



November 18, 2016

To any interested parties

Subject: Fiscal Year 2015-16 AB 1600 Mitigation Fee Report

AB1600 added a new chapter to the Government Code regarding fees for capital improvement projects. The chapter sets forth requirements local agencies must follow to collect mitigation fees from developers.

California Government Code Section 66006 requires the local agency to prepare a public report concerning each mitigation fee fund within 180 days after the close of each fiscal year. The report must include the fund's beginning and ending balance for the fiscal year, amount of fees and interest deposited, and a description of each expenditure including identification of the improvement being funded with the fee.

Furthermore, California Government Code Section 66006 requires the report to be reviewed at a regularly scheduled public meeting. A public release of this report is required 15 days before the review by the legislative body.

The Indio Water Authority is publicly releasing the AB 1600 Mitigation Fee Report for the fiscal year ending June 30, 2016. This report will be reviewed by the Indio Water Authority Board on December 6, 2016 at the City Council Chambers at 150 Civic Center Mall at 4:00 PM at a public hearing.

Anyone interested in commenting on this report can do so by appearing at the public hearing on December 6, 2016 at the City Council Chambers or by sending written responses to Dennis Coleman, Manager of Finance and Customer Service, Indio Water Authority 83-101 Avenue 45, Indio, CA 92101. Comments can be submitted via email to dcoleman@indio.org.

If you have any questions regarding the Fiscal Year 2015-16 AB 1600 Mitigation Fee Report, please call Dennis Coleman at (760) 625-1859.

Sincerely,

A handwritten signature in blue ink, appearing to read "Javier Estrada".

Javier Estrada, CPA
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(760) 625-1811
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Fees are collected to fund construction of water facilities and water mains. Fees charged are based on meter size which determines capacity needs. Capacity is the amount available from the Indio Water Authority system when demanded by the user. Therefore the number of Equivalent Dwelling units (EDU) increases as the meter size (capacity) increases. The number of meters, and meter size, is estimated based on the type of development project. This fee structure Ordinance 1463 was adopted on May 3, 2006 with an effective date of August 1, 2006.

Account Description	Beginning Fund Balance	FY 15/16	Ending Fund Balance
Revenues & Other Sources:			
Developer fees		\$ 471,178.00	
Interest income		\$ 11,815.00	
Reimbursements			
Total Sources		\$ 482,993.00	
Expenditures & Other Uses			
Capital Projects		\$ 684,889.00	
Project Administration/Internal Engineering		\$ 58,167.00	
Other			
Total Uses		\$ 743,056.00	
Total Available	\$4,448,083.00	\$(260,063.00)	\$ 4,188,020.00

Five Year Test	
Using First In First Out Method	
Revenues Collected	6/30/2016
Revenues Collected from 2012	952,784
Revenues Collected from 2013	3,483,168
Revenues Collected from 2014	1,144,102
Revenues Collected from 2015	605,902
Revenues Collected from 2016	482,993
Total Revenue For Last Five Years	6,668,949

Result : Five Year Spent Test Met in accordance with Government Code 66001 as there continues to be a reasonable relationship between the fee and the purpose for which it was adopted.

Capital Improvement Facilities			
Capital Improvement Facilities	FY 15/16	% Complete	% funded with fee
Chromium 6 Treatment Improvements	\$ -	80%	0%
Terra Lago Booster Pumping Station Emergency Power	\$ 11,184.00	100%	100%
Avenue 44 Water Main	\$ 4,280.00	7%	100%
Highway 111 Water Main line Madison to Monroe	\$ -	100%	100%
Highway 111 Water Main line Jackson to Oasis	\$ -	100%	100%
Highway 111 Water Main line Rubidoux to Arabia	\$ 270,476.00	N/A	100%
Highway 111 Water Main line Monroe to Rubidoux	\$ 398,949.00	100%	
Project Administration/Internal Engineering*	\$ 58,167.00	N/A	
*\$30,000 of the project administration costs was an interfund transfer to the IWA operating Fund (10) to reimburse IWA for salary and benefits for project implementation and engineering			
Total	\$ 743,056.00		

As of March 1, 2013, a Supplemental Water Supply Fee is assessed on development projects in the City of Indio. The fee provides a framework to alleviate the strain on IWA's groundwater supply and is based on future water demands for new developments. Funds will be used to pursue the development of recycled water for future growth through indirect potable reuse injection. The fee varies based upon the development type, based upon the annual consumption factor with return flows multiplied by \$5,435, prorated by the size in acreage of the development type. This is defined in Section 33.066 of the Indio City Code.

Account Description	Beginning Fund Balance	FY 15/16	Ending Fund Balance
Revenues & Other Sources			
Developer fees		\$ -	
Interest income		\$ 1,031,576.00	
Reimbursements		\$ 257.00	
		\$ -	
Total Sources		\$ 1,031,833.00	
Expenditures & Other Uses			
Capital Projects		\$ -	
Project Administration/Internal Engineering		\$ -	
Total Uses		\$ -	
Total Available	\$ 1,841,491.00	\$ 1,031,833.00	\$2,873,324.00

Five Year Test	
Using First In First Out Method	
Revenues Collected	6/30/2016
Revenues Collected from 2012	\$ -
Revenues Collected from 2013	\$ 111,775.63
Revenues Collected from 2014	\$ 1,056,147.02
Revenues Collected from 2015	\$ 692,451.00
Revenues Collected from 2015	\$ 1,031,833.00
Total Revenue For Last Five Years	\$ 2,892,206.65

Result : Five Year Spent Test Met in accordance with Government Code 66001 as there continues to be a reasonable relationship between the fee and the purpose for which it was adopted.

Capital Improvement Facilities			
Capital Improvement Facilities	FY 15/16	% Complete	% funded with fee
No projects this fiscal year			
Future Projects:			
Non-Potable Reuse Design- FY 18-19 \$100,000			
Recycled Water Facility- Phase 1A FY 18-19 \$5 million			
Recycled Water Facility- Phase 1B FY 20-21 \$10 million			
Total	-		