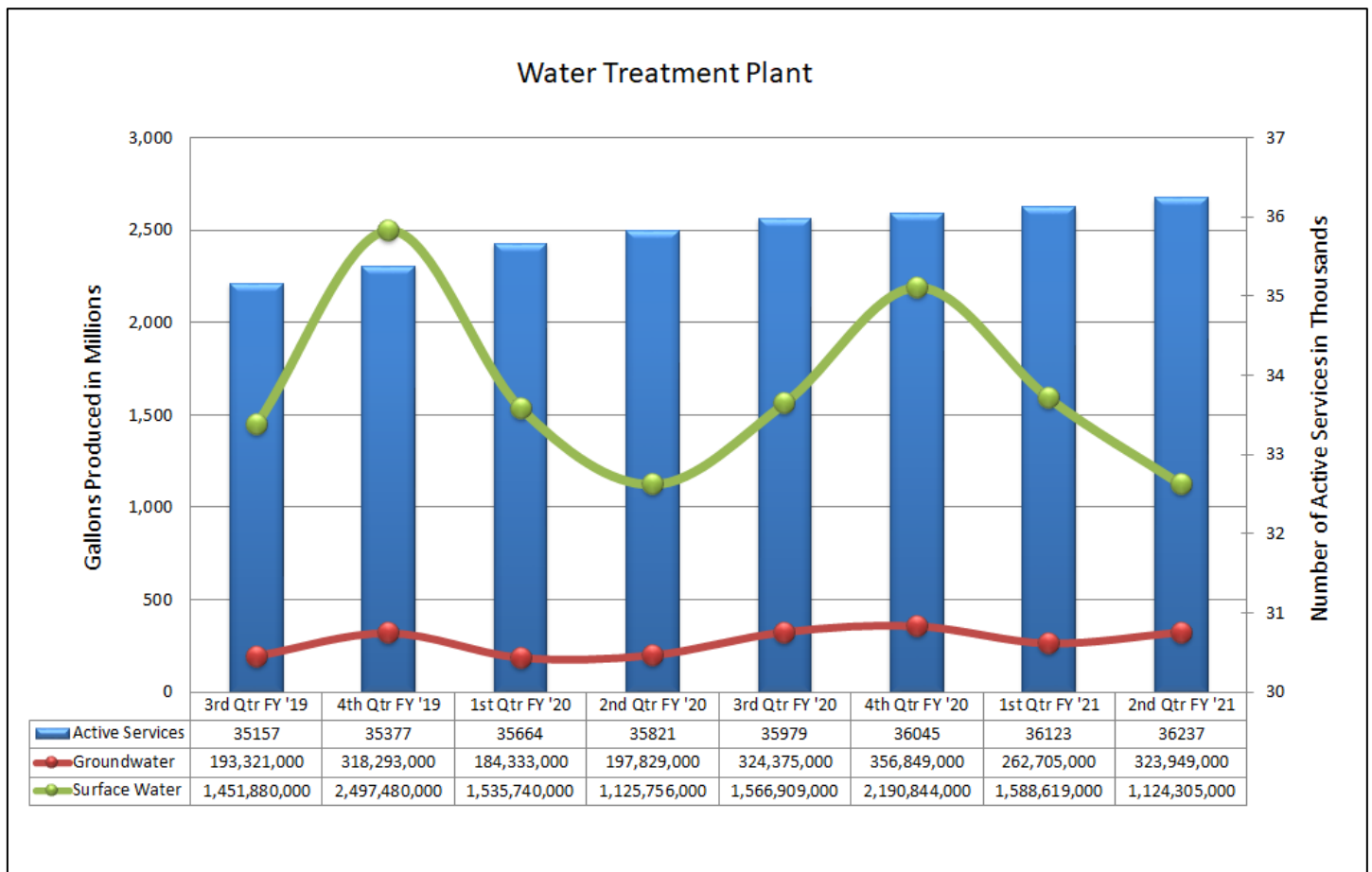


Figure 2 reflects the daily average of potable water produced each month over the past five years. Total water production is dependent on weather conditions; therefore, discretionary water usage is higher during the summer months.

