

## **EXHIBIT A**

### **SEMI-ANNUAL REPORT APRIL 1, 2009 THROUGH SEPTEMBER 30, 2009 BY THE CAPITAL IMPROVEMENTS ADVISORY COMMITTEE February 16, 2010**

#### **PURPOSE**

This semi-annual report was prepared by the Capital Improvements Advisory Committee to advise the City Council of the progress of the "Three Year Water and Wastewater Impact Fee Review" and the Capital Improvements Plan, as well as, any perceived inequities found in implementing the Plan or imposing the impact fees. It is intended to satisfy the requirements of Chapter 395 of the Local Government Code.

#### **LAND USE ASSUMPTIONS**

The Land Use Assumptions, adopted by City Ordinance No. 1364 on April 27, 1999, provided a description of the City's water and wastewater service area, as well as, projections of changes in land use densities and intensities, and projections of population changes in the service area over a ten year period from 1999 to 2009. The Land Use Assumptions contained within the "Three Year Water and Wastewater Impact Fee Review" were appropriate for use as the basis for the Capital Improvements Plan (CIP).

#### **CAPITAL IMPROVEMENTS PLAN: WATER AND WASTEWATER**

Appendices A and B of the "Three Year Water and Wastewater Impact Fee Review" show eligible existing facility costs and eligible proposed facility costs identified in the CIP adopted for water and wastewater in 1999. Pages 13-17 of the same report describe the Living Unit Equivalency and Maximum Impact Fee calculations. The CIP is progressing at a pace that meets the demands of the City of Eules. Additions to the water and wastewater systems will be implemented as development occurs within those areas of the City needing additional capacity. The consulting firm of Shimek, Jacobs and Finklea previously completed an update of the City's Water Distribution Master Plan which concluded that no changes were necessary to the CIP.

#### **IMPACT FEE CHARGES**

The 1999 impact fee update states that the actual cost of providing capital improvements needed to maintain the current level of service were \$2,673.93 per service unit for water facilities and \$184.50 per service unit for wastewater facilities.

These figures represent the maximum impact fee per service unit that could be charged by the City.

Impact fees set by the City Council in 1999 were 50% of the maximum impact fee amount allowed. City Council Ordinance No. 1364 established impact fees per service unit of \$1,336.97 for water facilities and \$92.25 for wastewater facilities. Fees charged for both water and wastewater facilities are based on water meter size, with a 5/8" water meter considered one service unit. Wastewater impact fees are not charged when water meters are installed for water that will not enter the wastewater system, such as landscape irrigation. The Ordinance established the following impact fees:

<b>Meter Size (inches)</b>	<b>Water</b>	<b>Sewer</b>	<b>Total</b>
5/8" or 3/4"	\$1,336.97	\$92.25	\$1,429.22
1"	\$3,342.42	\$191.42	\$3,533.84
1.5"	\$6,684.83	\$382.84	\$7,067.67
2"	\$10,695.72	\$612.54	\$11,308.26
3"	\$32,087.16	\$1,837.62	\$33,924.78
4"	\$56,152.53	\$3,215.84	\$59,368.37
6"	\$123,000.78	\$7,044.21	\$130,044.99
8"	\$213,914.40	\$12,250.80	\$226,165.20
10"	\$334,241.25	\$19,141.88	\$353,383.13

#### IMPACT FEE ASSESSMENT, COLLECTION, AND DISBURSEMENT

From April 1, 2009 through September 30, 2009, a total of 66 service units were added for water and 66 service units for wastewater. Impact fees collected were \$108,294.49 for water and \$6,608.79 for wastewater. Impact fee funds disbursed from the accounts during this time period totaled \$288,499.98. Projects funded include: Water Tower Debt Payment (Project WT0101) for \$128,499.98; Trinity River Authority (TRA) Debt Payment (Project WT0901) for \$100,000.00; and Trinity River Authority (TRA) Debt Payment (WW0605) for \$60,000.00.

#### CONCLUSION

The Capital Improvements Advisory Committee finds that for the time period included in this report, no inequities were created in imposing the impact fees and the fees were properly revised as a result of the Three Year Impact Fee update required by Chapter 395 of the Texas Local Government Code. The assessment and collection of water and wastewater impact fees was in accordance with the guidelines of Ordinance No. 111, Ordinance No. 1364, and Chapter 395 of the Texas Local Government Code. All money collected was deposited into separate interest bearing accounts reserved for impact fees.