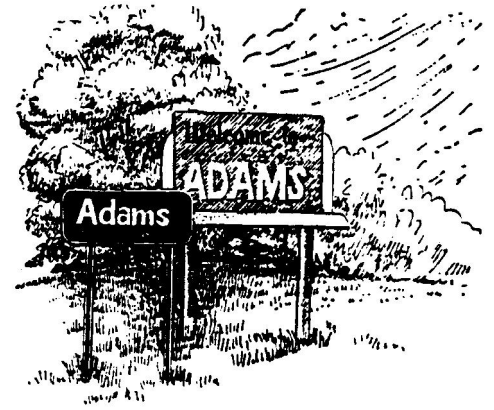


CITY OF ADAMS

303 West Main Street
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Adams, MN 55909

Phone: 507-582-3601
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11/15/2023

To the City of Adams Residents & Businesses,

The City of Adams is in the process of garnering funding for phase number one of a new well project, which includes the drilling and construction of a new well #5. The construction project will involve two more phases, including constructing a new pump house that will be utilized with the new well, connecting the new well to existing water mains, and updating the existing pump house, which serves well #4. We are working with the Minnesota Public Facilities Authority (MPFA) and the Drinking Water Revolving Fund (DWRF) to gain the funding necessary to complete this project. Since this loan will strictly be used for water utility improvements, the MPFA requires the City of Adams to pay the loan back through its water fund and cannot levy property taxes for repayment. This means the city will need to raise water rates to increase the water fund to repay the loan. The city worked with Northland Securities, the city's financial advisor, to revise water rates that would help to pay off the loan amount for phase number one of the well project. New water rates will be as follows starting the 4th quarter of 2023.

\$45.00 Minimum raised from \$13.00 plus \$8.50 per 1000 gallons used raised from \$7.75, which means that a person's water bill who is using 10,000 gallons of water a quarter will increase by approximately \$39.00 / quarter or \$13.00 / month. These rate increases will be utilized to cover phase one of the project. More than likely, rates will need to be increased further to finance the last 2 phases of the project.

Recently, the city has had video work done on a couple of sewer mains. The video shows that both mains are in dire need of repairs. To finance the cost of repairing these mains, the sewer rates have increased as follows:

\$15.00 Minimum from \$13.00 plus \$8.50 per 1000 gallons used raised from \$7.75, which means that a person's sewer bill who is using 10,000 gallons of water will increase by approximately \$9.00/quarter or \$3.00/month.

If you have any questions or concerns, please contact me at City Hall.

Thanks
Jake Goodale
City Clerk
Adams, MN