Figure 2

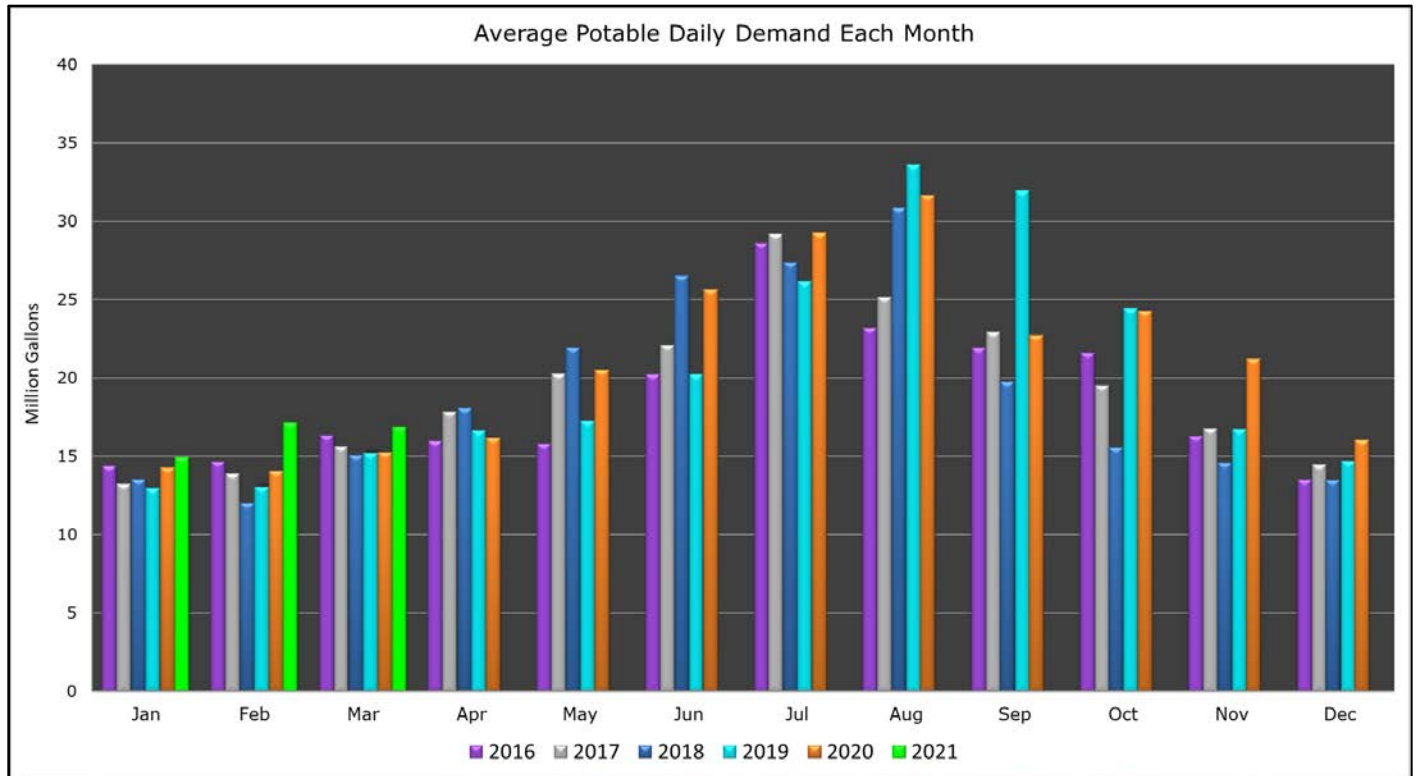


Figure 3 reflects the monthly potable treated water production and the Type I Reuse treated water production. The City's reuse water system began production in October 2012 with three customers: Old Settlers Park, Dell Diamond, and Forest Creek Golf Course. The City has since expanded the system to Forest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

