

**MEMORANDUM**

To: Tom Ratterman, Wendy Wieggers
From: Joey McLiney
Date: 10/23/2023
Re: APRIL 2, 2024 ELECTION AND FUTURE COMPLIANCE

Comments: Tuesday, January 23, 2024, is the last day to put something on the April 2024 ballot. The BCRSD has nearly exhausted its voted bond authority.

As you are aware, the District can easily access the capital markets by using Certificates of Participation (COPs) or Lease-Purchase (LPs). However, with ongoing DNR-mandated compliance issues, voted revenue bonds hold the greatest opportunity to keep interest rates to the lowest level possible.

The markets today would see the District's interest rates on 20-year, fixed rate COPs or LPs at, or above, 5.00%. Tax-Exempt Interest rates follow the US Treasury Market very closely. The trend of the 10-Year Treasury Bond is concerning (see chart below).

With voted bonds, BCRSD will be able to issue debt through the state sponsored program **at less than 2%** (fixed, 20-Years), roughly half the current market rates. Completing the projects required by your compliance schedule without securing additional voter authorization would require significant increases in user rates. In addition, only with voted bonds will the District have an opportunity to secure grants.

I recommend that now would be a good time to approach the board about a spring election as well as the game plan required to successfully pass the bonds. If you concur, please place us on the November agenda to present this idea to the board and seek direction from them on if they'd like to proceed in this direction.

