



## REPORT TO CITY COUNCIL

Approved by:

A handwritten signature in blue ink, likely belonging to the Department Director, written over a horizontal line.

Department Director

A handwritten signature in blue ink, "Arnaldo Rodriguez", written over a horizontal line.

Arnaldo Rodriguez, City Manager

Council Meeting of: February 19, 2020

Agenda Number: WC-1

### SUBJECT:

Consideration of a Request by Nutrien Ag Solutions to Allow for Connection to the City's Water Systems and Direction to Staff

### RECOMMENDATION:

Staff recommends that the City Council (Council) review the information presented in this report, and if it determines that unique circumstances exist to justify the use of City domestic water services by Nutrien Ag Solutions, direct staff to work with Nutrien in drafting an extra-territorial service agreement and establishing the requisite improvements necessary to take domestic water services and establish a connection with the City water system.

### SUMMARY:

Nutrien has submitted a written request for City authorization to establish one or more domestic water service connections to the City's water system. Typical requests for connection to the City utility services are for water service and are usually the result of a failing or failed well at a single residential dwelling. This request is unique in that the Nutrien facility is industrial in nature with a significantly higher demand than a single residential dwelling.

### DISCUSSION:

*Nutrien Ag Solutions Request (originally submitted under the name Crop Production Services)*

The Nutrien Facility is located in the County on the south side of Pecan Avenue (Avenue 13), west of Granada Drive (Road 25; refer to Attachment 1). Because Nutrien is in the County and has not previously, to staff's knowledge, made a request to receive domestic water service, it utilizes two wells to accommodate their water demands. At present, Nutrien does have a physical connection to the City's water system. That connection, however, is solely for the

purpose of ensuring adequate fire flow. No demands are placed on the City's water system unless there is a fire.

Nutrien's request is not, at present borne out of a failed well. Rather, one of Nutrien's water wells experienced a casing collapse in 2018. Nutrien attempted to repair the well with the installation of sand filters, new pumps, and a new riser pipe. When the casing was deemed unrepairable, they decided to abandon the well altogether. As such, they are unsure of the longevity of the current well and therefore feel they need to connect to the City's water system.

### *Current Connection Policy*

While the City has a well-practiced procedure, it does not have a formalized policy for the approval or rejection of connections to City services from outside the City limits. The vast majority of such requests are for individual residential properties with most being approved. It would probably be most accurate to conclude that the key factor to securing an approval rests primarily with the City's ability to accommodate the new connection without creating negative effects on the existing systems or future users already located within the City limits.

Because typical requests tend to focus on individual residential dwelling units, impacts on the City's ability to accommodate the impact are incremental and relatively easy to absorb into the system so long as single requests do not evolve into dozens within short time frames. This is because capacity in the water systems can only be increased with large capital expenditures which are subject to the availability of funding. As such, this element of the current request from Nutrien is unique wherein it represents the equivalent of multiple smaller requests. The decision of Council may therefore result in general guidance for future requests like this one, though all requests such as this will continue to be brought to Council.

### *Water Consumption*

The average capacity of a City well at present is approximately 1,300 gallons per minute and can vary depending on several factors including the season and current drought conditions. The average demand from Nutrien is estimated at approximately 76 gallons per minute or about 6 percent of the average City well or the equivalent of about 84 equivalent single-family dwelling units (ESFD). It is noted by Nutrien that this will be a steady consumption. In other words, there is no defined peak demand.

### *Potential Benefits Associated with Approving the Request*

It is in the City's best interest in limiting the number of water wells or straws into the underground aquifer. If on the City's water system, the City has a better understanding of various water user's usage patterns and whether the water is being used efficiently in times of drought. It also reduces the number of uncontrolled points wherein contamination can be introduced directly into the water table.

### *Potential Drawbacks Associated with Approving the Request*

It is currently estimated that the City has reserve well capacity in excess of 1,000 ESFD. On-going and planned residential, commercial and industrial activity suggest this reserve will diminish more rapidly than believed even a year or two ago. With that in mind, if the City were to consider connecting another outside entity to the water service then it may be placed in a position where other connections in the City may not be able to connect until new capacity is provided.

As noted previously, staff has not provided a recommendation with regard to this request. Staff, however, can offer several options to be considered that may assist in allowing Council in its determination as to whether Nutrien's request should be granted.

Potential options include:

- Nutrien pays the higher of:
  - Their fair share portion of a well at current estimates cost utilizing a verified value for peak water usage or,
  - The cost that which would be calculated using the Development Impact Fee for an industrial land use.
- Nutrien make application to LAFCO (Local Agency Formation Commission) for annexation into the City of Madera.

### **FINANCIAL IMPACT:**

The monetary impact is difficult to establish but in general, it can be assumed that new users pay for their impacts through the payment of impact fees making any connections minimal or cost neutral in their impacts. At present, however, impact fees placed on the facilities that use a well are not enough to fully fund a well. Based on information from a little over a year ago, the average well at \$2,000,000 with a capacity of 1,300 gallons per minute can service approximately 1,400 ESFD or a cost of about \$1,429 per ESFD. At present, the fee for a single-family dwelling unit is \$562.34. Financial impact would be mitigated based on fee options presented previously.

### **CONSISTENCY WITH THE VISION MADERA 2025 PLAN:**

Depending on the decision of City Council, consistency with the Vision 2025 Plan is either met or not met relative to: Action 434.1 - Increase water-usage monitoring through meter reading and water-patrol to increase conservation.

**ALTERNATIVES:**

Council may choose from the options previously discussed or deny the request for water connection.

**ATTACHMENTS:**

1. Map of the subject site
2. Letter of Request

**Attachment 1**

Map



City Limit boundary



**Attachment 2**

Letter of Request

Apco-Ettner, Inc.  
**5588 N. Palm Ave.**  
Fresno, Ca. 93704  
559-269-3303  
scottettner@comcast.net

**RECEIVED**

APR 04 2018

CITY OF MADERA  
ENGINEERING DEPARTMENT

1 April 2018

City of Madera  
Keith Helmuth P.E  
City Engineer  
Water Service Request

**Request For a New Water Service**

Location: Crop Production Services  
24730 Avenue 13  
Madera, Ca. 93637

We would like to express our need for a water service to our facility. The City does have a water main that runs down the center of avenue 13.

Please consider our location to be a part of your water system. And Please contact us, If there is anything we can help you with to move this procedure along.

Thank you, Scott E.

Thank you, Lance Chisholm  
Crop Production Services

Contact Info:  
Scott Ettner Apco-Ettner, Inc.  
**559-269-3303**

scottettner@comcast.net

Contact Info:  
Lance Chisholm C.P.S.  
lance.chisholm@cpsagu.com