

City of New Madrid
City Council Meeting Minutes
April 13, 2020
6:00 p.m.

The Board of Aldermen met on Monday, March 23, 2020 at 6:00 pm via the internet. Adm. Richard McGill made the connections for the meeting. Mayor Richard Bodi presided with the following participating: Ald. Riley, Ald. Keene, Ald. Chism, Ald. Young, Ald. Cravens, and Ald. White.

OLD BUSINESS:

1. The minutes from the March 23rd meeting were presented. Ald. Cravens made a motion to approve the minutes and Ald. White seconded the motion. A vote was taken and all voted “yes”. The minutes were adopted.

2. City Administrator’s Report: Adm. McGill stated he wanted to share what the City’s position is currently on the effort to assist National Steel with the ability to obtain the power they would need to operate the steel mill, at the rate that they needed as well. The City needs a way to reduce our power costs starting in 2022 when the power agreement with Associated Electric will increase our cost substantially. He then introduced Justin McCann from Smith and Company. Justin, who has helped the City with several projects, is again assisting with the search for a power source that will satisfy the needs of National Steel and the City of New Madrid. Justin stated that once Ameren had pulled out of the agreement with National Steel, AECl had been contacted to see if they were interested. However, AECl was not able to provide the power at the price needed. Since then discussions have taken place with MPUA and the Missouri Joint Electric Utility Commission, BMU (Board of Municipal Utilities of Sikeston) and ATXI on the possibility that this coalition could supply the power to the City of New Madrid, who in turn could sell it to National Steel. The price needed should be more than attainable. Adm. McGill then stated that this could not only solve the power problem for the Steel Mill but could also provide the City’s power needs going forward at a lot less than we are scheduled to start paying for power beginning in 2022 with AECl. He stated that the City of New Madrid is already a member of the Missouri Joint Electric Utility Commission and all discussions with them have been very helpful and favorable. We are looking at a rate from MPUA that is below what we are currently paying and if you do nothing, our rates with AECl would be quite a bit higher in 2022 and those rates would only be good for 10 years with rate increases every 5 years thereafter. The RFP is being negotiated to serve the steel mill and improve our long-term power situation. He then said that all of the entities involved had signed off on the RFP. Mr. McCann said that it was important to note that in comparison to the agreement signed

with AECl in 2013, this could be a blessing in disguise for the City. This could provide very cheap power.

Ald. Riley asked if there was any downside to this? Ald. White stated that he could not see any at all. Ald. McGill told the group that so far, the City had not agreed to anything that was binding.

Mayor Bodi said that he wanted to look further into everything to make sure there would be no way that if the steel mill faltered, the City would be left with any debt.

Ald. McGill stated that another thing that was recently brought up on some of the calls was the they City could possibly sell the excess power. Mr. McCann said that this is looking very, very good. MPOA are expecting multiple offers.

Mayor Bodi stated that he believed they should put the RFP out and see what they could get.

Atty. Bock stated that they should proceed since everything was non-binding.

Adm. McGill said that he would continue the negotiation with our engineers assisting.

Mayor Bodi said that he is very excited about this.

Adm. McGill then mentioned that we have been having some severe sewer issues on Kingshighway, Waters and Mott streets. The high water and the sink holes have been a difficult situation. Mayor Bodi said that they had to repair two of the pumps and had to order a new one that was expected in the next day. The pumps had burned up due to being inundated by sand, not water. He said that he thinks the sand is coming from Riley's field. He said that they had only found one of the pumps that they needed in the country. They had pulled 800 gallons of sand out of the sink hole 9 times!

Adm. McGill then stated that the bid thru Smith & Company to replace the water lines came in at \$795,000.00 with FEMA projecting a cost of \$220,000.00. He responded back to FEMA with the new amount and an email from Billy Cobb who was on the FEMA call as well asking for a revision in the amount.

Ald. White asked how long we need to put off the street repair. He stated that he would hate to see us waste \$300,000 on the streets only to have all that snow and ice melt from the north come down and damage the repairs.

Ald. Riley said he thinks we need to get the SONAR people back since it seems that we have more voids that were not there when they first were here and gave us that report.

Adm. McGill said that brings up another discussion, Chris Lambert said that a decision would need to be made before early August as we probably would not have access to asphalt long after that.

Mayor Bodi said that we will also have to repair the roads where we have had sinkholes.

There being no further business, Ald. White made a motion to adjourn and Ald. Chism seconded. A vote was taken as follows: Ald. Riley – yes, Ald. Keene – yes, Ald. Chism – yes, Ald. Young – yes, and Ald. White – yes. The meeting adjourned.