

**Dear Valued Sewer Customers of Hermann:**

Our Board of Aldermen unanimously voted to place a question on the August 6<sup>th</sup> ballot for sewer revenue bonds in the amount of \$15,000,000. This initiative is aimed at extending and improving the existing system over the next two decades.

**What is the Problem?**

The first project, estimated to be \$1,715,000, will be to solve the constant flooding of the Hermann Lions



Field Lift Station. During our frequent floods, the lift station, which is in a flood plain cannot perform properly, backing up sewers in downstream homes. In 2021 the Missouri Department of Natural Resources (DNR) issued a warning letter. DNR told the City that we **MUST** solve these improper and unsafe sewer conditions.

The proposed project will relocate the lift station and build a new forced sewer main to the Gutenberg Lift Station. This will ensure the continued safety, reliability and efficiency of our sewer treatment.

**This sewer project is NOT optional. We are required by DNR to make these improvements.**

**Benefits and Opportunities (or Why a VOTE?)**

Our City may borrow with lease obligations anytime without a vote. However, with voted bonds we demonstrate our commitment to the Missouri DNR. With voted bonds, we are able to borrow from DNR at a **fixed subsidized interest for 20 years at 1.75%**. If we use non-voted obligations, our borrowing interest rates more than double to 4.50% or higher.

Voted bonds also help us become eligible for grants. **Grants NEVER have to be repaid.**

These financial benefits **significantly reduce any customer rate increase needed for these sewer projects.**

**How Much will this Cost:**

When we issue bonds, likely within next three years, there will be a monthly increase to retire our debt. We are seeking grants, but without knowing how much we will receive it is difficult to estimate the cost. However, if we use leases (non-voted obligations), the cost of the same project will raise rates substantially higher.

**Stay Informed:**

Our City will have a **public meeting** to review the engineering and financial details. We encourage you to attend this informational session. Your understanding is crucial in making an informed decision.



**PUBLIC MEETING AT CITY HALL  
1902 Jefferson Street  
Monday, July 8, 2024  
6:30 p.m.  
YOUR VOTE COUNTS!**

***The Election is August 6, 2024. The Mayor and Board encourages everyone to PLEASE vote.***