

On December 2, 2008, the Indio Water Authority, the City of Indio and the Coachella Valley Water District entered in to a Settlement Agreement that formalized a Term Sheet in resolution of on-going litigation between the parties. There have been two Amendments to the Settlement Agreement extending the effective date for implementation of a Supplemental Water Supply Program (SWSP) to March 1, 2013.

The intent of the SWSP is to provide a framework to alleviate the strain on the IWA's groundwater supply. The document presents a projection of what future water needs will be, calculates the annual water consumption of different development types, presents the SWSP components which assist with the development of the Recycled Water Program and the purchase of imported water; and then provides the Supplemental Water Supply Fee Calculation. The Supplemental Water Supply Fee (SWSF) consists of the cost per acre foot for a supplemental water supply at \$5,435 which is multiplied by the Annual Consumption Factor expressed as acre-feet per acre. The following table the SWSF by Development Type:

<b>IWA Development Type</b>	<b>Annual Consumption Factor with Return Flows <sup>(1)</sup> (ac-ft/ac/yr)</b>	<b>SWSF <sup>(2)</sup> (\$/acre)</b>
Commercial/Institutional	.65	\$3,533
Hotel/Motel	1.42	\$7,718
Industrial	.93	\$5,055
Irrigation	1.54	\$8,370
Multi-Family Residential	1.23	\$6,685
Single Family Residential	2.23	\$12,120
City Parks/Irrigation and Landscape Lighting Districts	1.36	\$7,392

Notes:

(1)-A return flow of 35% was used

(2)-Unit cost for development of Supplemental Water

A sample calculation for a Single Family Residential development is as follows:

- Annual Consumption Factor = 2.23 ac ft/ac/yr
- Calculated Cost AF = \$5,435
- Supplemental Water Supply Fee (SWSF)  $2.23 \times \$5,435 = \$12,120$  per acre
- Assume density of 5 dwelling units per acre, cost per house = **\$2,424**

Per the Resolution passed on December 4, 2012 and the aforementioned Settlement Agreement, a Supplemental Water Supply Fee will be imposed on development projects as defined in Section 33.066 of the Indio City Code beginning on March 1, 2013. The SWSF will be payable at the time of building permit issuance. **The applicability of the SWSF on existing developments with existing Development Agreements will be reviewed on a case-by-case basis.**