



## AGENDA STAFF REPORT

**STEVE ROBBINS**  
**ADMINISTRATION BUILDING**  
75515 Hovley Lane East  
Palm Desert, CA 92211

**CVWD's COACHELLA CAMPUS**  
51501 Tyler Street  
Coachella, CA 92236

[www.cvwd.org](http://www.cvwd.org)

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**Agenda Number: J**  
**File ID: 0710.1017**

**Section Name: CONSENT CALENDAR**  
**Project ID:**

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**MEETING DATE:** November 8, 2022

**SUBJECT:** Approve and authorize Nonpotable Water Agreement for The Palms

**TO:** BOARD OF DIRECTORS

**FROM:** ASSISTANT GENERAL MANAGER, DAN CHARLTON

**GENERAL MANAGER**  
**RECOMMENDATION: APPROVE**

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**RECOMMENDATION:**

It is recommended that the Board of Directors approve and authorize the General Manager to execute the Nonpotable Water Agreement for The Palms.

**BUDGET IMPACT:**

The Palms is a well owner and currently pays the East RAC for groundwater produced by their well at \$72.27 per acre foot (AF), which does not include the cost of pumping. The Palms is currently paying the Class II Canal Water Rate at \$102.12/AF. Upon approval of this agreement, The Palms would pay the Type C Nonpotable Water Rate at \$91.77/AF. Nonpotable Water customers are required to meet at least 80% of their annual irrigation demand with nonpotable water. Though their rate is projected to increase by \$19.50/AF of water compared to groundwater for the use of nonpotable water, it represents 85% of the total cost of groundwater production (RAC + Pumping cost).

**PROCUREMENT METHOD:**

☒ N/A

**BACKGROUND**

This request consists of the authorization to execute a Nonpotable Water Agreement (Agreement) with The Palms. The Palms currently irrigates their golf course and landscaped areas with groundwater produced by a well that they own and with canal water via canal meter No. 9037. The Palms currently operates under an Irrigation Service Agreement. There are no outstanding items remaining to be completed within the Irrigation Service Agreement. The Nonpotable Water Agreement will replace the Irrigation Service Agreement. The Palms is currently irrigating with nonpotable water and this Agreement will ensure that 80% of their demand is met with nonpotable water.

**PRIOR BOARD ACTION:**

N/A

**DISTRICT STRATEGIC PLAN GOAL(S)/OBJECTIVES(S):**

Approval of the Agreement with The Palms aligns with the CVWD core value of water supply sustainability. The purpose of the nonpotable water program is to reduce reliance on the groundwater aquifer through source substitution. There are currently fifty-four (54) golf courses in CVWD's service area connected to a nonpotable water source. In 2023, CVWD will be completing a project to connect four (4) additional golf courses to the nonpotable water distribution system. In addition, nine (9) new customers are planned to be connected in 2024-2025. The Palms agreeing to the terms of the Agreement, including meeting 80% of their irrigation demand with nonpotable water will help to meet our overall goals of the 2022 Indio Subbasin Water Management Plan Update.

**ENVIRONMENTAL IMPACT:**

This is not a project as defined by CEQA; therefore, approval does not require any CEQA action.

**LEGAL REVIEW**

Best, Best and Krieger

**ATTACHMENTS**

- Att 1 - Nonpotable Water Agreement for The Palms
- Att 2 - Water Production Metering Agreement for The Palms
- Att 3 - BAI Map- The Palms
- Att 4 - Irrigation Service Agreement