

Public Comment August 19, 2025

Good evening. My name is Debbie Schnedler, a long-time resident of Boone County and a former trustee.

My first comment regards communication with district customers on the Area Wide Management Plan and user rates. The Sunshine law requires that all public governmental bodies give notice of meetings and its tentative agenda "in a manner reasonably calculated to advise the public of the matters to be considered." BCRSD technically complies with these posting requirements, but it is not reasonable to assume that customers routinely either visit the district office or its website over the specific one or two days of such posting.

The issue of raising rates is likely a significant concern to customers, and the district is required to hold a public hearing with 30-day notice. For the July 2025 rate increase the public notice consisted of one insertion in the legals section of the Columbia Missourian, a digital first newspaper. District customers would therefore either need to subscribe to or follow the paper on an on-line platform to have access to that notice.

For the AWMP and CIP, management developed a list of "stakeholders", including municipalities, organizations, and companies, all of which have been individually notified in some manner about the AWMP. District customers are not on the stakeholder list. Although only sewer district customers will pay the cost of implementation, the plan to provide them with an opportunity for involvement is currently the same as for a rate increase: a public hearing with proper notice, an afterthought to "stakeholder" outreach.

I would also like to comment on financial advisory services. Various meeting minutes on this topic seem to reflect that management has conflated financial planners and financial advisors, which have distinct focuses and provide different scopes of services. For bond issues, financial advisors are regulated by the SEC and MSRB in their roles.

June minutes stated: "It was noted that while best practices recommend reviewing such service contracts every five to seven years, the current planner has been in place significantly longer without a formal review or competitive process." This statement is false. The current financial advisor was hired in 2021 subject to a competitive RFQ process and has only served for 4 years. It is not uncommon for bond issuers to retain financial advisors for longer periods, as they maintain institutional knowledge, aggregated cash flows, schedules for continuing disclosure, and provide other functions.

To imply the district follows best practices or its policies for administrative procurement timelines is disingenuous. During my 22-year tenure as a trustee, the district issued competitive bids for banking and investment services twice, independent auditor twice, and never for retirement plan administrator or independent insurance agent, to my best recollection.

The minutes also stated: "There was some uncertainty regarding the original contract terms and fee structure of the current planner. . .," which uncertainty is I believe on the part of management. The district has financed all its capital improvement projects through the SRF, which contracts its own finance team. The previous GM had informed the board for years of his intent to update the AWMP and CIP. After many discussions about the pros and cons of SRF, and the work necessary to directly access

capital markets, the decision was made to retain the services of a financial advisor with capital markets experience, with the intent that they would be on board to guide staff through the process of securing a finance team and completing an inaugural bond issue.

Financial advice for ongoing programs is often solicited in two parts: bond issue-related and other or programmatic advice and the RFQ asked for fees accordingly. McLiney and Co. proposed no hourly fee for programmatic work, based on their general understanding of what staff were likely to request; hence there was no fee in the agreement and the reason McLiney has assisted the district with leases without a fee. The agreement expresses fees and expenses for bond issues in an industry standard format of \$x per \$1000/bond.

The meeting included a memo from Stephens stating the “rationale was that in the eventuality that we receive any State funding or go forward with a bond issue, we should have updated qualifications and an agreement in place with our financial advisor.” Currently, the Financial Advisor qualifications are more up to date than those of most district agreements and the agreement has reasonable terms.

McLiney has a history of and with the district’s debt portfolio, knowledge of the SRF and other capital markets, and knowledge of developing and marketing new credits. The BCRSD does not have a bond rating and has only issued bonds to DNR, equivalent to a private placement. Accessing the bond market will require procuring a finance team, obtaining a credit rating, obtaining bond insurance, preparing disclosure, complying with district’s bond indenture, etc. Your staff has no bond-finance experience and does not understand any of this.

I reviewed the proposed job description for the finance manager replacement, and knowledge or experience in financing capital projects is not included. Considering that you are not seeking this experience, you are not likely to get it, so how will a new hire be able to provide any value or insight into the district's financial advisory needs? How will having staff with no financial experience evaluating financial advisors provide for a better outcome than the current situation?

Hiring a new financial advisor (or planner) may satisfy a political expediency, but it will not be the best outcome for district customers should the result be paying higher all-in costs to finance future projects. It would be a self-inflicted wound to jettison McLiney and Co. over the next few years, better to allow learning time and experience for someone on staff. For the record, I have never had, nor do I have any type of business or personal relationship with McLiney & Co. nor its principals.

Thank you.