



October 16, 2007

Ms. Lori R. Bible, SR/WA
Right of Way Services
Lockwood, Andrews & Newnam, Inc.
10801 N. MoPac Expressway, Building 1, Suite 120
Austin, TX 78759

RE: Impact study related to proposed raw water pipeline to be placed in Trails End Road.

Dear Ms. Bible:

As requested, Lory R. Johnson, MAI, SR/WA and Jim Amorin, MAI, SRA have developed an impact study to determine the effect, if any, on the proposed placement of a raw water pipeline within the existing right-of-way of Trails End Road in Travis County, Texas.

It is our understanding that the Brushy Creek Regional Utility Authority (BCRUA) has a responsibility to provide reliable, cost-effective sources of water for the cities of Cedar Park, Leander, and Round Rock. As a means to allow for the jurisdictions fast growth, BCRUA has been seeking solutions to providing long-term water supplies for several years.

The Sandy Creek arm of Lake Travis is the current site of Cedar Park's and Leander's intake structures. However, this area of the lake is vulnerable to low lake levels. In fact, the need for a deep-water intake along the main channel of the lake became critical during the drought conditions of the past few years. If those drought conditions had not ended with recent rains, the two cities' current intake structures would have been "grounded", meaning they literally would not have been able to draw any water from the lake. That realization caused city leaders to accelerate planning for a comprehensive water supply system.

The BCRUA plans to develop the water system in three phases. Phase 1 will represent the construction of a new temporary floating intake structure on Lake Travis, a raw water pipeline within the Trails End Road right-of-way, a new treatment plant in Cedar Park, and a new treated water pipeline.

For purposes of this study we were asked to determine the impact of a portion of the Phase 1 project, namely the impact of the raw water pipeline within the Trails End Road right-of-way. The impact study is based on the pipeline being completed and does not take into account any impact during the anticipated 18- to 24-month construction period. Further, it was indicated that the proposed raw water pipeline would be 78" in diameter and will be tunneled under the Sandy Creek Arm of Lake Travis to the south end of Trails End Road right-of-way. Open cut and cover methods would be used within the right-of-way of Trails End Road to its intersection with FM 1431. The pipeline is expected to be approximately 11 to 15 feet deep and the roadway will be repaved upon its entire length after construction.

To begin this study, we performed a literature search of the Appraisal Institute's Lum Library. This facility is an information clearinghouse service consisting of a research library, ready-reference desk, referral service and information/documentation delivery. Based on a search of this resource, no article were located that would indicate an impact to surrounding properties where a raw water pipeline was buried within an existing right-of-way.

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The next step undertaken was a review of various sales and appraisals within our files. These research efforts attempted to locate market evidence of an impact to neighboring properties from a water pipeline. Not surprisingly, no evidence of a diminution in value was located. This is due in large part to the design of the facility being approximately 11 to 15 feet below the surface of the existing Trails End Road right-of-way. In fact, the only visible evidence of the proposed raw water pipeline will be a series of manhole covers and air/vacuum release valve vent piping at 8 to 10 locations. In addition, the pipeline is only going to carry raw water from Lake Travis, a fairly benign substance. In the event of a hazardous material or a high-pressure line within a roadway, it is likely some impact would be recognized in the market. However, in the case of a raw water pipeline, no measurable impact was found from the available market evidence.

Summary

In summary, we reviewed available literature and an abundance of data within our office. No measurable effects of the proposed raw water pipeline on neighboring properties was found. While there will no doubt be a disruption in the quiet enjoyment of the neighboring properties during the construction phase, the resulting raw water pipeline under and within the existing Trails End Road right-of-way will basically be a silent and underground structure with no on-going impact to the neighboring properties. We could find no market evidence to suggest a diminution in value.

ATRIUM REAL ESTATE SERVICES appreciates the opportunity to be of service to you and Lockwood, Andrews & Newnam, Inc. Should you have any questions, or if we can be of further assistance, please contact our office.

Respectfully submitted,

ATRIUM REAL ESTATE SERVICES



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