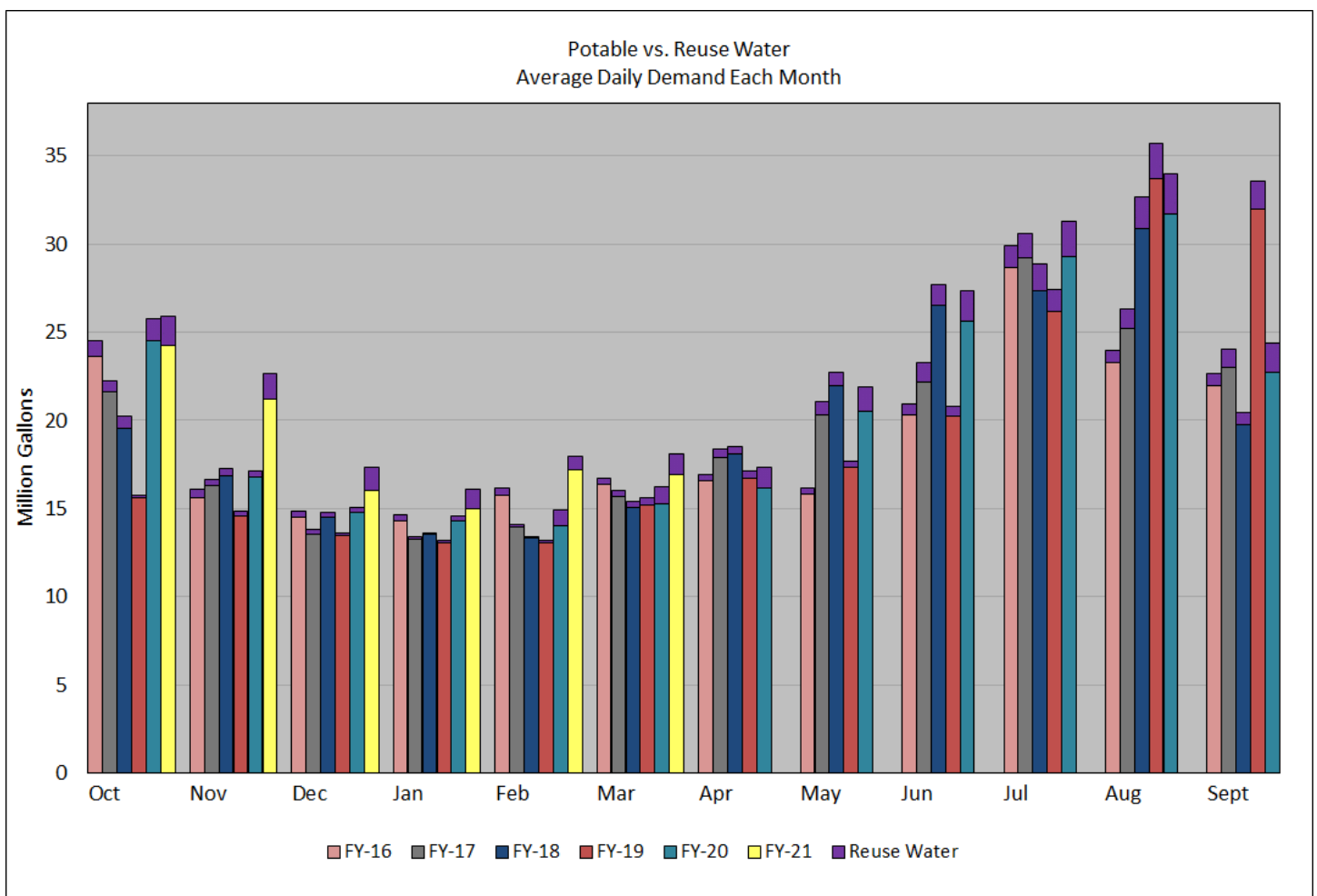


Figure 4 shows the number of new single-family building permits issued in the City of Round Rock and the City's extra-territorial jurisdiction (ETJ). Over the past five years, the number of new housing starts per year in the City has ranged from 419 to 911 annually. Single-family permits issued for the first half of FY-21 have continued to be steady as the Solerno, and University Heights subdivisions have recently come in for permitting. Most of the current construction activity is occurring in Saul's Ranch, Vizcaya, Madsen Ranch, Cottages at Meadowlake, Legends Village, Reserve at Wyoming Springs, Quick Ranch, Homestead, Warner Ranch Duplexes, Sonoma Townhomes, Schulz Townhomes, and Tiger Trail Townhomes. Most of the Municipal Utility Districts (MUDs) located in Round Rock's ETJ, as noted in Figure 4, are nearing buildout. Siena MUD No. 2 continues to experience a steady number of new housing starts during this time period.

