

SKJPA BOARD OF DIRECTORS
MEETING MINUTES

TELECONFERENCE

Wednesday, December 22, 2020

6:00 PM

Chairman Kazarian called the meeting to order at 6:00 pm.

Board Members Present: Chairman Kazarian, J. Hurtado, E. Hurtado, Ramirez

Board Members Absent: Pimentel

Staff Present: David Peters, Michael Linden, Josh Rogers

PUBLIC PRESENTATIONS

None

CONSENT CALENDAR

Member Ramirez made a motion to approve the consent calendar. The motion was seconded by Chair Kazarian, and carried with a unanimous voice vote of all other members present.

COMMITTEE REPORTS

4.1 Technical Advisory Committee Meetings

Focusing on coordinating details and gathering support documents for grant applications. TAC has also been coordinating getting plans to CID for connections of existing basins to CID facilities for City of Sanger.

GENERAL ITEMS

5.1 Project Support Letters Update – Oral Report by David Peters

Support letters from SKGSA for other GSA grant application projects. Three letters were generated – City of Kerman’s Lion Park Recharge project, Fresno Irrigation District’s Savory Pond Recharge project, County of Tulare’s Sultana Storm Water Recharge Basin project. Under Chairman Kazarian authority, the letters have been provided to each GSA.

5.2 Land Purchase Option Agreement – Staff Report by Josh Rogers

Rogers reports that there is no unused land that any of the member agencies already own to develop a recharge facility on. TAC has been pursuing an option agreement with a property owner. Property is located in Sanger on California Ave alignment and Academy Ave alignment. SKGSA to pay non-refundable \$10,000 for right to the option to purchase the land. Will give GSA 30 months to exercise option to purchase. Final compensation will be based on higher amount of appraisal that owner has ordered (not expected to be delivered until June 30,

2021). SKGSA would secure a second appraisal within 90 days of exercising the option to purchase, and compensation would be higher of the two appraisals. A verbal estimate based on comps was \$80,000 per acre. Funding agency would not reimburse for land in excess of what a certified appraisal states.

Original estimate for SKGSA project was \$1.3M, with \$300,000 local match (pro-rated out between all member agencies). Two of the six submitted projects have since been removed because they're no longer believed to be competitive. Because of the higher property estimate, SKGSA project will be submitted as \$2M with no local match.

Upon issuance of Notice of Award of funding, SKGSA is to provide a schedule to the owner of remaining activities, which are: finalizing legal description, property owner apply for rezone (currently dual zoned as high density residential and basin, which will remain but reconfigured), get updated appraisal, provide written offer to purchase property and a notice to exercise the option. If these are not processed within 30 months, option expires

Due diligence period after escrow is open the title report is reviewed for concerns. After the funding award notice or July 31, 2020 (whichever is earlier), due diligence period for GSA to run tests on site to make sure everything is suitable (GSA must carry liability insurance policy for testing). If unsuitable condition is discovered, GSA can provide written notice of termination.

Changes to agreement post agenda publishing:

1. Property owner called with questions about the subdivision of the property. Total property is 27 acres, SKGSA is looking to purchase 15.5 acres. As part of the agreement, owner wants GSA to cover the cost of the parcel map for the subdivision of the property (added in Section 4 of agreement), not including any public improvement. Filing a two-parcel parcel map costs somewhere between \$8k and \$12k. Chair Kazarian asks about splitting the costs of parcel map filing between SKGSA and property owner.
2. Minor changes to future purchase sale agreement (Exhibit B) to be more consistent with option agreement; update owner information and title company info; additional deposit of \$20k in escrow (only refundable if owner terminates agreement – but counts toward purchase price); and modify escrow close date to reference exercise of option.

Alex Henderson (City of Kingsburg) poses a concern about the property owner's appraisal will be in favor of the property owner. He also poses a question about possibly taking the average of the two appraisals, rather than the higher one.

Rogers did not think the property owner would consider taking the average of the appraisals. Whatever the appraisal ends up being is what the state will reimburse. Because the land is in the city limits, the value is higher than if it were in the county. But the project also earned extra points for being within city limits.

Chair Kazarian asks what per acre price the property owner is considering for the remaining 11.5 acres if he sells it as a subdivision. Rogers states the property owner does not have imminent plans for a subdivision at this time.

Mr. Henderson then poses a question about the reason behind the purchase option agreement, because his familiarity with Prop 68 grant applications only requires a letter of intent, not a formal agreement and a non-refundable dollar amount.

Rogers state that having an option agreement is the least amount of site control that would suffice. He also states that during meetings with the other GSAs it was mentioned that if the SKGSA does not already own the land, an option agreement was needed.

Mr. Henderson asks if the non-refundable \$10K is already in the SKGSA budget.

Secretary Peters states that no, it was not something that was originally budgeted for in this fiscal year. Funds to make that payment are available, but a budget amendment may be necessary.

\$10K will be split between each member agency based on pumping percentages. Roughly: Sanger – \$4,253; Parlier - \$1,688; Kingsburg - \$2,190; Del Rey - \$533; and Fowler - \$1,335.

Chair Kazarian also recommends proposing the sale price be based on an average of the two appraisals, rather than the higher of the two.

Rogers proposes to also include alternate language that if the sale price is based on the higher of the two appraisals, having a third party appraiser review the property owner's appraisal to validate the appraisal.

Motion to approve the option agreement, giving latitude to staff to see if 1) the property owner will split costs of the parcel map filing fee and 2) agree to a review of their appraisal to make sure it meets all proper guidelines. Motion moved by J Hurtado and second by Ramirez. Roll call vote

Ayes – E Hurtado, J Hurtado, Ramirez, Kazarian

Nos –

Absent – Pimentel

SECRETARY REPORT

Peters made a note on the record that Member Frank Gonzalez, City of Sanger, is being replaced by Esmeralda Hurtado.

Need to pass a resolution to authorize FID to file the application on behalf of SKGSA by 8th of January.

Time & Place for next meeting: December 29th at 5pm via Zoom

BOARD MEMBER COMMENTS

E. Hurtado introduces herself and is excited to be a part of the SKGSA.

ADJOURNMENT

Having no further business Chairman Kazarian adjourned the meeting at 7:04pm.