



TOWN OF MAMMOTH
MINUTES OF A SPECIAL MEETING
OF THE MAMMOTH TOWN COUNCIL
HELD ON
September 15, 2020

These are the Minutes of a Special Meeting held by the Mammoth Town Council
On September 15, 2020 pursuant to the notice required by Law.

This is a "by phone" conference call meeting

Due to the COVID-19 Pandemic and our efforts to slow the spread we have chosen to use a
technological virtual meeting room to keep all members and attendees safe in this time of
crisis.

- 1. CALL TO ORDER - This meeting was called to order at 4:37 pm
2. PLEDGE OF ALLEGIANCE S. Christiansen
3. ROLL CALL

PRESENT MEMBERS

- Councilwoman Martinez
Councilman Bustamante
Mayor Dietz
Vice Mayor Anaya
Councilwoman Amparano
Councilman Martinez
Councilman Romo-

PRESENT STAFF

- Attorney S Cooper
Interim Town Manager John Schempf
Town Recorder S Christiansen

ABSENT MEMBERS

- Councilwoman Amparano

Council Members, Staff, and the General Public were given notice that the meeting would be by phone and
the public was encouraged to call in and listen to the meeting.
Call in at: 1877-309-2073 Access Code: 615628829#

4. NEW BUSINESS

Approval of Various Agreements by the Town of Mammoth with the United States
Department of Agriculture Rural Development by regarding Rural Development Financing
Programs for Water and Wastewater Treatment Improvements:

- A. Consideration and Possible Approval of Commitment of Funds by the Town of Mammoth by
entering into a loan in an amount not to exceed \$500,000, for water system improvements.

J. Schempf- This loan would be for 40 years with a 1.5% interest rate. Payments would be at \$1440 per
month. With the first payment due after 2 years. With the grant this would be a 7.5 million dollar project
that must be used on our water improvements.

Councilwoman Martinez- Does it state in the contract that if we do not get the grant do we have to get the
loan?

J. Schempf- No, they go together, if we were approved for the loan and the grant did not go through, we
would not spend the \$500,000. We would file documents to return the monies. Also I would like Mr.
Cooper to speak to the fact that we are ratifying previous signing of these documents.

S. Cooper- We were advised by Rural Development that the deadline for these applications was Sept. 18
and that many of these are kicked out for small errors. Rural Development did not want wait until after our
meeting on the 17th should this to occur, time is short, therefore we have had the documents signed and
submitted as of Sept 14th, so that if we need to make any corrections we can do so prior to the deadline date
and time. It appears that the intent of Rural Development is for us to get the \$500,000 loan and the Grant in
the amount of \$ 6,946,790. As stated if this is not approved we will not draw on the funds. The idea being

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that once approved they will deposit funds and we will draw upon these as expenses are incurred. I believe the first two years are interest only payments, with full payments to begin after the two years.

Councilman Romo- I think we need to pass this, the town is all up in arms about the water rate, but this is what we need, water improvements. They complain the water rate is up, but we have to get the money somewhere to pay for these projects and improvements. Here we have a chance to get the improvements we all want, and the water rates is how we pay for it.

Councilman Bustamante- What was the percentage rate again?

S. Cooper- it is about 1.25% over 40 years.

Vice Mayor Anaya- We on the Council have to make decisions that the people do not like, such as the water rates. But, to make these improvements that they want we have to make these hard decisions on their behalf. Some people may not like it but we are here to do what is best for the town and the people of Mammoth.

J. Schempf- Rural Development stated that this is probably going to be the last time this amount of money is going to be granted. We are really fortunate to be considered for this grant.

Motion is to Approve Commitment of Funds by the Town of Mammoth by entering into a loan in an amount not to exceed \$500,000, for water system improvements.

Motion by: Councilwoman Martinez Second by: Councilman Martinez

Motion Passed Vote 6-0

- B. Consideration and Possible Approval of Request for Colonia Grant in an approximate amount of \$7,000,000, for water system improvements.**

No Discussion on this Item

Motion is to Approve Request for Colonia Grant in an approximate amount of \$7,000,000, for water system improvements.

Motion by: Councilwoman Martinez Second by: Councilman Romo

Motion Passed Vote 6-0

- C. Consideration and Possible Approval of Letter of Intent to Meet Conditions of Loan and Colonia Grant.**

No Discussion on this Item

Motion is to Approve Letter of Intent to Meet Conditions of Loan and Colonia Grant.

Motion by: Councilman Romo Second by: Vice Mayor Anaya

Motion Passed Vote 6-0

- D. Consideration and Possible Approval of United States Department of Agriculture Rural Development Letter of Commitment for Town of Mammoth 2020 Water Systems Improvements Water Application 2020 CFDA 10.760**

J. Schempf- This is signed by the Mayor agreeing to follow all the condition of the Letter of Commitment passed previously.

Councilwoman Martinez- I am confused over paragraph 36 which states that if we are unable to obtain sufficient credit to finance our needs elsewhere at reasonable rates, that we agree to use the funds specified here in accordance with... I am confused here are we still talking about the grant here? What does this refer to?

S. Cooper- This is legal terminology, if we were not almost certain that we could receive these grants we would not be proceeding. Rural Development cannot say that we are approved but, the way it was put to us is, that with a high degree of certainty, we will be able to obtain this funding sometime after their fiscal closing which I believe is Sept. 30th. So we should hear something by the first part of October.

Councilwoman Martinez- Just to clarify, if we do not get the grant then we do not have to accept the loan?

S. Cooper- Yes, that is correct.

Motion is to Approve United States Department of Agriculture Rural Development Letter of Commitment for Town of Mammoth 2020 Water Systems Improvements Water Application 2020 CFDA 10.760

Motion by: Councilman Bustamante Second by: Councilman Martinez
Motion Passed Vote 6-0

- E. Consideration and Possible Approval of Resolution No. 2020-09 to Borrow (LOAN) the sum of \$500,000, and Receive a Colonia Grant in the approximate amount of \$7,000,000 for Water System Improvements.**
No Discussion on this Item

Motion is to Approve Resolution No. 2020-09 to Borrow (LOAN) the sum of \$500,000, and Receive a Colonia Grant in the approximate amount of \$7,000,000 for Water System Improvements.

Motion by: Councilwoman Martinez Second by: Councilman Romo
Motion Passed Vote 6-0

- 5. Possible Executive Session – NONE**

- 6. Adjourn**

Motion is to adjourn meeting at 4:57 PM

Motion by: Vice Mayor Anaya

Second by: Councilman Martinez

Motion Passed Vote 6-0

I certify that the preceding is a true and correct copy of the Town of Mammoth Council Meeting held September 15, 2020. I further certify that the meeting was duly called and held.

J. Schempf, Interim Town Manager