Figure 4

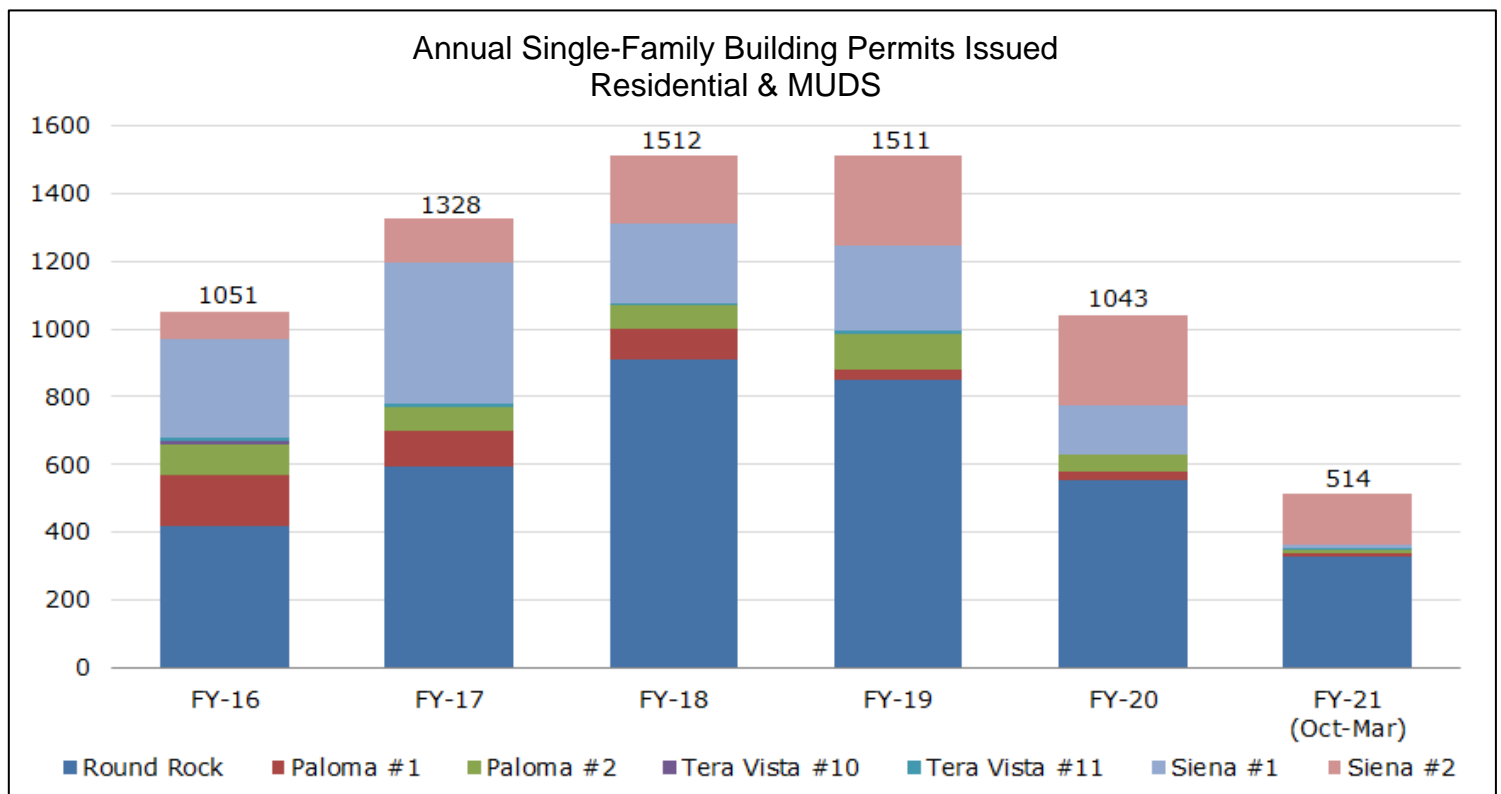


Table 1 represents the number of multi-family units permitted annually. Currently, there are five multi-family complexes under construction: Legacy Phase I, Warner Ranch, Kalahari Employee Housing, Reserve on University, and Arrington Ridge Phase II. There is currently one multi-family complex in for a permit and four more complexes on the horizon.

Table 1

Fiscal Year	Multi-Family Units
FY 2016	608 (157 LUEs)
FY 2017	330 (170 LUEs)
FY 2018	652 (327.5 LUEs)
FY 2019	432 (218 LUEs)
FY 2020	430 (196.5 LUEs)
FY 2021 (Oct-Mar)	583 (291.5 LUEs)

Table 2 reflects the number of new commercial building permits issued annually. This number has been steady, ranging from 25 to 63 annually; however, the past six months show a slight upward trend. Current permits are mostly office property, schools, storage, and industrial facilities.

Table 2

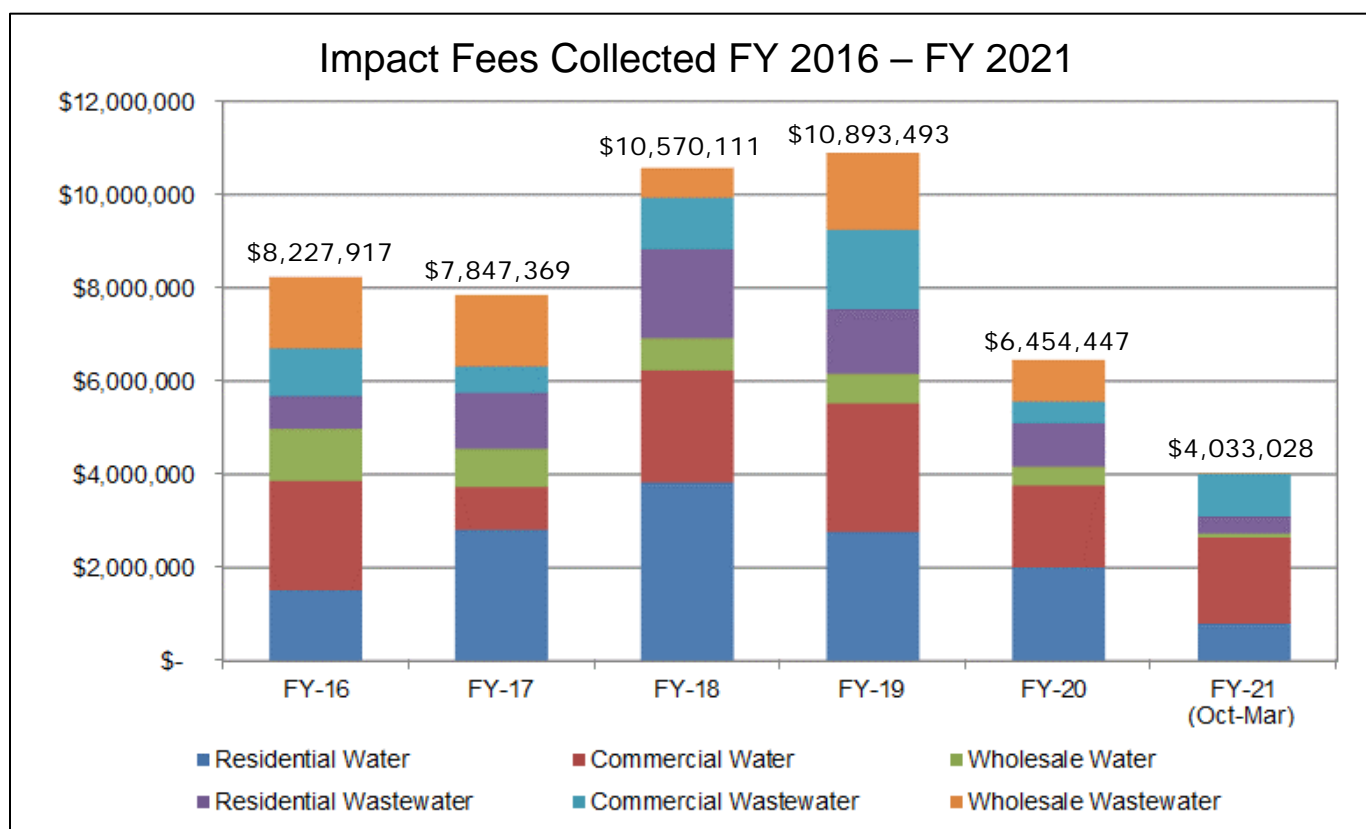
Fiscal Year	Commercial Building Permits
FY 2016	63 (442.5 LUEs)
FY 2017	25 (168 LUEs)
FY 2018	43 (220.5 LUEs)
FY 2019	50 (262 LUEs)
FY 2020	44 (150.5 LUEs)
FY 2021 (Oct–Mar)	18 (92.5 LUEs)

Table 3 and Figure 5 summarize the Water and Wastewater Impact Fees collected for residential and commercial permits within the City, as well as permits issued in the wholesale customer areas. From FY-16 to FY-19, there was a significant amount of Impact Fees collected due to the construction of single-family residential, multi-family residential, and commercial developments. However, FY-20 showed a decrease in total impact fee collections that could be attributed to the virus pandemic. The first six months of FY-21 indicate that the Impact Fee collections in the City are trending upward to prior FY-20 amounts. The Impact Fee collections from wholesale customers have decreased in FY-21 mainly due to many of the MUDs being built out.

Table 3

Impact Fees	FY-16	FY-17	FY-18	FY-19	FY-20	FY-21 (Oct-Mar)
In-City Retail						
Residential Water	\$1,516,823	\$2,812,465	\$3,830,017	\$2,770,650	\$2,008,822	\$803,505
Residential Wastewater	\$ 701,551	\$1,201,518	\$1,905,615	\$1,381,154	\$930,467	\$360,715
Commercial Water	\$2,342,270	\$915,617	\$2,399,541	\$2,750,040	\$1,752,110	\$1,845,463
Commercial Wastewater	\$ 1,020,587	\$567,288	\$1,102,400	\$1,701,974	\$461,347	\$921,461
Out-of-City Wholesale						
Water	\$ 1,117,590	\$818,121	\$692,763	\$639,567	\$406,253	\$86,538
Wastewater	\$ 1,529,096	\$1,532,360	\$639,776	\$1,650,108	\$895,448	\$15,346
Total Collected	\$8,227,917	\$7,847,369	\$10,570,111	\$10,893,493	\$6,454,447	\$4,033,028

Figure 5



During the latest water model update in 2020, we assumed that 1,433 LUEs per year would be added to the water system. At an Impact Fee of \$4,234 per LUE, this would indicate that the City should be collecting approximately \$6.07 million per year in Water Impact Fees if the City's growth rate is as projected starting in FY-21.

In addition, the wastewater model update assumed that 1,027 LUEs would be added to the wastewater system per year. At an Impact Fee of \$1,799 per LUE, this would indicate that the City should be collecting approximately \$1.85 million per year in Wastewater Impact Fees if the City's growth rate is as projected in FY-21.

Comparing these assumptions to the actual Impact Fees collected indicates that the number of new connections to our water and wastewater systems for the first half of FY-21 is progressing as expected.

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, the annual estimates, shown in parenthesis, convey a slower growth rate in the City limits than projected. The 2020 Census, which will be released in September 2021, will allow us to reset the population projections going forward.

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%)	146,380	1.7%
2013	104,805 (102,349)	2.4% (0.6%)	151,133	3.2%
2014	107,635 (103,107)	2.7% (0.7%)	155,613	3.0%
2015	110,757 (105,405)	2.9% (2.2%)	160,385	3.1%
2016	113,968 (106,591)	2.9% (1.1%)	165,024	2.9%
2017	117,160 (108,353)	2.8% (1.7%)	169,213	2.5%
2018	120,440 (112,201)	2.8% (3.6%)	173,490	2.5%
2019	123,812 (116,120)	2.8% (3.5%)	177,859	2.5%
2020	127,279 (117,801)	2.8% (1.4%)	182,323	2.5%
2021	130,461 (120,478)	2.5% (2.3%)	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 status of the Water System (Impact Fee eligible) Capital Improvement Projects included in the last Impact Fee analysis completed in November 2020.

Table 5

Completed Water Projects	Completion	Impact Fee Report Estimated Cost	Actual Cost
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
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
		\$23,779,768	\$21,709,515

Water Projects In Progress	Completion	Impact Fee Report Estimated Cost	Actual Cost
GR-01: E Liberty Avenue, N Shephard St & Fannin Ave	2021	\$500,000	\$938,983
GR-05: University Blvd extension from end of 36-inch main to CR-110	2021	\$1,150,000	\$801,000
GR-02: Kenny Fort Blvd from Forest Creek Blvd to SH45	2022	\$1,570,000	\$1,570,000
GR-03: Kenny Fort Blvd from Old Settlers to Chandler Creek	2024	\$2,450,000	\$2,450,000
GR-04: Sam Bass Rd from FM-1431 to Wyoming Springs Dr	2025	\$7,000,000	\$8,200,000
GR-06: Redbud Lane from south of Palm Valley Blvd to Gattis School Rd	2026	\$4,560,000	\$4,560,000
BCRUA Phase 2 - Deep Water Intake	2027	\$60,608,500	\$77,400,000
		\$77,838,500	\$95,919,983

Upcoming Water Projects	Estimated Completion	Impact Fee Report Estimated Cost
GR-07: Hester's Crossing and CR-172 from west 971 zone to S-81 EST	2025	\$3,270,000
GR-08: FM-1460 toward Westinghouse Rd, east to future rd	2027	\$2,350,000
BCRUA Phase 1D - WTP Expansion to 42MGD	2027	\$4,000,500
GR-09: Palm Valley Blvd (north side) extension to CR-110	2029	\$600,000
GR-10: Loop from GR-09 to Westinghouse to University	2030	\$2,440,000
		\$12,660,500

Table 6 summarizes the status of the Wastewater System (Impact Fee eligible) Capital Improvement Projects included in the last Impact Fee analysis completed in November 2020.

Table 6

Completed Wastewater Projects	Completion	Impact Fee Report Estimated Cost	Actual Cost
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
		\$5,713,000	\$5,045,618

Wastewater Projects in Progress	Completion	Impact Fee Report Estimated Cost	Actual Cost
Lake Creek 1	2022	\$1,856,000	\$1,856,000
		\$1,856,000	\$1,856,000

Upcoming Wastewater Projects	Estimated Completion	Impact Fee Report Estimated Cost
MC-1: New 6,760LF of 18-in	2022	\$1,973,000
Forest Creek LS and FM - Increase Capacity	2022	\$3,168,000
Hilton Head LS and FM - Increase Capacity	2022	\$1,751,000
BC-1: Upsize 3,015LF to 12-in and 18-in	2023	\$831,000
CC-1: Upsize 3,975LF to 12-in and 15-in	2024	\$1,026,000
MC-2: New 9,120LF of 12-in	2025	\$1,576,000
MC-3: New 5,155LF of 24-in	2026	\$1,602,000
CC-2: Upsize 955LF to 12-in and 15-in	2027	\$230,000
WWTP Expansion to 40MGD - PER	2030	\$2,500,000
		\$14,657,000

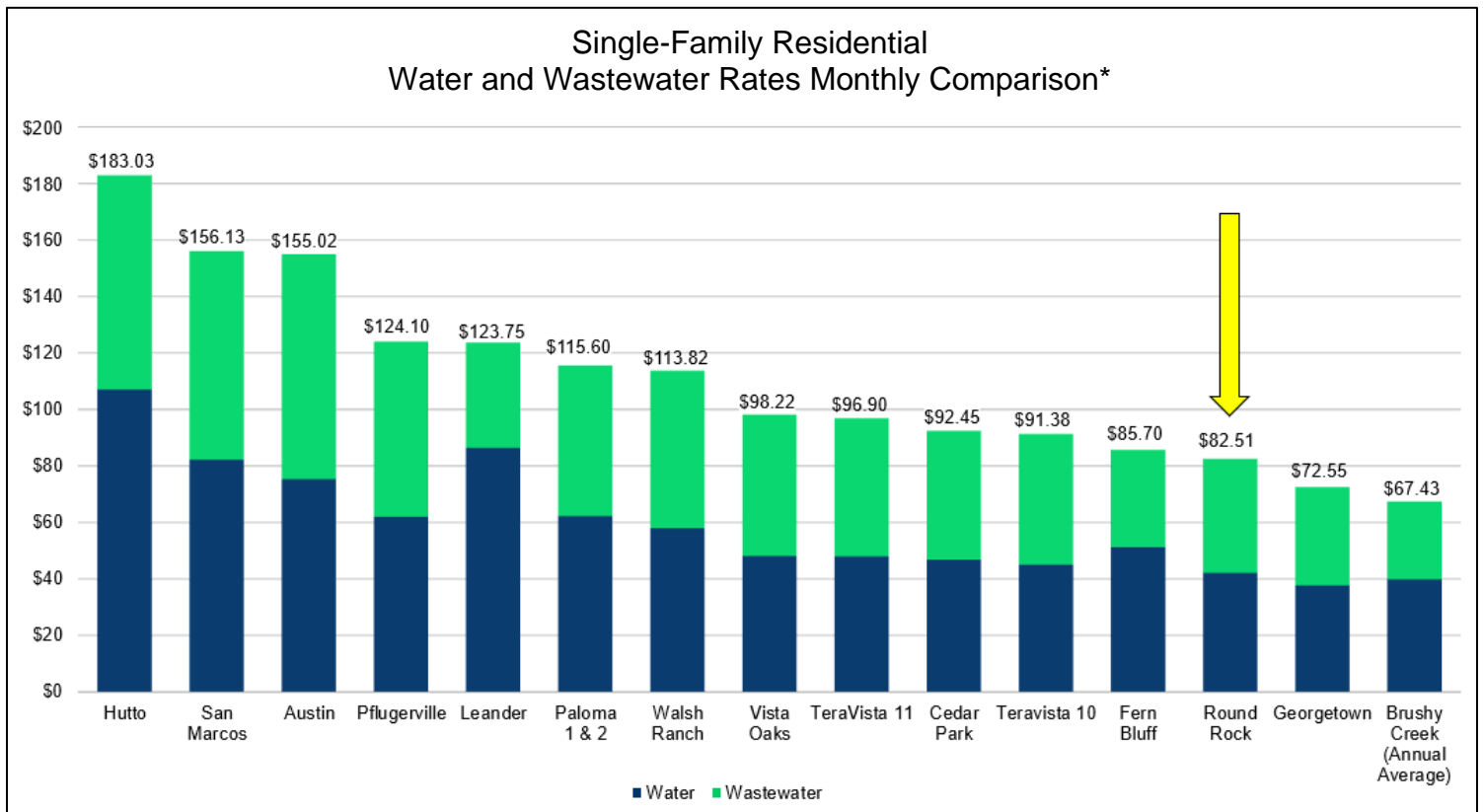
Table 7 summarizes the status of the Reuse Water System (Impact Fee eligible) Capital Improvement Projects included in the last Impact Fee analysis completed in November 2020.

Completed Reuse Projects	Completion	Impact Fee Report Estimated Cost	Actual Cost
Reuse Phase VI	2016	\$900,000	\$900,000
Reuse Phase IV-B	2016	\$3,719,000	\$3,013,152
		\$4,619,000	\$3,913,152

Upcoming Reuse Projects	Estimated Completion	Impact Fee Report Estimated Cost
Reuse Phase V – Stony Point High School	2022	\$614,328
1.0 MG Reuse Ground Storage Tank	2022	\$1,628,400
		\$2,242,728

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



* assumes 10,000 gallons water and 8,000 gallons wastewater used.

Table 8 compares Round Rock's Water and Wastewater Impact Fees to surrounding cities and Municipal Utility Districts. 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 surpassed Round Rock. Round Rock's philosophy is for new customers and developments to pay for the required capital improvements 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	2020	\$3,160	\$3,170	\$6,330
Hutto	2020	\$3,625	\$2,128	\$5,753
Round Rock	2020	\$4,234	\$1,799	\$6,033
San Marcos	2018	\$3,801	\$2,684	\$6,485
Pflugerville	2020	\$7,897	\$1,898*	\$9,795
Leander	2017	\$4,309	\$2,820	\$7,129
Austin	2018	\$4,700	\$2,500	\$7,200
Georgetown	2018	\$6,921	\$3,115*	\$10,036

*Indicates the City has two different Wastewater Impact Fees, based on service area. The number in the table above reflects the lowest fee charged by that City.

CONCLUSION AND RECOMMENDATIONS

Due to the volatility in growth rates and infrastructure requirements, the City recommends the Impact Fees be reviewed every three to four years. The current Impact Fees were adopted on January 14, 2021 and went into effect on February 1, 2021. This semi-annual report is typically presented after six months into the fiscal year and generally occurs in May.

The population growth in Round Rock over the past several years is proceeding at a slower pace than projected in the previous Impact Fee analysis, yet the number of connections to the water and wastewater systems over the past several years has been occurring as anticipated by the City. The exception is FY-20, which was impacted by the pandemic. However, in the past six months, the number of building permits issued has increased as projected.

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